



MAY 21 2013

The Honorable Peter Shumlin
Governor of Vermont
109 State Street
Suite 200
Montpelier, Vermont 05609

Dear Governor Shumlin:

This letter provides approval of Vermont's State 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 April 15, 2013. This letter also responds to Vermont's WIA waiver requests.

Training and Employment Guidance Letter (TEGL) Number 21-11, issued on March 27, 2012, provides 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 Vermont State 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. 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 Vermont's State Plan for the period July 1, 2013 through June 30, 2017, PY 2013-PY 2016. The annual W-P Agricultural Outreach Plan (AOP) is approved through June 30, 2012. The PY 2013 AOP must be developed and submitted in accordance with guidance in TEGL No. 23-12. The State is eligible to receive WIA formula allotments for Adult, Dislocated Worker, and Youth programs, and W-P program allotments, effective July 1, 2013 through June 30, 2017.

Performance Levels

Each year, the Regional Administrator negotiates the forthcoming Program Year's performance goals with each state. Negotiations are completed by June 30th each year. Once the final goals are established, the Regional Administrator's letter advising the

State of the PY 2013 WIA and W-P final performance goals constitutes a modification to the State Plan. ETA will incorporate Vermont's final performance goals for PY 2013 into the Regional and National Office copies of the State Plan. Please include these final PY 2013 goals in the State's official copy of the State Plan.

Waivers

As part of Vermont's State Plan, the State submitted waiver requests for waivers of statutory and regulatory requirements under WIA (copy enclosed). The State's requests for waivers are 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 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 10 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. 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 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 Adult funds for incumbent worker training to serve lower income adults 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 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 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 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 age 18 and older 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 123 that requires that providers of Youth program elements be selected on a competitive basis.

The State is requesting a waiver of the requirement for competitive procurement of service providers for three of the ten youth program elements: supportive services, follow-up services, and work experience. The State is granted this waiver through June 30, 2017. Under this waiver, the State is permitted to allow its American Job Centers or partner agencies to directly provide the above youth program elements. In utilizing this waiver, the State and local areas must still meet Office of Management and Budget requirements (codified in 29 CFR 95.40-95.48 and 97.36) and all state and local procurement laws and policies.

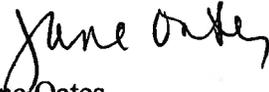
Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

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.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as described in TEGE 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 2013 and beyond. If you have any questions related to the issues discussed above, please contact George Kincannon, the Federal Project Officer for Vermont, at (617) 788-0135 or Kincannon.George.J@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Holly O'Brien, Regional Administrator, ETA Boston Regional Office
George Kincannon, Federal Project Officer for Vermont

From: [Lucenti, Rose](#)
Date: Monday, April 15, 2013 4:14:19 PM
Posted At: WIA.PLAN
Conversation: Vermont State WIA/W-P 5 Year Strategic Plan
Subject: Vermont State WIA/W-P 5 Year Strategic Plan
Attachments: [Vermont State WIA W-P 5 Year Plan.pdf](#)

Good Afternoon,

Attached you will find Vermont's 5 year Strategic WIA/WP plan. Please let me know if you have any questions or need further information.

Sincerely,
Rose Lucenti

Rose M. Lucenti, Director
Workforce Development Division
Vermont Department of Labor
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Waiver Requests

**State of Vermont
Workforce Investment Act
Waiver Request**

LAYOFF AVERSION ACTIVITIES FOR RAPID RESPONSE

The Vermont Department of Labor Workforce Development Division, as the administrative entity of the Workforce Investment Act (WIA) in the State of Vermont, requests approval of a waiver enabling the State to expand training activities allowing the use of up to a 10% portion of rapid response funding described in WIA Sec. 133(a)(2) for incumbent worker training as part of the state resources to assist Vermont workers and companies anticipating layoffs. The waiver enables Vermont to retain workers or retrain workers for new companies in order to avert layoffs by providing a variety of skill development resources through its Career Resource Center network. Vermont would create the necessary policies and procedures to approve these activities.

Upon notification of this waiver approval, state policy will be amended or created to comply with the terms of the waiver and applicable policies and procedures will be developed for Vermont's Career Resource Centers.

The U.S. Department of Labor has approved similar waivers for a number of other states and we ask that our request for approval of this waiver be granted. We request that the waiver period begin July 1, 2013.

