



DEC 14 2012

The Honorable Nikki R. Haley
Governor of South Carolina
1205 Pendleton Street
Columbia, South Carolina 29201

Dear Governor Haley:

This letter provides approval of South Carolina's 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, plans for coordination with Trade Adjustment Assistance (TAA), and Title V of the Older Americans Act. The Employment and Training Administration (ETA) received the State Integrated Workforce Plan on September 14, 2012. This letter also addresses South Carolina's 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 South Carolina 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>), Title V of the Older Americans Act and corresponding regulations, 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), and WIA section 501 (20 USC 9271) which pertains to State Unified Plans, that ETA is approving those portions of the South Carolina's State Integrated Workforce Plan that relate to Title I of WIA, the Wagner-Peyser Act, and TAA for Program Years 2012-2016, July 1, 2012 through June 30, 2017. The annual W-P Agricultural Outreach Plan is approved for the period July 1, 2012 through June 30, 2013. The Senior Community Service Employment Program (SCSEP) State Plan has been reviewed by both ETA and the Administration on Aging, and is approved for Program Years 2012-2015, July 1, 2012 through June 30, 2016.

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

As you are aware, the Regional Administrator annually negotiates with State representatives the performance goals for the WIA and W-P programs. As required by TEGLs No. 21-11 and 38-11 dated June 18, 2012, the negotiations of PY 2012 goals were completed in September 2012, well before the deadline of December 31, 2012. On September 17, 2012, the Regional Administrator forwarded to South Carolina a letter advising the State of the PY 2012 WIA and W-P final performance goals. The letter constitutes a modification to the State Integrated Workforce Plan. ETA will incorporate South Carolina's final performance goals for PY 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 Workforce Plan.

Waivers

As part of South Carolina's 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 required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State is requesting a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. The State is granted this waiver through June 30, 2017. Under the waiver, the following sliding scale is permitted: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide customized training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

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

The State is requesting 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 this waiver through June 30, 2017. 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 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State is requesting a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is granted this waiver through June 30, 2017. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide on-the-job training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

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 is requesting 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 this waiver through June 30, 2017. 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. TEG L No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEG L 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 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.

The State is requesting a waiver of the requirements to reduce the data collection burden for employers participating in WIA-funded incumbent worker training programs. The waiver permits the State to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). The State is granted this waiver through June 30, 2017.

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)(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.

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.

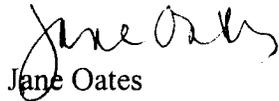
Waiver of 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.

The State is requesting a waiver of the requirement to disseminate training provider performance and cost information. 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 Toni Buxton, the Federal Project Officer for South Carolina, at (404) 302-5367 and Buxton.Toni@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosures

cc: Helen Parker, Regional Administrator, ETA Atlanta Regional Office
Toni Buxton, Federal Project Officer for South Carolina

From: [Jackson, LaCrystal](#)
Date: Friday, September 14, 2012 5:00:37 PM
Posted At: WIA.PLAN
Conversation: South Carolina Integrated Workforce Plan
Subject: South Carolina Integrated Workforce Plan
Attachments: [SC Integrated Workforce Plan Five Year-Final Signed.pdf](#)

Attached is the South Carolina Integrated Workforce Plan as required by the U.S. Department of Labor. The plan includes all required parts, including the Agricultural Outreach Plan, and the optional plan for the Senior Community Service Employment Program. The plan has been offered for public comment and was approved by the State Workforce Investment Board on August 21, 2012.

If you have any questions related to the plan, please contact Dennis M. King, Assistant Executive Director - Employment Services Division, at dking@dew.sc.gov or 803-737-2176 or LaCrystal Jackson.

Thank you,

*LaCrystal Jackson
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An Equal Opportunity Employer/Program.
Auxiliary aids and services available upon request to individuals with disabilities.*

Helping South Carolinians Get Back to Work

ATTACHMENT 0: WAIVERS

South Carolina is requesting approval of the following 12 waivers previously approved by USDOL.

1. Waiver of WIA Section 101(31)(B) to increase employer reimbursement for on-the-job training.
2. 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.
3. Waiver of 134(a) to permit local areas to use a portion of local funds for incumbent worker training.
4. Waiver of WIA Regulations 20 CFR 666 and 667.300(a) to reduce collection of participant data for incumbent workers.
5. Waiver to permit the state to replace the performance measures at WIA Section 136(b) with the common measures.
6. Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(S)(C).
7. 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.
8. Waiver of 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.
9. Waiver of WIA Section 134(a)(2)(B)(i)(ii) and 20 CFR 200.665.200(e) to exempt the state from the requirement to provide local workforce investment area incentive grants.
10. Waiver of the prohibition of WIA Regulations 20 CFR 664-510 on the use of Individual Training Accounts (ITAs) for older and out-of-school youth.
11. Waiver of WIA Regulation 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.
12. Waiver of WIA Section 134(a)(1)(A) to permit a portion of funds reserved for rapid response activities to be used for incumbent worker training.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

On-the-Job Training: Employer Reimbursement for Small Businesses

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived
Waiver of WIA Section 101(31)(B) 710 to require 50% wage reimbursement in conducting on-the-job training (OJT) activities.

