



OCT 13 2009

The Honorable C.L. "Butch" Otter
Governor of Idaho
State Capitol
Boise, Idaho 83720-0195

Dear Governor Otter:

As part of Idaho's modification to the State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, the State submitted waiver plans 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). These requests are written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appear 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 Idaho approval of the following waivers through June 30, 2010:

- 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 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.

The approvals for these waivers remain in effect. The letter dated June 30, 2009 granted temporary extensions of the remainder of Idaho's waiver requests. The previous approval of the extensions is hereby terminated and replaced by decisions set forth in this letter. Unless otherwise indicated, all waiver approvals that follow apply to both WIA formula funds and funds made available under the American Recovery and Reinvestment Act of 2009.

Requested Waivers

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

The State is requesting a waiver of the requirement for competitive procurement of service providers for three of the ten youth program elements: supportive services, follow-up services, and work experience. The State is granted this waiver through June 30, 2010. Under this waiver, the State is permitted to have its One-Stop Career Centers or partner agencies directly provide youth program elements. In utilizing this waiver, the State and local areas must still meet Office of Management and Budget requirements (codified in 29 CFR Parts 95.40-95.48 and 97.36) and all state and local procurement laws and policies.

Requested Waiver: Application of WIA regulations at 20 CFR 661.300(f) to allow the State Board to carry out the roles of a Local Board.

The State is requesting a waiver to permit the state to apply 20 CFR 661.300(f) to the statewide regional planning area described in its State Plan. This provision allows states that operate as a single local workforce investment area to use the State Workforce Investment Board to carry out the requirements of the Local Workforce Investment Board. The State is seeking to use its State Board to carry out the roles and responsibilities of the local boards in the designated region encompassing the State. We are granting the waiver through June 30, 2010. Under the waiver, the Governor may designate the State Board to carry out the roles and responsibilities of the Local Boards in the designated region encompassing the State; in the same manner as permitted in single service delivery area states.

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

The State previously was granted a waiver of WIA Section 134 (a) to permit local areas to use a portion of local funds for incumbent worker training. The State has withdrawn its request to extend this waiver. The waiver approval period has lapsed, and expires as of the date of this letter.

Requested 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.

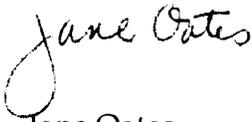
The State previously was granted a waiver of WIA Section 134 (a)(1)(A) to permit the State to use a portion of rapid response funds for incumbent worker training. The State has withdrawn its request to extend this waiver. The waiver approval period has lapsed, and expires as of the date of this letter.

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

required by TEGE No. 14-00, Change 3, the State should address the impact 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 continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Richard Trigg, the Regional Administrator for Region VI, at (415) 625-7905 or Trigg.Richard@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Dana Durfee, Federal Project Officer for Idaho, ETA San Francisco Regional Office
Richard Trigg, Regional Administrator, ETA San Francisco Regional Office

STATE OF IDAHO PY2009 REQUEST
FOR WIA PROGRAM WAIVERS

I) INCLUDE YOUTH FOLLOW-UP, SUPPORT SERVICES, WORK EXPERIENCES
AS FRAMEWORK SERVICES

A. Statutory Regulation to be Waived:

WIA Section 123, Section 117(h)(4)(B)(i), and 20 C.F.R. Part 664.400 require that eligible providers of youth services be selected by awarding a grant or contract on a competitive basis for youth activities and services.

B. State or Local Statutory or Regulatory Barriers:

Idaho has implemented WIA under federal law without any additional legislative or local limitations or requirements. No additional barriers need to be addressed.

C. Goals to be Achieved by the Waiver:

A waiver will integrate the coordination and provision of these youth activities with the elements of the Youth program design framework delivered through Idaho's One-Stop system and its twenty-five One-Stop Career Centers, all operated by the WIA fiscal agent, the Idaho Department of Labor. Integration of these services will increase customer choice and flexibility in the customer's service strategy with greater access to WIA as well as partner program services accessed through the One-Stop system.

The waiver will ensure an efficient, cost-effective delivery system by eliminating duplicate processes among training providers for work experiences. Development of worksites, building relationships with work site supervisors, training staff to monitor sites, and setting up agreements, and processes for payment of youth is very labor intensive. With this system capacity developed at the One-Stop Career Centers, it is more cost effective and eliminates a duplication of effort when the same, or very similar, services are offered by two or more organizations in the same community.

Granting the waiver will allow for a smoother flow of data that documents the delivery of youth services, as well as the outcomes that result from youth participation, since the organization that is providing framework services will be in a better position to understand where each youth is in relationship to his or her individual service strategy, when a youth has exited a WIA service or the WIA program, and when the period for follow-up begins.