A. Statutory or Regulatory Requirements to be Waived

Vermont requests a waiver of language in WIA Sec. 133(a)(2) to allow up to a maximum of 10% of the funding described in Sec. 133(a)(2) to be used for the described activities allowable under statewide activities described in 134(a).

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted.

The waiver request is consistent with the national policy direction to develop a workforce system that is responsive to the demands of both individual and employer customers. In addition, it supports a key priority of the Governor to close the "skill gaps" between job vacancies in the state and the available workforce through better alignment of public investments with regional data on employer need.

Vermont anticipates an increase in capacity of Regional Career Resource Centers to manage service changes required by the needs of dislocated workers and changes in the volume of layoff activity.

Flexibility in the use of Rapid Response Set-Aside funding will encourage collaboration with economic development organizations, business, industry associations, education and training institutions, Vermont's Workforce Investment Board, and the Career Resource Centers. If approved, the State of Vermont will increase its ability to align the supply and demand for skilled workers. Specifically it will provide the opportunity to increase industry collaborations to address worker training.

C. State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

Workers in companies anticipating layoffs or workers affected by layoffs would most directly benefit from the approval of this waiver.

All WIA customers and WIA partners -- including the Workforce Investment Board the department's Rapid Response Teams, and the Career Resource Centers -- will be positively affected by adoption of this waiver request.

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

As with all other major policy and procedural decisions made by Vermont we relied upon input from Regional Career Resource Center staff, boards and employers. All requests for this waiver have been posted on the Vermont Department of Labor's website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in Vermont.

The Executive Office of the Vermont Department of Labor and Workforce Development Division, as the State administrator of WIA, will continue to monitor the implementation of this waiver through the Regional Career Resource Centers and develop the appropriate state policies to govern its use by the Regional Career Resource Centers.

**State of Vermont
Workforce Investment Act
Waiver Request**

INCUMBENT WORKER TRAINING

The Vermont Department of Labor Workforce Development Division, as the administrative entity of the Workforce Investment Act (WIA) in the State of Vermont, requests approval of a waiver enabling the State to expand training activities for individuals. This action would include incumbent workers, to better meet the needs of Vermont's economy. This request would waive language limiting use of local formula funding for adult and dislocated workers in order to allow Vermont to utilize these resources for allowable statewide employment and training activities, including flexible training design for unemployed and incumbent worker training activities, as described by WIA Section 134(a)(3)(A). Funds will continue to be tracked by funding stream and will not be combined thereby losing individual funding stream identity or integrity.

Pursuant to WIA Section 189(i) (4) (B) and the WIA Federal regulations at 20 CFR 661.420, the state of Vermont requests a waiver to enable local areas to expand flexible training design and incumbent worker training to better align training investments with the needs of Vermont's employers by allowing up to 10 percent of local adult and dislocated worker described by WIA Section 133 (b) (2) and WIA Section 129 to be expended on incumbent worker education and training activities pursuant to the rules adherent to statewide activities described by WIA Section 134(a) (3) (A).

Upon notification of this waiver's approval, state policy will be examined to determine compliance with the terms of the waiver and applicable policies and procedures will be revised, if necessary. State policy prefers to use local formula resources to expand services to customers in the form of education and training of the allowable statewide activities outlined in Section 134(a)(3)(A).

The U.S. Department of Labor has approved similar waivers for a number of other states and we ask that our request be granted for the waiver. We request that the waiver period begin July 1, 2013.

A. Statutory or Regulatory Requirements to be Waived

Language in Section 133 (b) (2) and WIA Section 129 limiting use of local adult and dislocated worker formula funding for allowable statewide employment and training activities, including flexible training

design for unemployed and incumbent worker training activities (described in Section 134(a) (3) (A)).

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted.

The waiver request is consistent with the national policy direction to develop a workforce system that is responsive to the demands of both individual and employer customers. In addition, it supports a key priority of the Governor to close the "skill gaps" between job vacancies in the state and the available workforce. Vermont's incumbent worker program will provide employers with a means of working with their current employees who need to improve their skills in order to avoid being laid off from an employer which is at risk of downsizing or closing. A significant portion of Vermont's economy is supported by small rural businesses who employ between 5 and 50 employees. Additionally, smaller companies in Vermont are struggling to recover from the last economic downturn and a series of three crippling storm disasters. Those companies would greatly benefit from incumbent worker training resources. Vermont businesses in general would benefit from the incumbent worker program offering them the ability to keep their workforce competitive and highly trained. The residual impact of this program would translate to new openings as incumbent workers are promoted. Vermont sees significant potential in coupling our OJT program with the incumbent worker resources resulting in business growth and averting closure and layoffs. Offering training and retraining for the incumbent workers to improve their existing, or obtain additional, skills to remain employed is critical to layoff aversion across the State.