Marketing OJT to small businesses has been a key part of local area business services strategies. Local areas have found that smaller businesses are less stringent in their hiring requirements, and when afforded the opportunity to offset training costs at an increased rate through OJT, they more readily offer employment opportunities to those WIA customers with barriers (e.g., prior criminal record).

The waiver is requested to increase the employer reimbursement for on-the-job training (OJT) to permit a sliding scale: 1) no less than 10% match for employers with 50 or fewer employees and 2) no less than 25% match for employers with 51-250 employees. For employers with more than 250 employees, the statutory requirement of 50% will continue to apply. The State was previously approved for this waiver and has been utilizing it for the past several years.

Actions undertaken to remove state or local barriers
There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

Small businesses have historically made significant contributions to our state's economy; yet, they generally have fewer resources to provide specialized training to WIA eligible individuals. Approval of this waiver will encourage small businesses to provide on-the-job training. The measurable goals of this waiver are to increase the number of individuals receiving on-the-job training and the number of businesses providing such training.

Each of the 12 local workforce investment boards have identified in-demand occupations and skills. Participants who are issued individual training accounts for training programs must select from those suited to the industries and sectors targeted within their local area.

Many of the state's rural areas continue to experience unemployment rates higher than the national average and opportunities are few. In those areas, the targeted industries have viable businesses that have job openings with skill requirements higher than the skill sets readily available in the applicant pool.

Local area business service representatives (BSRs) confer with employers to develop on-the-job-training opportunities. BSRs work to ensure the training contract satisfactorily addresses the skills gaps identified while earning a portable career credential whenever possible. The skills and training, dependent on individual and business needs, may include manufacturing construction, computer, clerical, and administrative

Approval of this waiver enhances workforce services and meets the needs of businesses and jobseekers while also promoting workforce system partnership and collaboration.

Individuals impacted by the waiver

This waiver is expected to benefit adults, dislocated workers, and business customers by allowing local boards to direct substantial funds to the areas of greatest need. Employers will be better served as participants will receive services and acquire skills in a more expeditious manner, customized by the business. Participants will benefit through a more immediate attachment/reattachment to employment.

Process for monitoring progress in implementation

The State will monitor progress and ensure accountability for federal funds in connection with this waiver. The State's 12 local workforce investment areas are monitored by a State team of local operations coordinators. This staff will work closely with the LWIAs to ensure that OJ contracts comply with all state and federal guidance and that proper local monitoring of contracts is conducted. The State's monitoring staff will monitor progress and ensure accountability for OJT funds by reviewing monthly expenditure, performance, and other locally generated reports submitted to the state and viewed during on-site visits. Policies and procedures will be reviewed and modified as appropriate.

Notice to affected local boards

Local workforce investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

Transfer Authority Between Adult & Dislocated Worker Fund Streams

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of WIA Section 133(b)(4) and 20 CFR 667.140 to increase LWFF transfer authority between Adult and Dislocated Worker fund streams to 50%. The State was previously approved for this waiver and has been utilizing it for the past several years.

Actions undertaken to remove state or local barriers
There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

Granting local boards authority to transfer funds between the Adult and Dislocated Worker fund streams will expand their fiscal flexibility thereby allowing for increased WIA fund utilization. Programmatically, implementation of the requested waiver will provide local boards with the increased flexibility needed to direct resources to the population with the greater need at a given time. Approval of this waiver supports implementation of State strategies, enhances services to businesses and jobseekers, and promotes workforce system partnership and collaboration.

Typically, LWIAs have transferred funds from the Dislocated Worker fund stream to the Adult fund stream. There are several reasons for this in South Carolina. Several of our areas have low dislocated worker numbers to serve because of the type of industries available. For example, regions high in hospitality trades do not typically see high numbers of dislocated workers. By transferring funds, they are able to serve more participants overall. In many areas the large layoff events have been Trade affected, and OW funds can be more effectively used for Adult participants. The State assists areas affected by large layoffs as needed by making additional Rapid Response funds available.

Policy requires LWIAs to document Board approval as well as complete a fiscal analysis to determine the need or benefit to transfer funds.

