



DEC 11 2012

The Honorable Mike Beebe
Governor of Arkansas
State Capitol
Room 250
Little Rock, Arkansas 72201

Dear Governor Beebe:

This letter provides approval of Arkansas' State Integrated Workforce Plan for Title I of the Workforce Investment Act (WIA), the Wagner-Peyser Act (W-P), including W-P Agricultural Outreach Plan, and plans for coordination with Trade Adjustment Assistance (TAA). The Employment and Training Administration (ETA) received the State Plan on September 17, 2012. This letter also responds to Arkansas' WIA waiver requests.

Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, and TEGL No. 21-11, Change 1 issued on August 8, 2012, provide guidance for states to submit their State Workforce Plans and waivers for Program Year (PY) 2012 and beyond. We appreciate the State's responsiveness to this guidance.

Plan Review and Approval

ETA has reviewed the Arkansas State Integrated Workforce Plan in accordance with Title I of WIA, the Wagner-Peyser Act, the Trade Act (as amended), the corresponding regulations, the State Integrated Workforce Plan Requirements for Workforce Investment Act Title I/Wagner-Peyser Act and Department of Labor Workforce Programs (<http://www.doleta.gov/usworkforce/wia-planning/docs/integrated-planning-guidance.pdf>), and TEGL No. 21-11 and the corresponding Change 1. Pursuant to 20 CFR 661.230(e), this letter constitutes a written determination under WIA Section 112 (29 USC 2822) that ETA is approving the WIA Title I, W-P and TAA portions of Arkansas State Plan for the period July 1, 2012 through June 30, 2017, PY 2012-PY 2016. The annual W-P Agricultural Outreach Plan is approved for the period July 1, 2012 through June 30, 2013.

The State is eligible to receive WIA formula allotments for Adult, Dislocated Worker, and Youth programs, and W-P program allotments, effective July 1, 2012 through June 30, 2017.

Performance Levels

Each year, the Regional Administrator negotiates the Program Year's WIA and W-P performance goals with each state. As required by TEGL Nos. 21-11 and 38-11 dated June 18, 2012, negotiations must be completed by December 31, 2012 for PY 2012. Once the final goals are established, the Regional Administrator's letter advising the State of the PY 2012 WIA and W-P final performance goals constitutes a modification to the State Plan. ETA will incorporate Arkansas' final performance goals for FY 2012 into the Regional and National Office copies of the State Integrated Workforce Plan. Please include these final PY 2012 goals in the State's official copy of the State Plan.

Waivers

As part of Arkansas' State Integrated Workforce Plan, the State submitted waiver requests for waivers of statutory and regulatory requirements under WIA (copy enclosed). The State's request for waivers is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c). The disposition of the State's waiver requests 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 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, 2017. 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 to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The State is requesting 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 this waiver through June 30, 2017.

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 is requesting 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 this waiver through June 30, 2017. 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 the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The State is requesting 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 this waiver through June 30, 2017. 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.

Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) to exempt the state from the requirement to conduct evaluations.

The State is requesting a waiver of the requirement to conduct evaluations of workforce investment activities for adults, dislocated workers, and youth in order to establish and promote continuous improvement of the statewide workforce investment system. ETA is unable to make a determination with the information provided in the request. TEGL 26-09, change 1, provides guidance on the required information for this waiver, and the ETA Regional Office is available to answer questions regarding additional needed information.

Waiver of 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.

The State has withdrawn this waiver request.

Waiver of WIA Section 134(a)(2)(B)(v) requiring the State to assist in the establishment and operation of one-stop delivery systems.

The State is requesting a waiver of the requirement to assist in the establishment and operation of the One-Stop delivery system in response to the Congressional action that decreased the Governors' PY2011 reserve for statewide activities from 15 percent to five percent. ETA is unable to make a determination with the information provided in the

request. TEGL 26-09, change 1, provides guidance on the required information for this waiver, and the ETA Regional Office is available to answer questions regarding additional needed information.

Waiver of WIA Section 129(b)(2)(C) and 20 CFR 665.200(h) to exempt the state from the requirement to provide additional assistance to local areas that have a high concentration of eligible youth.

The State is requesting a waiver of the requirement to provide additional assistance to local areas that have a high concentration of eligible youth. ETA is unable to make a determination with the information provided in the request. TEGL 26-09, change 1, provides guidance on the required information for this waiver, and the ETA Regional Office is available to answer questions regarding additional needed information.

Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt a state from the requirement to provide local workforce investment area incentive grants.