Vermont anticipates an increase in capacity of Regional Career Resource Centers to respond to labor market changes within each region. The waiver allows regions to increase the effectiveness and efficiency of education and training vendors and institutions by connecting program design and curriculum with the labor market needs for the region through the use of Workforce Investment Act funding. Flexibility in the use of local formula funding will encourage collaboration with economic development organizations, business, industry associations, education and training institutions, Workforce Investment Boards, Career Resource Centers and other workforce intermediaries to change the system of delivery to align supply and demand for skilled workers. Specifically it provides the opportunity to increase collaborations with industry to address their worker training needs.

C. State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

Vermont anticipates an increase in the number of incumbent workers receiving training who might otherwise be ineligible.

All WIA customers and WIA partners -- namely, Title I Administrators and Career Resource Centers -- will be positively affected by adoption of this waiver request.

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

As with all other major policy and procedural decisions made by Vermont we relied upon input from Regional Career Resource Center staff, boards and employers. All requests for waivers have been posted on the Vermont Department of Labor's website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in Vermont.

The Executive Office of the Vermont Department of Labor and Workforce Development Division, as the State administrator of WIA, will continue to monitor the implementation of this waiver through the Regional Career Resource Centers and develop the appropriate state policies to govern its use by the Regional Career Resource Centers.

**State of Vermont
Workforce Investment Act
Waiver Request:**

Adoption of Common Measures

The Vermont Department of Labor Workforce Development Division, as the administrative entity of the Workforce Investment Act (WIA) in the State of Vermont, requests approval of a waiver to adopt the Common Measures. Pursuant to WIA Section 189(i)(4)(B) and the WIA Federal regulations at 20CFR 661.420, the State of Vermont requests a waiver to allow the State to replace the 17 WIA Title I performance measures (15 core and 2 customer satisfaction measures) with the common measures delineated in TEGL 17-05. If approved, the State of Vermont would be allowed to report outcomes solely under the nine common measures for all required federal reports starting January 1, 2014, (one quarter after implementation the AJL MIS system) and beyond. This would allow Vermont to report the common measures for programs under the Workforce Investment Act, the Wagner-Peyser Act, the Jobs for Veterans Act, and Trade Adjustment Assistance (TAA) programs. The nine common measures as outlined in the TEGL are: Entered Employment, Retention, Average Earnings, Youth Placement in Employment or Education, Youth Attainment of a Degree or Certificate, and Youth Literacy and Numeracy Gains. This waiver would allow Vermont to avoid the inconsistencies and complexities inherent in the current WIA performance reporting requirements. It would allow the state to continue to effectively align accountability across all programs within our workforce system. The common measures more effectively support the State's goals of promoting on-the-job training and customized training for adult workers including employed workers. They also more clearly target out-of-school youth and youth most in need as identified

A. Statutory or Regulatory Requirements to be Waived

Vermont seeks a waiver of requirements established in Sections 136(b)(2) and (c)(1) of the Workforce Investment Act of 1998, as well as accompanying regulations at 20 CFR 666.100(a) and 666.300(a), which specify the required state and local performance measures for WIA Title 1B programs. Vermont also requests a waiver of the seventeen indicators of performance for activities authorized under sections 129 and 134 of the Workforce Investment Act. Specifically, with approval of this request, the State would not be required to report the following WIA measures: WIA Adult and Dislocated Worker credential rates; participant and employer customer satisfaction; older youth measures, and younger youth measures.

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted.

The requested waiver is consistent with following principles of the national strategic direction as outlined in TEGL 13-06 as well as more recent United States Department of Labor issuances.

- Enhance an integrated service delivery system that focuses on services rather than programs.
- Advance a vision for serving youth most in need.
- Increase the use of flexibility provisions in WIA to design innovative programs that fuel regional economic competitiveness and create employment opportunities for career seeker customers.
- Utilize an integrated and enhanced performance accountability system.

