

OCT 13 2009



The Honorable Chris Gregoire
Governor of Washington
State Capitol
Olympia, Washington 98504-0002

Dear Governor Gregoire:

As part of Washington'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 Washington approval of the following waiver 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.

The approval for this waiver remains in effect. The letter dated June 29, 2009 granted temporary extensions of the remainder of Washington's waiver requests. The previous approval of the extension is hereby terminated and replaced by the decision set forth in this letter. The waiver approval that follows applies 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.

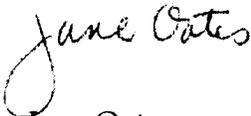
The State is requesting a waiver of the requirement for competitive procurement of service providers for three of the ten youth program elements: supportive services, follow-up services, and work experience. The State is granted this waiver through June 30, 2010. Under this waiver, the State is permitted 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.

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 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 Washington, ETA San Francisco
Regional Office
Richard Trigg, Regional Administrator, ETA San Francisco Regional Office

Waiver request:

1. Identify the statutory or regulatory requirements to be waived.

The Washington State Employment Security Department, which is the state administrative entity for WIA programs, and the Workforce Training and Education Coordinating Board, which is the state Workforce Investment Board for WIA, having consulted local partners, request a continuation of a waiver to Section 123.

Approval of this request would allow local workforce development councils to designate their one stop operators or youth service providers to perform three of the ten essential youth elements rather than procuring and contracting these functions out to other entities.

The three elements in question are

- (1) Supportive Services for Youth,
- (2) Follow-Up Service for Youth, and
- (3) Work Experiences for Youth.

Approval of this request would allow local workforce development councils to include these three elements in the design framework of the local youth program. The requirement in WIA section 123 that eligible providers of youth services be selected by awarding a grant or contract on a competitive basis would not apply to these components of the design framework of the local youth program (20 CFR 664.400 (a) (4)).

2. Describe the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

There are no additional state or local barriers to remove. Washington State has implemented WIA under federal law and did not include any additional requirements or limitations on the design of WIA youth activities. Local workforce development councils have adopted state policies without any additional requirements or limitations.

3. Describe the goals that the State or local area in the State, as appropriate, intends to achieve as a result of the waiver and expected programmatic outcomes.

In High Skills High Wages which Washington's Strategic Plan for Workforce Development, Youth Objective 4 is to reduce unemployment rates among older youth, and improve their career prospects. Youth find that getting a job is harder without an employment history and it is the paid and unpaid work experience component of the WIA youth program that is designed specifically to overcome this difficulty. This waiver, by allowing the work experience component to be fully integrated into the work of the Workforce Development Council helps bring a solution to the youth who are most in need.

The goals for the youth program under the waiver will be greater effectiveness, efficiency, and continuity of services.

By keeping support services, follow-up, and paid and unpaid work experience together with other functions of the design framework such as intake, assessment, and the development of employment plans, one stop case management is facilitated. Youth themselves are better served, because resources that would otherwise go to extra coordination and administration can now be directly used for their benefit. Additionally, there would be less confusion and fragmentation of authority for the youth. This is expected to result in better youth retention in the local WIA youth program.

4. Describe the individuals impacted by the waiver.

The individuals impacted by this waiver are older and younger youth customers. Youth customers will benefit by receiving a streamlined array of services allowing for greater coordination and implementation of individual service strategies. With greater continuity and consistency, youth will receive complimentary services enabling them to better address barriers and work toward fulfilling their education and training plans.

Approval of the waiver will allow greater flexibility in the design of local youth programs. Local areas under the waiver will have a choice as to whether to contract out these youth elements or to do them in house as part of the design framework. It is possible that some current service providers may be affected if currently contracted services are moved in house, but because the resources contracted are relatively small, we anticipate that the potential negative impact will be minimal.

5. Describe the process used to monitor the progress in implementing such a waiver.

A previous version of this waiver was effective from 2006 through 2009. During that time only one of the twelve local workforce development areas has elected to implement the waiver. Other areas have indicated full support for the flexibility afforded by this waiver, but have not elected to move in this direction. On-site monitoring of all WIA activities will continue, and any one utilizing the waiver will submit a formal notification to the state. The WorkSource Standards and Integration Division will continue to gather information on the implementation of the waiver, such as which areas are (1) choosing to exercise the new flexibility afforded by the waiver; (2) to redesign their youth programs, (3) what the performance data from these changes shows; and (4) which, if any, service providers seem negatively affected.

6. Describe the process used to give local boards, business, labor and the general public the opportunity to comment on the waiver request.

The request for this waiver has been posted repeatedly on state websites each year since 2006 along with the most recent draft plan and the draft modifications to the plan submitted to the DOL on June 30, 2009. Written notices have also been mailed to

interested parties, and distributed in meeting notices. The local boards, business, and labor as well as the general public have been invited to comment on the waiver and anything else of interest in the drafts. Comments for these previous public notices have been favorable. There is widespread knowledge that very similar waivers have been granted in other states, and that it makes sense to integrate as many functions as possible during a period of budget limits.