



JUN 15 2012

The Honorable John Kitzhaber
Governor of Oregon
State Capitol, Room 160
900 Court St. N.
Salem, Oregon 97301

Dear Governor Kitzhaber:

This letter provides approval of an extension of Oregon'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 Oregon'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

Oregon'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 Oregon'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

Oregon requested to temporarily extend its existing PY 2011 WIA and W-P 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 Oregon's PY 2011 waivers of statutory and regulatory requirements under WIA for PY 2012. The disposition of the State's waiver extensions 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 to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The State was previously granted a waiver that allows the State to replace the 17 performance measures under WIA Section 136(b) with the common measures. The State is granted an extension of this waiver through December 31, 2012.

This waiver permits the State to negotiate and report WIA outcomes against the common performance measures only, rather than the performance measures described at WIA Section 136(b). The State will no longer negotiate and report to ETA on the following WIA measures: WIA adult and dislocated worker credential rates; participant and employer customer satisfaction; older youth measures; and younger youth measures. The State will use the three adult common performance measures to negotiate goals and report outcomes for the WIA Adult and WIA Dislocated Worker programs. The State will use the three youth common performance measures to negotiate goals and report outcomes for the WIA Youth program. Workforce Investment Act Standardized Record Data system (WIASRD) item 619, Type of Recognized Credential, should be completed for each individual as appropriate, regardless of this waiver to report on common performance measure outcomes only.

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 of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The State was previously granted a waiver to permit local areas to conduct allowable statewide activities as defined under WIA Section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The State is granted an extension of this waiver through December 31, 2012. Under this waiver, the State is permitted to allow local areas to use up to 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training only as part of a layoff aversion strategy. Use of Adult funds must be restricted to serving lower income adults under this waiver. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA Section 134(d), and the State is required to report performance outcomes for any individual served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD), field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.

The State was previously granted a waiver to permit use of rapid response funds to conduct allowable statewide activities as defined under WIA Section 134(a)(3), specifically incumbent worker training. The State is granted an extension of this waiver through December 31, 2012. Under this waiver, the State is permitted to use up to 20 percent of rapid response funds for incumbent worker training only as part of a layoff aversion strategy. ETA believes limiting incumbent worker training to layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the

workforce system. All training delivered under this waiver is restricted to skill attainment activities. The State is required to report performance outcomes for any incumbent workers served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD), field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The State was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The State is granted an extension of this waiver through December 31, 2012. Under this waiver, the State can use ITAs for older youth and out-of-school youth program participants. The State must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The State should ensure that funds used for ITAs are tracked and that the ITAs are reflected in the individual service strategies for these youth.

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 Marian Esver the Federal Project Officer for Oregon, at 415-625-7948 or Esver.Marian@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Todd Yamamoto, Regional Administrator, ETA San Francisco Regional
Office
Marian Esver, Federal Project Officer for Oregon



Oregon Employment
Department
875 Union St. NE
Salem, OR 97311
Phone (503) 947-1471
Fax (503) 947-1472
<http://www.oregon.gov/EMPLOY>

Department of
Community Colleges and
Workforce Development
Public Service Building
255 Capitol Street NE
Salem, Oregon 97310
Phone (503) 947-2401
Fax (503) 378-3365
<http://legov.oregon.gov/CCWD>



April 13, 2012

Division of WIA Adult Services and Workforce System
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, NW, Room S-4209
Washington, DC 20210
ATTN: Heather Fleck

Dear Ms. Fleck:

Oregon requests a temporary extension of our current WIA Title I/Wagner-Peyser Plan, current negotiated performance levels and all currently approved waivers. Oregon intends to submit a new five-year plan on September 15, 2012. The Oregon Workforce Investment Board (OWIB) has been carrying out a strategic planning process and the extra time will allow for developing state and local strategies and more inclusion of stakeholders statewide.

Timing of Strategic Planning and Stakeholder Involvement

Our process began with a review of the effectiveness of our current strategic plan, *Winning in the Global Market*. This phase of the work resulted in a "report card" of the plan and a gap analysis and recommendations for updating the plan. The second phase is to actually update the plan. The OWIB, the Governor's Workforce Policy Cabinet, and the Local Workforce Investment Boards and partners are all very much involved. Documents relating to the strategic planning process may be found at <http://www.worksourceoregon.org/state-workforce-board/statewide-strategic-plan>.

OWIB's overarching strategic plan is scheduled to be completed by June 30. However, a state and local implementation process will start in July. It is expected that implementation planning will further inform the strategies for the WIA/Wagner-Peyser State Plan and will allow for even more intensive participation by stakeholders at all levels.

Waivers to be Extended

Oregon's current waivers for which an extension is requested are:

- Waiver to permit the state to replace the performance measures at WIA Section 136(b) with the common measures;
- Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers;
- Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training;

Heather Fleck
April 12, 2012
Page 2

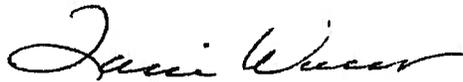
- Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds received for rapid response activities to be used for incumbent worker training; and
- Waiver of the prohibition at 20 CFR 664.510 in the use of Individual Training Accounts for older and out-of-school youth.

Thank you very much for your consideration of this request.

Sincerely,



Camille Preus
Commissioner
Oregon Department of
Community Colleges and
Workforce Development



Laurie Warner
Director
Oregon Employment Department

C:
Todd Yamamoto, DOL
Greg White, OWIB
Karen Humelbaugh, CCWD
File