

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



JUN 15 2012

The Honorable Janice K. Brewer
Governor of Arizona
State Capitol
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Brewer:

This letter provides approval of an extension of Arizona's current Workforce Investment Act (WIA) and Wagner-Peyser Act (W-P) State Plan for a portion of Program Year (PY) 2012. This letter also provides approval of extensions for Arizona's current waivers. Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, provides guidance for states to secure approval of their WIA/W-P State Plans and waivers for PY 2012. In accordance with TEGL No. 21-11 and your extension request, the State must submit a full five-year WIA/W-P State Plan and annual W-P Agricultural Outreach Plan by September 15, 2012.

Extension of State Plan

Arizona's existing State Plan will expire on June 30, 2012. This letter constitutes a written determination under WIA Section 112 (29 USC 2822) that the Employment and Training Administration (ETA) is temporarily extending the approval of Arizona's State Plan for WIA Title I and the Wagner-Peyser Act into PY 2012, for the period July 1, 2012 through December 31, 2012. The State already received its formula allotment for the WIA Youth program for PY 2012. The State is eligible to receive WIA formula allotments for the Adult and Dislocated Worker programs under the PY 2012 Annual Funding Agreement. The W-P Annual Funding Agreement on PY 2012/Fiscal Year 2013 will provide the W-P Act initial base allocation of PY 2012 funds.

Performance Levels

Arizona requested to temporarily extend its existing PY 2011 WIA performance goals for a portion of PY 2012. ETA has incorporated these performance goals, identified as PY 2012 performance goals, into the Regional and National Office copies of the State Plan. Please include these PY 2012 goals in the State's official copy of the State Plan. As required by TEGL 21-11, the state must renegotiate its new PY 2012 goals upon submission of its full State Plan.

Waivers

As part of the State's extension of the WIA/W-P Act State Plan, and as described in TEGL No. 21-11, the State requested temporary extensions of Arizona's PY 2011 waivers of statutory and regulatory requirements under WIA for PY 2012. The disposition of the State's waiver is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State was previously granted a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted an extension of this waiver through December 31, 2012. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs.

Waiver of WIA Section 123 that requires that providers of Youth program elements be selected on a competitive basis.

The State was previously granted a waiver of the requirement for competitive procurement of service providers for three of the ten youth program elements. The State is granted an extension of this waiver through December 31, 2012. Under this waiver, the State is permitted to allow its One-Stop Career Centers or partner agencies to directly provide the youth program elements of supportive services, follow-up services, and work experience. In utilizing this waiver for these elements, the State and local areas must still meet Office of Management and Budget requirements (codified in 29 CFR 95.40-95.48 and 97.36) and all state and local procurement laws and policies.

Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State was previously granted a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. The State is granted an extension of this waiver through December 31, 2012. Under the waiver, the following sliding scale is permitted: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the current statutory

requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide customized training to individuals 18 years of age or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The State was previously granted a waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530. The State is granted an extension of this waiver through December 31, 2012. Under the waiver, the State is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the State to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

Waiver to permit the Gila County REPAC to negotiate a uniform set of measures and represent the five local areas in preparation of the State annual report as described in Section 136(c); 20 CFR 666.300 and 666.310.

The State was previously granted this waiver to support its integration of the Gila County REPAC. ETA is granting an extension of this waiver through December 31, 2012.

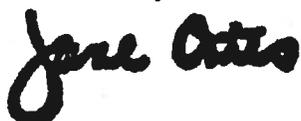
Waiver of WIA Section 136(h) and 20 CFR 666.420 to apply any applicable sanctioning to the Gila County REPAC with regard to those performance measures that were negotiated collectively.

The State was previously granted this waiver to support its integration of the Gila County REPAC. ETA is granting an extension of this waiver through December 31, 2012.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as described in TEGL No. 29-11, the State should address the impact that these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to receiving your full State Plan for PY 2012 and working together as you implement your State workforce strategies. If you have any questions related to the issues discussed above, please contact Latha Seshadri the Federal Project Officer for Arizona, at 415-625-7937 or Seshadri.Latha@dol.gov.