Individuals impacted by the waiver

This waiver is expected to benefit adults, dislocated workers, and business customers by allowing local boards to direct substantial funds to the areas of greatest need. Employers will be better served as participants will receive services and acquire skills in a more expeditious manner.

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. The State will monitor all transfers of funds by the local areas. Because of the past granting of this waiver, the State has processes in place to ensure that requested fund transfers are in compliance with the waiver and to monitor the proper expenditure of funds for each fundstream.

Notice to affected local boards

Local workforce investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

Allowance of Local Adult and Dislocated Worker Funds
for Incumbent Worker Training

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of WIA Section 134(a) to allow local areas to use up to 10% of their adult and dislocated worker funds for Incumbent Worker Training (IWT) activities as a part of layoff aversion strategy. The State was previously approved for this waiver and has been utilizing it for the past several years.

Having this waiver option to use up to 10% of adult and dislocated worker funds for IWT activities not only addresses the skills gaps of incumbent workers but assists in the development of local workforce investment area (LWIA) projects that improve job retention and support business expansions. In addition, this waiver improves the ability of LWIAs to respond to changes in their areas, revive failing businesses, gives the LWIAs added flexibility to design WIA programs based on local needs and priorities, and gives more customers access to essential training services.

Actions undertaken to remove state or local barriers
There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

Layoff aversion is a key component of the IWT training program. Layoff aversion is when a worker's job is saved with an existing employer that is at risk of downsizing or closing or when a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences little or no unemployment. This waiver will enable local workforce investment areas to utilize the IWT program to provide businesses with needed resources to train existing employees in an effort to retain them. Also the program will benefit individuals as they will receive additional training that will help them retain employment versus becoming a dislocated worker due to layoff. This waiver will ultimately enhance the state's efforts at job retention, thereby avoiding layoffs. The state and national economy will benefit from the increased productivity and upward mobility of workers. This waiver will provide additional resources for a key state initiative to boost creativity and innovation in incumbent worker training and to supply the skills that challenge South Carolina employers.

The State has developed forms and processes to identify, target, and award IWT funding to businesses at risk of imminent layoffs or closure, should a worker group not obtain new or upgraded skills. Administration procedures are outlined in State WIA Instruction Number 10-01:

13-4

Use of Incumbent Worker Training as a Layoff Aversion Strategy, accessible at http://www.scworks.org-media/10_ET_Instruction/01_Use_of_Incumbent_Worker_Training_as_a_Layoff_Aversion_Strategy.pdf

01 Use of Incumbent Worker Training as a Layoff Aversion Strategy.pdf

The State's business service representatives and local area business service teams work with the SC Manufacturing Extension Partnership (SCMEP) to assess the viability and training needs on the businesses. SCMEP conducts a Competitiveness Review and notes warning signs. Business service staff reviews the SCMEP documentation and business training application, assesses the employer, worker group, and proposed training prior to endorsing the application and forwarding it for funding approval.

With a changing economy and global competitiveness all businesses are seeking opportunities to remain viable and grow. Industries and sectors are not targeted, as much as specific, at-risk businesses are identified by the state and local business service teams working collaboratively with the SC Manufacturing Extension Partnership. These individuals are active in the business community and alert to early warning signs, such as negative financial indicators, market issues, ownership changes, changes in neighboring land use, etc. The State has encouraged increased partnership with SCMEP. SCMEP's competitiveness reviews and training recommendations have led to increased training in National Institute of Standards and Technology credentialed programs of study.

Individuals impacted by the waiver

The potential impact of this waiver is on employers and employees in businesses where worker skills upgrading is needed in order to increase productivity and competitiveness. Qualified jobseekers needing additional training may also be impacted by this waiver.

Process for monitoring progress in implementation

The State must approve all local I&T funding to businesses to ensure compliance with State policies. The State will then 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 investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

Collection of Participant Data for Locally Funded
Incumbent Worker Training (UWT) Program

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of 20 CFR 666 and 667.JOO(a) to allow local areas to report participant data for locally-funded Adult and Dislocated Worker IWT participation based on information received from employer and to specifically not be required to collect information on the following WIASRD data elements: single parent (117); unemployment compensation eligible status at participation (118); low income (119); TANF (120); other public assistance (121); displaced homemaker (123); date of actual qualifying dislocation (124); homeless individual and/or runaway youth (125); and offender (126). The State was previously approved for this waiver and has been utilizing it for the past several years.

The state is requesting a waiver to reduce the collection of participant data that is not necessary for IWT and is not typically collected as part of the employer/employee relationship. Some of the information could be considered invasive (i.e., single parent status, TANF recipient, other public assistance) or could negatively impact employment (homeless or runaway status, offender). Collecting and entering this data would place an undue administrative burden on the business and program staff. The additional costs incurred for the data entry could prove prohibitive to local areas and reduce the amount of training assistance available to at-risk businesses and employees.