The State is requesting a waiver of the requirement to provide local workforce investment areas incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance. ETA is unable to make a determination with the information provided in the request. TEGL 26-09, change 1, provides guidance on the required information for this waiver, and the ETA Regional Office is available to answer questions regarding additional needed information.

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 are incorporated into the State Integrated Workforce Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and with the approved State Plan. In addition, as described in TEGL No. 29-11, 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 working together as you implement your State Integrated Workforce Plan for PY 2012 and beyond. We encourage your efforts in exploring the adoption of the American Job Center brand. We are available to provide technical assistance. If you have any questions related to the issues discussed above, please contact Marilyn Brandenburg, the Federal Project Officer for Arkansas, at (972) 850-4617 or Brandenburg.Marilyn@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosures

cc: Joseph Juarez, Regional Administrator, ETA Dallas Regional Office
Marilyn Brandenburg, Federal Project Officer for Arkansas

From: Cindy Varner [Cindy.Varner@arkansas.gov]
Posted At: Friday, September 14, 2012 3:57 PM
Conversation: Arkansas State Plan Submission
Posted To: WIA.PLAN

Subject: Arkansas State Plan Submission

The State of Arkansas respectfully submits our PY 2012-2016 Integrated Workforce Plan for the Workforce Investment Act and Wagner-Peyser Programs. The plan is available online at the following web-link under the state plan tab. If you have questions, or have difficulty accessing the plan, please let me know.

<http://dws.arkansas.gov/AWIB/Information.htm>

Cindy Varner

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**Workforce Investment Act Waiver Plan
Program Years 2012-2016**

DATE: September 15, 2012

STATE: Arkansas

AGENCY: Arkansas Department of Workforce Services

1. Waiver Requested – Funds Transfer Limit

Waiver of funds transfer limit between WIA adult and dislocated worker programs to allow the State to approve local area requests to transfer up to 50 percent of local area allocations between the two programs.

Statutory and/or regulatory requirements to be waived

Waiver of WIA Section 133(b)(4)

Actions 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.

Goals and expected programmatic outcomes of waiver

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
- 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.

Individuals impacted by the waiver

Unemployed and under-employed adults and dislocated workers

Process for monitoring progress in implementation

The Governor of Arkansas will approve all funds transfer requests from local boards. 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 Employment Assistance will monitor local level implementation and expenditures. The ability to

transfer funds has historically enabled our local areas to help more low-income and underemployed adults due to the fact that many of our dislocated workers have been eligible for Trade Adjustment Assistance for their re-training needs.

The state will continue to monitor the transfer of funds through monthly grants management meetings between financial and programmatic staff and through state monitoring of local workforce investment areas.

The Arkansas Department of Workforce Services will monitor the implementation and progress of this waiver through monthly grants management meetings, state monitoring reviews of local areas, and through the provision of technical assistance to local areas.

Notice to affected local boards

Local workforce administrative entities will be provided a copy of this proposed waiver request as well as USDOL/ETA's reply to this request. Affected local boards will be notified by state issuance to the workforce system or direct communication, as applicable.

Public Comment

The public was notified of the request through public notice and a 30-day public comment period. The proposed waiver request was posted on the agency's official website with instructions regarding the submittal of comments and closing date for comments.

2. Waiver Request – Common Measures

Waiver to permit implementation of (and reporting only) common measures in place of statutory measures.

Statutory and/or regulatory requirements to be waived

WIA Section 136(b)

Actions 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.

Goals and expected programmatic outcomes of waiver

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

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.

Process for monitoring progress in implementation

The Arkansas Workforce Investment Board and Department of Workforce Services 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. Employer and Participant Customer Satisfaction Surveys have been and will continue to be conducted with the results published in Arkansas' WIA annual report. In addition, the State will continue to report both older and younger youth participant and exiter counts via the WIASRD.

The Arkansas Department of Workforce Services will monitor the implementation and progress of this waiver through monthly grants management meetings, state monitoring reviews of local areas, and through the provision of technical assistance to local areas.

Notice to affected local boards

Local workforce administrative entities will be provided a copy of this proposed waiver request as well as USDOL/ETA's reply to this request. Affected local boards will be notified by state issuance to the workforce system or direct communication, as applicable.

Public Comment

The public was notified of the request through public notice and a 30-day comment period. The proposed waiver request was posted on the agency's official website with instructions regarding the submittal of comments and closing date for comments.

3. Waiver Request – ITAs for Youth Participants

Waiver to allow the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth.

Statutory and/or regulatory requirements to be waived

20 CFR 654.510

Actions 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.