With the waiver Vermont expects to see the following benefits:

- Simplified and streamlined performance measurement reporting.
- Improved One-Stop case manager integration through the use of common measures which capture the effectiveness of the workforce system across all partners.
- The provision of clear and more understandable information concerning all workforce partner programs.
- Enhanced capacity for Vermont to continue to implement USDOL's youth vision, which focuses on out-of-school populations;
- Removal of the current disincentives for the provision of on-the-job training and customized training.

C. State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

Approval of this waiver will positively impact all customers of Vermont's workforce system by streamlining program measurement to aid program management and program improvement. The waiver will assist efforts to more fully integrate all partner programs involved in the workforce effort.

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

As with all other major policy and procedural decisions made by the State of Vermont, we rely upon input from Vermont's Work Force Development Division's Management, State's Workforce Investment board, businesses and Career Resource Center staff and customers.

All requests for waiver submissions have been posted on the Vermont Department of Labor website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in the State.

The Executive Office of the Vermont Department of Labor and its Workforce Development Division will monitor the implementation of this waiver and develop the appropriate state policies to govern its use.

**State of Vermont
Workforce Investment Act
Waiver Request**

EXPANDED TRANSFER AUTHORITY

The Vermont Department of Labor Workforce Development Division, as the administrative entity of the Workforce Investment Act (WIA) in the State of Vermont, requests approval of a waiver enabling the Vermont Department of Labor's Workforce Development Division to transfer up to 50% of the initial allocation between the Adult and Dislocated Worker funds. The requested waiver will provide Vermont's Workforce Development Division with greater flexibility to respond to changes to the State's labor markets, and will help ensure that WIA funds allocated to Vermont are being utilized in a way that will maximize customer service.

The U.S. Department of Labor has already approved a similar waiver for a number of other states and we ask that our request for renewal also be granted for the waiver. We request that the new waiver period begin July 1, 2013, and apply to subsequent years.

In keeping with the guidelines set forth in WIA Section 189(i)(4)(b) and 20 C.F.R. Part 661.420(c), please accept the following as a request for a waiver:

A. Statutory or Regulatory Requirements to be Waived

WIA Section 133(b)(4) and 20 C.F.R. Part 667.140 state that a Local Board may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area in a fiscal year between Adult employment and training activities and Dislocated Worker employment and training activities.

Vermont requests approval of this waiver which allows the Vermont Department of Labor's Workforce Development Division to transfer up to 50 percent of a program year allocation for Adult funds and up to 50 percent of a program year allocation for Dislocated Worker funds between the two funding streams.

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted.

The main anticipated goal is increased flexibility in allocating and expending Adult and Dislocated Worker funds. Such flexibility would enable Vermont to better serve the needs of its customers, and would heighten the State's ability to respond to changes in the local labor market.

The U.S. Department of Labor has already approved similar waivers for other states, and we ask that our waiver request be granted.

C. State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

All Adults and Dislocated Workers, as well as business customers, will benefit from the waiver. Granting Vermont the ability to move substantial funds to the areas of greatest need will ensure optimum service to the general population of Vermont's workforce.

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

As with all other major policy and procedural decisions made by the State of Vermont, we rely upon input from Vermont's Work Force Development Division's Management and Career Resource Center staff. This waiver will be especially helpful in serving workers in an effort to assist them in retaining employment or obtaining employment leading to self-sufficiency.

All requests for waiver renewal have been posted on the Vermont Department of Labor website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in the State.

The Executive Office of the Vermont Department of Labor and its Workforce Development Division will monitor the implementation of this waiver and develop the appropriate state policies to govern its use.

**State of Vermont
Workforce Investment Act
Waiver Request**

**Waiver of the required maximum 50 percent OJT employer
reimbursement.**

The Vermont Department of Labor's Workforce Development Division local workforce request a waiver of WIA Section 663.710 (b) related to the statutory exclusion and regulatory prohibition of the maximum On-the-Job Training (OJT) reimbursement. This waiver will allow a change to the maximum employer reimbursement for OJT training from the current 50 percent of the wage rate. The waiver request seeks to allow Vermont the ability to reimburse the employer on a graduated scale based on the size of the business. 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 more than 50 but fewer than 100 employees. For employers with 100 or more employees, the current statutory requirements will continue to apply. The statutory maximum reimbursement has been determined to be a deterrent for small employers in Vermont that had considered OJT as a means to develop workforce skills necessary for growth in their respective industries. A graduated scale of reimbursement will create more incentive for small employers to participate in OJT that achieves high-skill, high demand and/or high wage attainment and family sustaining jobs. As required by 20 CFR 663.700, the length of an OJT will still be determined by the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan. No reimbursement greater than 50 percent will remain in effect longer than three months. Approval of this waiver will be especially beneficial to small businesses that provide most of the new jobs being created in Vermont. This waiver request follows guidelines identified in WIA 189 (i) (4) (B) and 20 CFR Section 661.420 (c).