Any data that is collected such as individual participants' full Social Security Numbers (SSNs) are entered with their personal information and are stored on a secure server. Reports are not submitted, transmitted, or stored electronically without the first 5 digits of the SSNs being redacted. No hard copies of the full SSNs are maintained after data entry. A business' identifying information (name, location, contact, etc) is not available to the public. On the eligible training provider list, the grant number is substituted for the business' name, and the business service representative is listed as the training contact.

Actions undertaken to remove state or local barriers
There are no state or local barriers.

Goals and expected programmatic outcomes of waiver
The reduction in the amount of participant data will assist Local Workforce Investment Boards (LWIBs) with flexibility to provide services to more employers and their incumbent workers in a business-friendly manner. The goals of this waiver are to avoid adding additional data collection

responsibilities to the businesses and reduce administrative burdens on the local program staff. Approval of this waiver supports implementation of State strategies, enhances services to businesses and jobseekers, and promotes workforce system partnership and collaboration.

Individuals impacted by the waiver

The individuals impacted include the employer's staff (Human Resources, management, supervisors), the employees/trainees, and the program's administrative staff.

Process for monitoring progress in implementation

The State will monitor progress and ensure accountability for Federal funds in connection with this waiver. Desktop monitoring of the state's IWT program is conducted from the applications/approval process throughout the life of the grants and training contracts. Monthly expenditure and training reports are submitted and reviewed as the data is entered into a grant tracking system. State staff works closely with the LWIAs to ensure that the program complies with all state and federal guidance and that proper local oversight is conducted. The State's monitoring staff ensures accountability for IWT funds by reviewing expenditure reports, financial accounts, and supporting documentation viewed during on-site visits. Policies and procedures will be reviewed and modified as appropriate.

Notice to affected local boards

Local workforce investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORK FORCE INVESTMENT ACT

Common Measures

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of WIA Section 136(b) to allow waiver of the current 17 state and local performance measures under WIA in order to implement the 9 common measures delineated in TEGE 17-05, effective July 1, 2006. The State was previously approved for this waiver and has been utilizing it for the past several years.

Actions undertaken to remove state or local barriers

There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

This waiver will facilitate system integration across partner programs. The common measures provide a simplified and streamlined performance measurement system that is more cost effective and understandable to business-led boards. It is believed that case management, customer service, and operational effectiveness will be enhanced through implementation of this waiver.

This waiver is viewed as a continuous improvement measure that will have the following far reaching benefits and outcomes:

- Facilitate the goal of a fully integrated workforce system;
- Provide clear and understandable information to stakeholders concerning the use of public funds and return on investment;
- Improve case management integration, service coordination and information sharing;
- Assist in the realignment of youth program designs to better implement DOL's Youth Vision and targeting of out-of-school youth;
- Use a single set of measures for youth, thus eliminating the need to track younger versus older youth;
- Reduce labor intensive data collection.

To facilitate continuous improvement efforts, South Carolina gathers feedback from business and jobseeker customers. The State conducts an on-line Job Seeker Customer Satisfaction Survey at [http://de\\SC!!Ov'sur>evTakeSurvey.asp:\(?Page_number=1&SurveyID=14KM91-1](http://de\\SC!!Ov'sur>evTakeSurvey.asp:(?Page_number=1&SurveyID=14KM91-1) An icon linking to this survey is displayed on the desktop displays of all SC Works Center computers. Posters and flyers remind visitors to complete the survey each time they visit the Center. Monthly reports of the collected responses are distributed to the local areas by SC Works Center location. Reports are also available upon request to local administrators and State staff.

The Business Service Satisfaction Survey measures the level of customer satisfaction provided to employers through the SC Works Centers. The data collected is used to evaluate the business community and its satisfaction with employer services provided by the SC Works Centers. Each month a random sample selects a sample of ten (10) employers from each SC Works Center. Employers are only surveyed once per quarter. A monthly report is compiled of business responses regarding the services received through SC Works Centers and distributed to the SC Works Centers for review.

Individuals impacted by the waiver

All customers of the workforce system will benefit from this waiver. The quality and quantity of services to participants will be enhanced by focusing on fewer targeted outcomes. State and local program administrators will benefit as the State progresses toward a fully integrated workforce system that concentrates on demand-driven accountability measures.