Goals and expected programmatic outcomes of waiver

This waiver will allow older youth and out-of-school youth, if deemed appropriate, to select approved ITA programs from Arkansas' Eligible Training Provider (ETP) List, while retaining their youth classification. Additionally, the waiver:

- Provides to local areas a mechanism for improving the comprehensive services available by providing an additional service option.
- Ensures that local areas have enough flexibility to deliver services based on the individual needs of participants as intended under WIA.
- Reduces the paperwork and tracking requirements of dual enrollment for older youth to access occupational skills training through an individual Training Account (ITA).
- Offers older youth an opportunity to make informed decisions that have direct impact on his/her future.
- Improves services through increased customer choice in assessing training opportunities.

Individuals impacted by the waiver

Approval of this waiver will positively impact all older WIA eligible youth. These customers will receive the type of services that most closely and quickly meet their individualized needs without dual paperwork, tracking, and delay.

The waiver can positively impact Local Boards, as they will benefit by not having to direct limited administrative resources to costly and time-consuming competitive procurements.

Training providers will benefit, because they will not have to follow two separate processes to provide services to adults versus older and out-of-school youth.

Process for monitoring progress in implementation

The Department of Workforce Services will monitor the implementation and impact of the waiver and ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

The Arkansas Department of Workforce Services will monitor the implementation and progress of this waiver through monthly grants management meetings, state monitoring reviews of local areas, and through the provision of technical assistance to local areas.

Notice to affected local boards

Local workforce administrative entities will be provided a copy of this proposed waiver request as well as USDOL/ETA's reply to this request. Affected local boards will be notified by state issuance to the workforce system or direct communication, as applicable.

Public Comment

The public was notified of the request through public notice and a 30-day comment period. The proposed waiver request was posted on the agency's official website with instructions regarding the submittal of comments and closing date for comments.

4. Waiver Request – ETP Initial Eligibility

Waiver on the process used to determine subsequent eligibility of Eligible Training Providers (ETP).

Statutory and/or regulatory requirements to be waived

WIA Section 122(c) and (d)

20 CFR 663.530

Actions 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

Goals and expected programmatic outcomes of waiver

The state wishes to waive the subsequent eligibility requirements for Eligible Training Providers. Arkansas fully supports the concepts of consumer choice and program accountability as provided for in the Workforce Investment Act of 1998. The State also recognizes that performance information is important to meeting the WIA principles of consumer choice and program accountability.

However, most of Arkansas' training providers have found it difficult or impossible to collect the required data for subsequent eligibility due to the different reporting requirements for the Department of Education and WIA. In the past, this has caused many schools to be disqualified as Eligible Training Providers in Arkansas or to quit participating in the process altogether. Attempts were made to assist schools in obtaining the necessary information for subsequent eligibility by matching student social security numbers with Unemployment Insurance wage records. Due to FERPA law and the realization that not all schools collect and/or use actual social security numbers for enrollment, the process was not successful. The few training providers who did collect the required data also found it difficult to meet the State minimum levels. In many instances, one poor performing WIA participant disqualified a program due to the small number of WIA participants served by the training provider.

Therefore, in an effort to maintain an adequate number of training providers and programs on Arkansas' Eligible Training Provider List, Arkansas is requesting to continue the process of annually recertifying providers on the initial eligibility requirements.

With this waiver, Arkansas seeks to:

- Continue to increase the number of eligible training providers and retain those already approved to ensure maximum customer choice.
- Alleviate providers' concerns with the types and amount of required information that is impossible to produce or cost-prohibitive to produce.
- Continue to ensure customers have accurate data in order to make informed decisions

Individuals impacted by the waiver

The approval of this waiver would enable the state to enroll and maintain more eligible training providers and provide more choices for participants in their career decisions. The mandated

reporting requirements are so burdensome and costly that some providers would end their WIA participation if required to submit the required data. This waiver will have a system-wide impact either directly or indirectly on all training customers, training providers, and all WIA boards.

Process for monitoring progress in implementation

The Department of Workforce Services Labor Market Information Division will continue to monitor the progress of the above-mentioned actions and related activities. Local workforce investment boards will continue to assess the effectiveness of their approved programs and training providers by monitoring the outcomes of their participants in terms of entered employment, employment retention, and earnings. Ineffective providers are denied recertification.

Notice to affected local boards

Local workforce administrative entities will be provided a copy of this proposed waiver request as well as USDOL/ETA's reply to this request. Affected local boards will be notified by state issuance to the workforce system or direct communication, as applicable.