The waiver will also support improved common measures reporting since the framework service provider will be in the best position to know when a WIA youth is also participating in another partner program, and therefore make a better administrative judgment as to when program completion will trigger the time period to determine a performance outcome under the new common measures.

The goals for the youth program under the waiver will be greater effectiveness, efficiency, and continuity of services. Local One-Stop Career Centers will provide greater continuity of services for youth, resulting in higher retention rates. The case management relationship with participants is based upon a thorough knowledge of the youth, their employment plan, expected outcomes, and barriers. When this relationship

continues, and services are seamlessly accessed, the youth is more likely to follow through with the service strategy in a timely manner, take advantage of available services that lead to positive change, and achieve longer retention after program exit.

D. Description of Individuals Impacted by the Waiver:

The individuals affected by this waiver will be older and younger youth customers, and organizations/agencies who might be interested in RFP opportunities to deliver youth services.

E. Opportunity for Public Comment and the Process for the Implementation of the Waiver:

Consistent with the general waiver request, the state adhered to publication requirements to insure the broadest participation possible. A public comment period from July 9, 2008 to August 11, 2008 was announced through press releases. The request for public input was also placed on the Idaho Department of Labor's home page and all current service providers were alerted to the opportunity for comment.

This waiver request was developed in response to the recommendations of Idaho's Workforce Development Council subcommittee, working with a number of statewide youth providers to study and re-design WIA youth service delivery. On September 10, 2008, the Council reviewed and approved the subcommittee's re-design recommendations, which included this waiver request and public comments received in response to the press release.

The state's Workforce Development Council reviewed and approved the extension of the waivers listed above during its meeting held on April 8, 2009. As with all Council meetings, this meeting and its agenda were highlighted in the Idaho Department of Labor's website for several weeks. Also, several newspapers throughout the state incorporated the department's press releases regarding the meeting, which also extended an open invitation to the public to attend.

F. Process used to Provide Oversight:

The Department of Labor, fiscal agent and grant recipient for WIA in Idaho, will work with its One-Stop system management staff and partner organizations to ensure successful implementation of the waiver. Applicable policies and procedures will be modified accordingly. The Department will monitor the impact of the waiver through a combination of reporting and evaluation from the local and state level. Performance measures will be evaluated quarterly to determine the impact of the waiver approval.

II) PROHIBITION ON USE OF YOUTH WIA DOLLARS TO FUND INDIVIDUAL TRAINING ACCOUNTS FOR OLDER YOUTH

A. Statutory Regulation to be Waived:

WIA Section 129 and WIA Regulations 29 C.F.R. 664.510 prohibit the use of WIA Youth dollars to fund Individual Training Accounts for youth.

B. State or Local Statutory or Regulatory Barriers:

There are no state or local statutory or regulatory barriers to implementing the requested waiver.

C. Goals to be Achieved by the Waiver:

Approval of this waiver will allow WIA Youth service providers to employ the use of *Individual Training Accounts* (ITA's) for out-of-school youth. An ITA will allow youth to receive individual training in accordance with systems established for WIA Adult and Dislocated Worker programs. The ITA will generally be applicable to older youth who lack the occupational skills to be successful in employment and whose individual service strategy reflects that skill training is appropriate and necessary to attain self-sufficiency. The ITA gives service providers options for youth which maximize efficiency and customer choice.

It is currently possible to serve older youth with ITA's by dual-enrolling in the WIA Adult program. However, dual-enrollment requires duplicative processes, increasing costs for staffing and record processing. Youth below 18 years of age have no option for ITA's since they are not eligible for the Adult program.

The goals to be achieved by the waiver are to increase: 1) The number of youth entering into employment; 2) The percentage of youth receiving credentials; and, 3) The number of youth being retained in employment.

D. Description of Individuals Impacted by the Waiver:

This waiver will impact the processes used by frontline staff to meet the skill training needs of youth customers and directly impact older WIA eligible youth allowing them to benefit from an ITA. These customers would then be able to directly receive the same types of services afforded adult and dislocated workers without unnecessary paperwork or tracking.

E. Opportunity for Public Comment and the Process for the Implementation of the Waiver:

Consistent with the general waiver request, the state adhered to publication requirements to insure the broadest participation possible. A public comment period from July 9, 2008 to August 11, 2008 was announced through press releases. The request for public input was also placed on the Idaho Department of Labor's home page and all current service providers were alerted to the opportunity for comment.

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F. Process used to Provide Oversight:

The Department of Labor, fiscal agent and grant recipient for WIA in Idaho, will work with its One-Stop system management staff and partner organizations to ensure successful implementation of the waiver. Applicable policies and procedures will be modified accordingly. The Department will monitor the impact of the waiver through a combination of reporting and evaluation from the local and state level. Performance measures will be evaluated quarterly to determine the impact of the waiver approval.

