U.S. Department of Labor

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

OCT 13 2009

The Honorable Mike Beebe
Governor of Arkansas
State Capitol
Little Rock, Arkansas 72201

Dear Governor Beebe:

As part of Arkansas' modification to the State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, the State submitted a waiver plan to request that the State's waivers of statutory and regulatory requirements under WIA be approved for the remainder of Program Year (PY) 2009 (copy enclosed). This request is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission. This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act.

In the letter dated June 29, 2009, ETA granted Arkansas approval of the following waivers through June 30, 2010:

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

The approvals for these waivers remain in effect. The letter dated June 29, 2009 granted temporary extensions of the remainder of Arkansas' waiver requests. The previous approval of the extensions is hereby terminated and replaced by decisions set forth in this letter.

<u>Requested Waiver: 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</u>.

The State is requesting 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 this waiver through June 30, 2010. Under the waiver, transfer authority will be 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. As stated in ETA Training and Employment Guidance Letter (TEGL) No. 14-08, Section 19, issued on March 18, 2009, this waiver does not apply to funds made available through the American Recovery and Reinvestment Act of 2009. However the State is permitted to transfer up to 30 percent of ARRA funds between programs under WIA and under the Department of Labor Appropriations Act of 2009. This authority is discussed in TEGL No. 14-08, change 1.

The approved waiver is 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 required by TEGL No. 14-00, Change 3, the State should address the impact of this waiver on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Joseph Juarez, the Regional Administrator for Region IV, at 972-850-4600 or Juarez.Joseph@dol.gov.

Sincerely,

Jane Oates

Jane Oates
Assistant Secretary

Enclosure

cc: Kajuana Donahue, Federal Project Officer for Arkansas, ETA Dallas Regional Office
Joseph Juarez, Regional Administrator, ETA Dallas Regional Office

State of Arkansas
Workforce Investment Act
Waiver Plan

June 30, 2009

1. **Waiver of the funds transfer limit between the WIA adult and dislocated worker programs to allow the State to approve local area requests to transfer up to 40 percent of local area allocations between the two programs. This waiver will not apply to Recovery Act funds.**

   The statutory or regulatory requirements that we are requesting be waived:

   WIA Section 133(b)(4)(A) and (B)

   The actions that the State has undertaken to remove state or local statutory or regulatory barriers:

   There are no existing state or local statutory or regulatory barriers to implementing this waiver request.

   The goals of the waiver and the expected programmatic outcomes if the request is granted:

   The goals of the waiver are:

   - To provide greater flexibility in the design of local area adult and dislocated worker service delivery plans
   - To enhance the ability of local boards to respond to changing workforce and economic dynamics within their local areas
   - To increase the ability of local boards to provide targeted assistance in response to customer needs

     Note: The vast majority of requests are to transfer dislocated worker funds to the adult funding stream. This is because a great number of dislocated workers qualify for training under the TAA program. The ability to transfer funds has enabled local areas to serve more adults that have not been trade impacted.

   - To enhance the local board's ability to respond to employer needs for workers trained in employer-specific skills.

   The expected outcomes are improved performance measures.

   The individuals impacted by the waiver:

   Unemployed and under-employed adults and dislocated workers

   The process to be used to monitor the progress in implementing such a waiver:

   The Arkansas Workforce Investment Board will be responsible for receiving and considering for approval, all requests for a transfer of funds. The Department of Workforce Services' Office of Financial Management and Administrative Services will track and record all funds transfers, and the Department of Workforce Services' Office of Monitoring and Compliance will monitor local level implementation.

The process by which notice and an opportunity to comment on such request has been provided:

The public has been notified of the request through public notice and a 30-day comment period.

2. **Waiver to permit implementation of (and reporting only) common measures in place of current measures. This waiver will also apply to Recovery Act funds.**

The statutory or regulatory requirements that we are requesting be waived:

WIA Section 136

The actions that the State has undertaken to remove statutory or regulatory barriers:

There are no existing state or local statutory or regulatory barriers to implementing this waiver request.

The goals of the waiver and the expected programmatic outcomes if the request is granted:

The common measures provide a simplified and streamlined performance measurement system and have become the basis of the workforce system's performance accountability.

The individuals impacted by the waiver:

Approval of this waiver will positively impact all customers of the workforce investment system by simplifying program management and performance measurement.

The process to be used to monitor the progress in implementing such a waiver:

The Arkansas Workforce Investment Board will monitor the implementation and impact of the waiver, as well as progress toward expected outcomes, through a combination of performance reporting from the local workforce investment areas and discussion with stakeholders.

The process by which notice and an opportunity to comment on such request has been provided:

The public has been notified of the request through public notice and a 30-day comment period.