Public Comment

The public was notified of the request through public notice and a 30-day comment period. The proposed waiver request was posted on the agency's official website with instructions regarding the submittal of comments and closing date for comments.

5. Waiver Request – Statewide Activities

Waiver of requirement to conduct evaluations of workforce investment activities for adults, dislocated workers, and youth.

Waiver of requirement to provide incentive grants to local areas.

Waiver of requirement to disseminate training provider performance and cost information.

Statutory and/or regulatory requirements to be waived

WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d)

WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e)

20 CFR 665.200(b)(3)

Actions 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.

Goals and expected programmatic outcomes of waiver

The reduction to five percent in the WIA allotment for Program Years 2011 and 2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of evaluations, incentive grants to local areas, and dissemination of training provider performance and cost information. The state's reduced funds are being used to cover the following required activities:

§ 665.200

(b) Disseminating:

- (1) The State list of eligible providers of training services (including those providing non-traditional training services), for adults and dislocated workers;
- (2) Information identifying eligible providers of on-the-job training (OJT) and customized training;
- (4) A list of eligible providers of youth activities as described in WIA section 123
- (f) Providing technical assistance to local areas that fail to meet local performance measures;
- (i) Operating a fiscal and management accountability information system, based on guidelines established by the Secretary after consultation with chief elected officials, and One-Stop partners, as required by WIA section 136(f). (WIA sections 129(b)(2), 134(A)(2), and 136(e)(2))

Our goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system.

Individuals impacted by the waiver

The waiver will provide the state agency more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

Process for monitoring progress in implementation

The state will monitor progress and ensure accountability for Federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Notice to affected local boards

Local workforce administrative entities will be provided a copy of this proposed waiver request as well as USDOL/ETA's reply to this request.

Public Comment

The public was notified of the request through public notice and a 30-day comment period. The proposed waiver request was posted on the agency's official website with instructions regarding the submittal of comments and closing date for comments.

6. Waiver Request – Statewide Activities, High Concentrations of Eligible Youth

Waiver of the requirement to provide additional assistance to local areas that have high concentrations of eligible youth.

Statutory and/or regulatory requirements to be waived

Waiver of 20 CFR 665.200(h)

Actions 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.

Goals and expected programmatic outcomes of waiver

The reduction to five percent in the WIA allotment for Program Years 2011 and 2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of evaluations, incentive grants to local areas, and dissemination of training provider performance and cost information. The state's reduced funds are being used to cover the following required activities:

§ 665.200

(b) Disseminating.

- (1) The State list of eligible providers of training services (including those providing non-traditional training services), for adults and dislocated workers;
- (2) Information identifying eligible providers of on-the-job training (OJT) and customized training;
- (4) A list of eligible providers of youth activities as described in WIA section 123
- (f) Providing technical assistance to local areas that fail to meet local performance measures;
- (i) Operating a fiscal and management accountability information system, based on guidelines established by the Secretary after consultation with chief elected officials, and One-Stop partners, as required by WIA section 136(f). (WIA sections 129(b)(2), 134(A)(2), and 136(e)(2))

Our goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system. Funds are insufficient to support all required activities and the limited funding must be directed to functions that preserve the fiscal and programmatic integrity of the program. A list of prioritized statewide activities is provided at the end of the waiver plan.

Individuals impacted by the waiver

In 2009 and 2010, the Governor budgeted \$250,000 cumulatively to assist eligible local areas that have been identified as having a high concentration of eligible youth. Percentage of at-risk youth has been the weighing factor for local areas to receive additional funds for high concentration of eligible youth. However, due to continued emphasis on serving the "hardest to serve", formula funds and leveraged resources are currently serving this population. If this waiver is granted, high concentration youth grants will not be awarded during the current program year.

The waiver will provide the state agency more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

Process for monitoring progress in implementation

The state will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Notice to affected local boards

Local workforce administrative entities will be provided a copy of this proposed waiver request as well as USDOL/ETA's reply to this request.

Public Comment

The public was notified of the request through public notice and a 30-day comment period. The proposed waiver request was posted on the agency's official website with instructions regarding the submittal of comments and closing date for comments.

7. Waiver Request – Statewide Activities, One-Stop Delivery Systems

Waiver of the requirement for statewide funding to be used to assist in the establishment and operation of the One-Stop delivery systems.

Statutory and/or regulatory requirements to be waived

WIA Section 134(a)(2)(B)(v)

20 CFR 665.200(g)

Actions 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.