Process for monitoring progress in implementation

The State will monitor the implementation and impact of the waiver, as well as progress toward meeting expected outcomes. This will be accomplished as follows:

- The South Carolina Works Online System (SCWOS) participant tracking system is a real-time, on-line system used for case management, tracking of services, follow-up and reporting. SCWOS will be used to monitor the data collection and reporting of the Common Measures at both the state and local levels. SCWOS presently accommodates the new reporting requirements and allows for specialized reports to ensure the accuracy of data. This will enable state and local staff to identify technical assistance needs.
- DEW will review applicable policies, procedures and manuals and modify them accordingly.
- The State will report performance on the Common Measures to DOL quarterly and annually via the WIA Performance System.
- DEW will monitor the implementation of the waiver through monthly meetings with LWIA administrators, as well as through quarterly meetings of state and local SCWOS staff. These meetings will serve as opportunities to address implementation issues.
- The State incentive and sanction policies will be developed around the Common Measures to reward success in meeting and exceeding performance and require timely corrective action to increase the performance of failed measures.

Notice to affected local boards

Local workforce investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORK FORCE INVESTMENT ACT

Customized Training: Employer Matching Funds for Small Businesses

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of WIA Section 101(8) to require 50% employer match in conducting customized training activities.

Small businesses have a strong impact on South Carolina's economy. The latest data available shows there are 107,532 private employers in South Carolina, 95.2% (102,384) of which are businesses with less than 49 employees. These businesses account for approximately 659,588 (45.1%) of the total private employment. Although small businesses tend to have a greater impact on the state, community, and families, there are fewer resources available to meet their needs.

This waiver is requested to decrease the employer match for customized training to permit a sliding scale: 1) no less than 10% match for employers with 50 or fewer employees, and 2) no less than 15% match for employers with 51-250 employees. For employers with more than 250 employees, the statutory requirement of 50% will apply. The State was previously approved for this waiver.

Actions undertaken to remove state or local barriers

There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

Small businesses have historically made significant contributions to our state's economy; yet, they generally have fewer resources to provide specialized training to WIA eligible individuals. Approval of this waiver will encourage small businesses to provide customized training thus accomplishing goals of the State plan. The measurable goals of this waiver are to increase the number of individuals receiving customized training and the number of businesses providing such training. The targeted industries and sectors are determined at the local workforce area level: the business determines the necessary skills, training and certifications needed. Local areas will use customized training within a variety of industries and sectors determined by labor market information, as well as employer identification of needed skills. Having increased flexibility within WIA regulations through this waiver is critical to this effort.

To utilize the waiver, businesses will submit applications that describe the special training need and commit to hiring or retaining successful training completers. The applications will be reviewed and evaluated by the business service representatives prior to endorsing the application.

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and forwarding it for funding approval. The State will work with the SC Manufacturing Extension Partnership (SCMEP), state and local economic development staff, and the technical college system to identify businesses with special training needs that do not qualify for training assistance under existing programs such as readySC. This waiver will provide another tool in the toolbox for the State to keep employees' employed, worker groups' skills honed, and businesses prospering.

Individuals impacted by the waiver

This waiver is expected to benefit adults, dislocated workers, and business customers by allowing local boards to direct substantial funds to the areas of greatest need. Employers will be better served as participants will receive services and acquire skills in a more expeditious manner.

Process for monitoring progress in implementation

The State will monitor progress and ensure accountability for Federal funds in connection with this waiver. In addition to regular contact with the ETA Regional Office Liaisons, information about successful customized training programs will be shared and discussed at various workforce development forums. The state will monitor the progress and implementation of this waiver through a combination of the local plan review and approval process, discussions and presentations at workforce development forums, sharing of proven strategies and resources, local performance reports, and state oversight and evaluation. Performance measures for local implementation will be reviewed monthly to determine the impact of the waiver. The state will gather information on the progress of the implementation, performance data, and obstacles encountered, if any, through review and discussion. Policies and procedures will be reviewed and modified as appropriate.

Notice to affected local boards

Local workforce investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORK FORCE INVESTMENT ACT

Conduct of Evaluations of Workforce Investment Activities for
Adults, Dislocated Workers, and Youth

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) requiring the conduct of evaluations of workforce investment activities for adults, dislocated workers, and youth.

Actions undertaken to remove state or local barriers
There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

The reduction to five percent in the WIA allotment for Program Year 2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. For the past two years, Reserve funding has drastically decreased. In PY '10, \$7.5 million was available for statewide activities. In PY '11, South Carolina was only able to commit \$11 million in WIA funding for statewide activities through the use of unexpended and carryover funds. In PY '12, only \$1.4 million is available for statewide activities. The current funding level in the Governor's Reserve fund is insufficient to cover the cost of evaluations. The state's reduced funds are and will be used to cover retrained and allowable activities such as

- Operating a fiscal and management accountability information system
- Dissemination of the State Eligible Training Provider List
- Assisting in the establishment and operation of the One-Stop delivery system
- Providing technical assistance to local areas that fail to meet local performance measures
- Financial and programmatic monitoring of workforce investment activities
- Implementation of SC Certified Work Ready Communities, a statewide work readiness, credentialing initiative
- Sustainment of the Jobs for America's Graduates – SC program for at-risk youth

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

Individuals impacted by the waiver

Individuals will be directly impacted by approval of this waiver. The State Workforce Investment Board and other policymakers may not have the benefit of evaluation results which could potentially impact future policy decisions. However, the State has funding through other

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sources such as the Expanding Business Engagement grant, to continue workforce system process improvements. In addition, this waiver addresses formal evaluations which will not impact our results on WIA and Wagner-Peyser DOL Performance Goals.