Sincerely,

A handwritten signature in black ink that reads "Jane Oates". The signature is written in a cursive, slightly slanted style.

Jane Oates
Assistant Secretary

Enclosure

cc: Todd Yamamoto, Acting Regional Administrator, ETA San Francisco Regional Office
Latha Seshadri, Federal Project Officer for Arizona

DEPARTMENT OF ECONOMIC SECURITY
Your Partner For A Stranger Arizona

Janice K. Brewer
Governor

Clarence H. Carter
Director

Aprill, 2012

Ms. Heather Fleck
Federal Coordinator for Plan Review and Approval
Division of Workforce System Support
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, NW, Room S-4231
Washington, DC 20210

Dear Ms. Fleck:

Arizona's Strategic State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act will expire on June 30, 2012. In accordance with IEGL No. 21-11, Arizona is requesting a temporary extension of our currently approved Arizona WIA/Wagner-Peyser State Plan and current waivers into Program Year (PY) 2012.

As indicated in TEGL No. 21-11, Arizona has decided to use the goals negotiated for PY 2011 for PY 2012. The performance levels for PY 2012 are:

Adult

Entered Employment Rate	70.5%
Employment Retention Rate	84.0%
Average Earnings	\$11,200.00
Employment and Credential Rate	66.0%

Dislocated Worker

Entered Employment Rate	75.0%
Employment Retention Rate	87.5%
Average Earnings	\$14,000.00
Employment and Credential Rate	72.0%

Older Youth

Entered Employment Rate	73.0%
Employment Retention Rate	80.0%
Six Months Earnings Increase	\$3,400.00
Credential Rate	50.0%

Younger Youth

Skill Attainment Rate	83.0%
Diploma or Equivalent Rate	58.0%
Retention Rate	65.0%

Customer Satisfaction

Employer	71.0%
Participant	71.0%

Wagner-Peyser Entered

Employment Employment	60.0%
Retention Rate Average	73.0%
Earnings	\$10,500.00

Arizona is requesting the extension of the current waivers through PY 2012. The waivers currently in place are:

- 1) Waiver of the provision at 20 CFR 663.520 that prescribes a time limit on the period of initial eligibility for training providers.
- 2) Waiver of WIA Section 136(h) and 20 CFR 666.420 to apply applicable sanctioning to the Gila County Reemployment and Pre-Layoff Assistance Center (REPAC) with regard to those performance measures that were negotiated collectively.
- 3) Waiver to permit the Gila County REPAC to negotiate a uniform set of measures and represent the five local areas in preparation of the State annual report as prescribed in Section 136(c); 20 CFR 666.300 and 666.310.
- 4) Waiver of Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.
- 5) Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).
- 6) Waiver of WIA Section 123 requires that providers of Youth Program elements be selected on a competitive basis.

Arizona will submit the new Integrated Workforce Plan for PY 2012-2016 by September 15, 2012.

Ms. Heather Fleck
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The extension will allow the state of Arizona to develop strategic planning on the Governor's vision, workforce challenges, and service delivery strategies by bringing involvement from different levels of the workforce system in developing the appropriate sections of the Integrated Workforce Plan.

Your consideration of this request is appreciated. If you have questions, please contact Thomas Colombo, Administrator, Employment Administration at (602) 542-3667.

Sincerely,

A handwritten signature in black ink, appearing to read "James J. Apperson". The signature is fluid and cursive, with a large initial "J" and "A".

James J. Apperson
Assistant Director
Employment and Rehabilitation Services

cc: Todd Yamamoto, Acting Regional Administrator, U.S. Department of Labor
Rosemary Cowan, Chief, Division of Workforce Investment, ETA, Region 6