Goals and expected programmatic outcomes of waiver

The reduction to five percent in the WIA allotment for Program Years 2011 and 2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is

insufficient to cover the cost of evaluations, incentive grants to local areas, and dissemination of training provider performance and cost information. The state's reduced funds are being used to cover the following required activities:

§ 665.200

(b) Disseminating:

- (1) The State list of eligible providers of training services (including those providing non-traditional training services), for adults and dislocated workers;
- (2) Information identifying eligible providers of on-the-job training (OJT) and customized training;
- (4) A list of eligible providers of youth activities as described in WIA section 123
- (f) Providing technical assistance to local areas that fail to meet local performance measures;
- (i) Operating a fiscal and management accountability information system, based on guidelines established by the Secretary after consultation with chief elected officials, and One-Stop partners, as required by WIA section 136(f). (WIA sections 129(b)(2), 134(A)(2) and 136(e)(2))

Our goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system.

Individuals impacted by the waiver

In Program Year 2009, the Arkansas Workforce Investment Boards made \$1,000,000 available for the establishment of Arkansas Workforce Centers in partnership with two-year colleges. Only two applications were received for a total of \$500,000. The remaining \$500,000 was not requested.

The state will continue to provide other federal and non-federal funds to support the operation of the one-stop centers through resource sharing agreements and funding of relocations or needed improvements through non-federal funds.

The waiver will provide the state agency more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

Process for monitoring progress in implementation

The state will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Notice to affected local boards

Local workforce administrative entities will be provided a copy of this proposed waiver request as well as USDOL/ETA's reply to this request.

Public Comment

The public was notified of the request through public notice and a 30-day comment period. The proposed waiver request was posted on the agency's official website with instructions regarding the submittal of comments and closing date for comments.

Financial Analysis to Support Required Statewide Activities Waiver

PY 2012 Governor's Set-Aside (5%)	901,351.00		
Amount of Prior Year Carry Over Funds	3,222,491.81		
Estimated PY 2013 Funding (if 5% remains)	901,351.00		
Total Funds Available	\$5,025,193.81		
	PY 2012	PY 2013	Total
Budgeted Expenditures:			
Eligible Training Providers Certification	151,100.00	50,000.00	
Incentive Grants (prior years performance)	500,000.00		
High Concentrations of Eligible Youth (previous years awards)	250,000.00		
Fiscal and Management Information Systems	280,000.00	300,000.00	
Administration, Monitoring, and Program Management	1,750,000.00	1,500,000.00	
Veterans Initiative	520,690.50	-	
Total Expenditures	3,451,790.50	1,850,000.00	5,301,790.50
Shortfall			\$ (276,596.69)

Is the state using any 5% funds to continue funding for discretionary activities? If yes, please describe those activities and costs?

The State is only funding one discretionary program, which is the ARVets Initiative. This project was funded in prior years as a research and demonstration project for enhancing employment and training services to veterans and their families. Funding for this project will end in PY 2012.

The State's carry forward reserve will support required and discretionary activities through PY 12; however, the balance will be fully expended in PY 13, leaving a \$276,596 shortfall. Based on this, we will not be able to sustain our commitment to discretionary projects, and additionally will need to modify its support for required activities.

Based on our telephone conversation, I am providing the additional information as requested.

1. **Explanation of Financial Analysis to Support Required Statewide Activities Waiver**

The financial analysis provided in the waiver plan reports funding for PY 2012, 2013, and 2014 as well as all carry over funds from prior years. The budgeted expenditures reported for PY 2012 include expenditures from categories requested to be waived (i.e., incentive grants, high concentrations of eligible youth); however, these budgeted expenditures will be funded by carry over funds and represent commitments made in prior years that have not been liquidated. While these expenditures are planned during PY 2012, no expenditures from PY 2012 funds are planned for the categories requested in the PY 2012 waivers.

2. **Waiver of requirement to disseminate training provider performance and cost information**

We have examined our waiver request and believe that we can meet the intent of the law in this regard without approval of the waiver. Therefore, we respectfully withdraw our request for approval of a waiver of this requirement.

3. **Waiver of requirement for statewide funding to be used to assist in the establishment and operation of the One-Stop delivery systems.**

We have examined our waiver request and believe that the state will need the approval of this waiver. While the state is supporting the one-stop delivery system through other allowable federal (non-WIA Title I) and state funding, we interpret WIA Section 134(a)(2)(B)(v) to mean that WIA statewide activities funding has to be used to support the system. Without this waiver, we believe we would not be in compliance with this federal law.