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. In addition, the State will explore cost efficient options to conduct evaluations.

Notice to affected local boards

Local workforce investment board administrative entities have been notified during a recent Workforce Investment Act Administrators' Association meeting that no incentive grants will be made in program year 2012 due to the reduction in WIA Governor's Reserve funds.

Upon waiver approval, Local Workforce investment board Chairs, Administrators, WIA fiscal agents, and others will receive a WIA State Instruction regarding waiver implementation and effective date. In addition, the WIA State Instruction will be posted on the SC Works website at www.wiforcesouthcarolina.com.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.worforcesouthcarolina.com and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 7-day comment period was allowed with instructions regarding the submittal of comments. There have been no adverse public comments on the waiver.

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STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

Subsequent Eligibility of Training Providers

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of 20 CFR 663.530 to waive the Eligible Training Provider (ETP) List requirement for subsequent eligibility that all mandated performance items must be submitted and acceptable levels met for programs/courses to remain on the list.

Actions undertaken to remove state or local barriers

There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

In local areas, information from the SC Works Online Services data system (SCWOS) is used to make informed decisions of continued WJA funding. However, it is still an administrative burden for training providers to collect "all" of the required information. This requirement can also limit customer choice if training providers are removed from the ETP List for their inability to provide information they may not collect.

In the past, several training providers on the ETP List have requested extensions to provide the required data. Many providers do not have systems in place or manpower available to produce the required performance information in the specified timeframe. These include Continuing Education providers and short-term training providers. Due to the enormity of these student populations, their transient nature, and the fact that continuation of these types of programs are justified more by cost-effectiveness of offering the courses than sufficient placement of the graduates, they are not required to collect performance data.

Removal of these programs/courses from the list would go against the intent of WJA by severely limiting consumer choice in our State. However, to ensure the quality of providers on the ETP List, the State will monitor the implementation and impact of this waiver through performance reporting and ad-hoc reports that will identify the WIA utilization and outcomes of training providers and their specific programs. The State will work with local areas to ensure providers are delivering quality training services. Staff will continuously review the ETP List and applicable policies and procedures and make modifications accordingly.

Individuals impacted by the waiver

Approval of this waiver will positively impact training providers, workforce staff, and customers.

Process for monitoring progress in implementation

The State will be responsible for monitoring the implementation and impact of this waiver through performance reporting and ad-hoc reports. Staff will continuously review the ETP List and applicable policies and procedures and make modifications accordingly.

Notice to affected local boards

Local workforce investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

Provision of Incentive Grants to Local Areas

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.

Actions undertaken to remove state or local barriers

There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

The reduction to five percent in the WIA allotment for Program Year 2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. In three years, Reserve funding has drastically declined. In PY'10, \$7.5 million was available for statewide activities. In PY'11, South Carolina was only able to commit \$2.2 million in WIA funding for statewide activities through the use of unexpended and carryover funding. In PY'12, only \$1.4 million is available for statewide activities. The current funding level in the Governor's Reserve fund is insufficient to cover the cost of program incentives to local areas. The state's reduced funds are and will be used to cover required and allowable activities such as

- Operating a fiscal and management accountability information system
- Dissemination of the State Eligible Training Provider List
- Assisting in the establishment and operation of the One-Stop delivery system
- Providing technical assistance to local areas that fail to meet local performance measures
- Financial and programmatic monitoring of workforce investment activities
- Implementation of SC Certified Work Ready Communities, a statewide work readiness, credentialing initiative
- Sustainment of the Jobs for America's Graduates- SC program for at-risk youth

Our goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for activities we deem most essential to the functions of the workforce investment system. There are no expected programmatic outcome changes as a result of this waiver.