III) STATEWIDE REGIONAL PLANNING AREA—SINGLE STATEWIDE COUNCIL

A. Statutory Regulation to be Waived:

A. With this waiver, the state of Idaho is formally seeking renewal of a waiver to apply 20 CFR 661.300(f) which permits a state board to carry-out the roles of a local board in a single local area to a statewide regional planning area. Since 2002, Idaho has experienced almost a 60% percent drop in funding, excluding Recovery Act funds. This bleak financial outlook made change imperative. The shift from six regional areas to a single statewide planning area allows the state to address federal strategic priorities and to further reforms envisioned in the Workforce Investment Act. No areas in Idaho qualify for mandatory designation; with the continuing loss of funds, maintenance of the previous system was and is no longer a viable option. The state's two designated areas entered into a consortium agreement, to function as a single state area under a single regional plan. To maximize resources available for service delivery, the state wishes to continue to use the Workforce Development Council as the local workforce board for this area. This fosters sharing of data and information across regions and eases movement of customers from region to region.

B. State or Local Statutory or Regulatory Barriers:

No state or local policies limit the Governor's authority to require a regional plan or utilize the Workforce Development Council as the local workforce board for the Idaho Workforce Consortium.

C. Goals to be Achieved by the Waiver:

The state will achieve the following goals if the waiver is granted:

- 1) As seen since the first year of implementation of the waiver, the single statewide planning structure has reduced overhead from 14 percent to less than 3 percent, a reduction of more than \$1.3 million that was previously spent to support the six-region structure. This efficiency has maximized the available money directed to training and services to business and job seekers in the face of the severe federal budget cuts experienced by the state over the last several years. The state has set a goal of spending 50% of WIA local funds for direct training and support of businesses and participants, positively impacting achievement of performance goals.
- 2) This statewide structure enhances efforts to transform the system by further integrating economic development activities into the One-Stop system to ensure alignment and create greater opportunity. The 25 Department of Labor offices across the state serve as the state's One-Stop centers and incorporate a range of business services in their offerings. This recognizes the importance of sharing data and information about new and expanding businesses to build the economy across regions.
- 3) The One-Stop system has since been enhanced through expansion of the number of *IdahoWorks* One-Stop Centers from six to twenty-five, broadening the reach to Idaho's citizens and business customers in our urban and rural areas. The focus of the first year of this implementation was to build the centers' capacity to offer a full range of business development services. Subsequent years' goals are to expand One-Stop partners' participation in the One-Stop system to more fully integrate the wider range of services available at the centers.

- 4) The statewide delivery structure is enhanced through regional planning efforts under RIGs and WIRED. These more informal structures offer the opportunity for integration of work force, economic and education services in a voluntary process to transform the regions without the costs or prescription of formal local board processes.
- 5) This statewide delivery structure has afforded the Workforce Development Council an opportunity to redesign the state's youth program, taking fuller advantage of opportunities for leveraging funds among organizations serving youth. The Workforce Development Council has developed a strategic planning process designed to identify gaps and prioritize services to those youth who demonstrate the greatest need.
- 5) The single statewide structure has strengthened administrative oversight and accountability processes. The strengthened administrative structure, under the waiver, has assisted Idaho avoid disallowed costs and will continue to do so, thus further enabling the redirection of funds from service provider and administration to direct participant training and support.

D. Description of Individuals Impacted by the Waiver:

The change to a single statewide regional planning structure, in conjunction with this waiver, allowed for an increase in training opportunities for an additional 500 or more adults, dislocated workers and at-risk youth, and have since permitted the state to maintain these service levels despite additional funding cuts.

- E. Opportunity for Public Comment and the Process for the Implementation of the Waiver:
- Originally, this waiver was announced to the general public as part of the PY05 plan review process which included a process for soliciting review and comment during a three-week period and review by the state's Workforce Development Council, which included comments from the Local Workforce Investment Boards and their staff.

The state's Workforce Development Council reviewed and approved the extension of the waivers listed above during its meeting held on April 8, 2009. As with all Council meetings, this meeting and its agenda were highlighted in the Idaho Department of Labor's website for several weeks. Also, several newspapers throughout the state incorporated the department's press releases regarding the meeting, which also extended an open invitation to the public to attend.

F. Process used to Provide Oversight:

The state maintains a sophisticated management information and oversight system that tracks progress of financial and participant goals. Progress is reviewed on a quarterly basis to ensure that goals are achieved. The Workforce Development Council advises the state on specific policy changes needed to achieve the priority areas identified above. Additional communication strategies will be devised to ensure that citizens throughout the state are informed of progress and provided an opportunity for input into the state's workforce development system.