Individuals impacted by the waiver

This waiver will provide the South Carolina Department of Employment and Workforce with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

Local areas are impacted the most by this waiver. Although the LWIAs will continue to strive to meet increasing performance goals, there is the potential for adverse reaction in that other incentivized goals such as fund utilization rates and specific SWIB initiatives like the SC Works Certification Standards will not carry as much weight or support without the motivation of incentive funds. Because the Reserve funds that would have been used to award Incentive Grants have been directly allocated to the local areas, the impact to the local areas is not detrimental. However, incentive funds were often used to allow LWLBs to offer services or achieve specific goals not normally accomplished with formula allocations. For example, some local areas have used their incentive funds for additional Incumbent Worker Training (IWT) agreements to assist local businesses. Currently, local program funds may only be used for layoff aversion IWT agreements, limiting the businesses that can be assisted. So, while minimal, there will be an impact on limiting the types of activities carried out in a local area.

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 investment board administrative entities have been notified during a recent Workforce Investment Act Administrators' Association meeting that no incentive grants will be made in Program year 2012 due to the reduction in WIA Governor's Reserve funds.

Upon waiver approval, Local Workforce Investment board Chairs, Administrators, WIA fiscal agents, and others will receive a WIA State Instruction regarding waivers implementation and effective date. In addition, the WIA State Instruction will be posted on the SC Works website at www.worforcesouthcarolina.com.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.worforcesouthcarolina.com and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 7-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

Individual Training Accounts (ITAs) for Older and Out-of-School Youth

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived
Waiver of 20 CFR 664.510 to allow regulatory prohibition on using Individual Training Accounts (ITAs) for older and out-of-school youth. The State was previously approved for this waiver and has been utilizing it for the past several years.

Actions undertaken to remove state or local barriers
There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

- Offers local workforce investment board flexibility to design and deliver programs and services based on customer needs rather than restrictions based on age.
- Reduces paperwork and tracking processes now required for dual enrollment (older youth and adult) for older and out-of-school youth to access occupational skills training through the Eligible Training Provider list.
- Provides greater customer choice, offers youth the real-life learning experience of making an informed career decision, and provides case management staff with the opportunity to work with older youth on training and career opportunities.
- Streamlines performance management by counting these customer only once in performance measures.

Approval of this waiver supports implementation of State strategies, enhances services to businesses and jobseekers, and promotes workforce system partnership and collaboration.

Individuals impacted by the waiver

This waiver impacts older and out-of-school youth, who could benefit from ITAs, by allowing them access to types of services that most closely and quickly meet their individual needs. This waiver also reduces the burden of duplicative eligibility and tracking processes for both the customer and workforce development staff.

Process for monitoring progress in implementation

The waiver enables SC the flexibility to design seamless delivery of services and to customize the education and training programs for youth. With an emphasis on furthering customer satisfaction through choice, individual opportunity, and continuity of services, each LWIA can ensure an efficient and quality delivery system. The State will monitor the implementation and impact of the waiver, through a combination of ~~!!!~~ Monitoring from the local level, state oversight.

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and evaluation. Performance measures from the local area will be reviewed quarterly, to determine the impact of the waiver approval. The state will gather information through discussion on the progress of the implementation of the waivers, performance data, and obstacles encountered, if any. To ensure fiscal integrity, there will be both adequate oversight and complete, consistent reporting. The State will review applicable policies and procedures and modify them accordingly.

Notice to affected local boards

Local workforce investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

Dissemination of Training Provider Performance and Cost Information

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived
Waiver of 20 CFR 665.200(b)(3) requiring dissemination of training provider performance and cost information.

Actions undertaken to remove state or local barriers
There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

The reduction to five percent in the WIA allotment for Program year 2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. For the past two years, Reserve funding has drastically decreased. In PY '10, \$7.5 million was available for statewide activities. In PY '11, South Carolina was only able to commit \$3.2 million in WIA funding for statewide activities through the use of unexpended and carryover funding. In PY '12, only \$1.4 million is available for statewide activities. The current funding level in the Governor's Reserve fund is insufficient to cover the cost of dissemination of training provider performance and cost information. The state's reduced funds are and will be used to cover required and allowable activities such as

- Operating a fiscal and management accountability information system
- Dissemination of the State Eligible Training Provider List
- Assisting in the establishment and operation of the One-Stop delivery system
- Providing technical assistance to local areas that fail to meet local performance measures
- Financial and programmatic monitoring of workforce investment activities
- Implementation of SC Certified Work Ready Communities, a statewide work readiness, credentialing initiative
- Sustainment of the Jobs for America's Graduates – SC program for at-risk youth

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

Individuals impacted by the waiver

This waiver will provide the South Carolina Department of Employment and Workforce with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system. WIA customers will not be adversely impacted by the adoption of this waiver, as customer choice will not be limited due to

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incomplete performance data. This waiver will provide the State with more flexibility in working with local areas and providers to supply performance data without creating a financial hardship on the provider and/or the State. This will result in access to a wider selection of training providers for our customers.

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 investment board administrative entities have been notified during a recent Workforce Investment Act Administrators' Association meeting that no incentive grants will be made in Program year 2012 due to the reduction in WIA Governor's Reserve funds.

Upon waiver approval, Local Workforce Investment board Chairs, Administrators, WIA fiscal agents, and others will receive a WIA State Instruction regarding waivers implementation and effective date. In addition, the WIA State Instruction will be posted on the SC Works website at www.worforcesouthcarolina.com.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.worforcesouthcarolina.com and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 7-day comment period was allowed with instructions regarding the submittal of comments.

STATE OF SOUTH CAROLINA
WAIVER REQUEST
WORKFORCE INVESTMENT ACT

State Set-Aside Rapid Response Funds for Incumbent Worker Training Activities

Date: Program Year 2012
State: South Carolina
Agency: South Carolina Department of Employment and Workforce (SCDEW)

Statutory and/or regulatory requirements to be waived

Waiver of WIA Section 134(a)(1)(A) to allow state set-aside Rapid Response funds to be used for incumbent Worker Training (IWT) activities as needed. The State is requesting a waiver to permit up to 20% of the funds reserved for rapid response activities to be used for incumbent worker training as part of a layoff aversion strategy only. The State was previously approved for this waiver and has been utilizing it for the past several years.

Actions undertaken to remove state or local barriers

There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

Layoff aversion is a key component of the JWT training program. Layoff aversion is when a worker's job is saved with an existing employer that is at risk of downsizing or closing or when a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences little or no unemployment. This waiver will enable the State to utilize the IWT program to provide businesses with needed resources to train existing employees in an effort to retain them. Also the program will benefit individuals as they will receive additional training that will help them retain employment versus becoming a dislocated worker due to layoff. This waiver will ultimately enhance the state's efforts at job retention, thereby avoiding layoffs. The state and national economy will benefit from the increased productivity and upward mobility of workers. This waiver will provide additional resources for a key state initiative to boost creativity and innovation in incumbent worker training and to supply the skills that challenge South Carolina employers.

The State has developed forms and processes to identify, target, and award IWT funding to businesses at risk of imminent layoffs or closure, should a worker group not obtain new or upgraded skills. Administration procedures are outlined in State WIA Instruction number 10-01: Use of Incumbent Worker Training as a Layoff Aversion Strategy, accessible at <http://www.scworks.org/media/10-01-Instruction/10-01-Use-of-Incumbent-Worker-Training-as-a-Layoff-Aversion-Strategy.pdf>

The State's business service representatives and local area business service teams work with the SC Manufacturing Extension Partnership (SCMEP) to assess the viability and training needs of the businesses. SCMEP conducts a Competitiveness Review and notes warning signs. Business service staff reviews the SCMEP documentation and business training application, assesses the

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employer, worker group. Proposed training prior to endorsing the application and forwarding it for funding approval.

With a changing economy and global competitiveness all businesses are seeking opportunities to remain viable and grow. Industries and sectors are not targeted, as such as specific, at-risk businesses are identified by the state and local business service teams working collaboratively with the SC Manufacturing Extension Partnership. These individuals are active in the business community and alert to early warning signs, such as negative financial indicators, market issues, ownership changes, changes in neighboring land use, etc. The State has encouraged increased partnership with SCMEP. SCMEP's competitiveness reviews and training recommendations have led to increased training in National Institute of Standards and Technology credentialed programs of study.

Approval of this waiver will give the State flexibility to use Rapid Response funds, as needed, for IWT activities and respond quickly to needs specific to layoff aversion. Use of Rapid Response funds for IWT will not diminish the ability of the State to provide dislocated worker services. Yet, having adequate funds to meet the IWT needs in the State improves our overall workforce development system by helping businesses and workers keep pace with the workforce skills that are required to be able to compete in a global economy. Approval of this waiver supports implementation of State strategies, enhances services to businesses and jobseekers, and promotes workforce system partnership and collaboration

Individuals impacted by the waiver

The potential impact of this waiver is on employers and employees in businesses that are at risk of closure or layoffs. IWT can help to prevent these adverse outcomes through the increase of skill levels thus resulting in employment retention and maybe even expansion. The training provided to IWT participants makes the individuals more valuable to both their current employers as well as to other potential employers.

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, all through its monitoring and performance accountability system.

Notice to affected local boards

Local workforce investment boards were notified of the original waiver request and given an opportunity to provide input. Local boards have been offered a subsequent opportunity for input during the public comment period of the PY 2012-2016 State Plan.

Public Comment

The proposed waiver request was made available for public comment on the SC Works website at www.scworks.org and on the South Carolina Department of Employment and Workforce website at www.dew.sc.gov. A 12-day comment period was allowed with instructions regarding the submittal of comments.