The U.S. Department of Labor has already approved similar waivers for a number of other states and we ask that our waiver request be granted. We request that the new waiver period begin July 1, 2013 and apply to subsequent years.

A. Statutory or Regulatory Requirements to be Waived

The WIA Section 101 (31) (B) and Title CFR 663.710 (b) dealing with the OJT reimbursements.

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted.

- Increased percentages of employers using OJT as a means of hiring and retaining a skilled workforce.
- Increased number and percentages of workers trained and hired through OJT programs.
- Elevated skill proficiencies for workers that will result in increased worker viability.
- Increased responsiveness to labor market issues in the private sector.
- Increased flexibility at the local level to offer businesses training solutions tailored to respond to the specific needs of the business.

C. State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

Employers will benefit from this waiver allowing OJT at a reduced cost. It will allow businesses to more rapidly adapt to changes in technology and the marketplace. Businesses will be capable of expanding and remaining competitive with affordable OJT options uniquely designed to achieve their specific developmental goals. This waiver will make OJT a much more viable option, especially for small businesses looking to get started or expand. The waiver will also benefit Adults, Dislocated Workers and Out-of-School Youth who are eligible for services under WIA by the availability of OJT reimbursement options.

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

As with all other major policy and procedural decisions made by the State of Vermont, we rely upon input from Vermont's Workforce Development Division's Management, State's Workforce Investment board, businesses and Career Resource Center staff and customers.

All requests for waiver submission have been posted on the Vermont Department of Labor website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in the State.

The Executive Office of the Vermont Department of Labor and its Workforce Development Division will monitor the implementation of this waiver and develop the appropriate state policies to govern its use.

**State of Vermont
Workforce Investment Act
Waiver Continuation Request:
Competitive Procurement Process for selected youth program elements
provided**

The Vermont Department of Labor Workforce Development Division, as the administrative entity of the Workforce Investment Act (WIA) in the State of Vermont hereby requests a continuation of the 2001 waiver of the competitive selection of youth training providers that is found at Section 123 of the Workforce Investment Act, for the work experience, supportive services, and follow-up program elements for Program Years 2012-2016.

Since Program Year 2001, VDOL has operated under a waiver that allows Vermont Department of Labor (VDOL) youth case managers to provide the three program elements of work experience, supportive services, and follow up, without undergoing a competitive bid process. Vermont originally sought, and continues to need this waiver to accommodate the unique and challenging characteristics of a rural state.

Under the regulations, all ten elements of youth services, including follow-up services, must be provided by youth service providers that have been procured in separate competitive bidding processes. Framework services may be provided either by the fiscal agent without a competitive procurement, or by another organization subsequent to a competitive award. Providers of framework services are in a better position to provide follow-up services to youth, and the requirement of an additional competitive bidding process for follow-up services is burdensome.

Vermont lacks the formal statewide service infrastructures commonly present in more heavily populated states. Outside of state agencies that serve youth or their families, there are very few providers with even a regional structure, and virtually none with a statewide presence. In Vermont, service providers, particularly those who work with youth, tend to be small and specialized, with a focus on serving the needs of local clients.

This waiver facilitates a more streamlined approach to case management by allowing providers of youth framework services to provide personal attention on a consistent basis to each youth as they access many different programs available for education and training.

The U.S. Department of Labor has already approved similar waivers for a number of other states and we ask that our waiver continuation request be granted. We request that the new waiver period begin July 1, 2012 and apply to subsequent years.

A. Statutory or Regulatory Requirements to be Waived

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

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted.

A waiver renewal will maximize resources by allowing framework service providers to provide follow-up services to youth, instead of requiring a second competitive bidding process.

Granting the waiver renewal will decrease state and local paperwork, reduce the need for extra staff needed to track and report the progress of a youth through various programs, and make available youth case staff to work directly with youth on more substantive training and educational goals.

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

VDOL has developed a highly trained staff of dedicated case managers who exclusively serve eligible youth in each of our twelve local offices as well as numerous off-site locations. Our experience has shown that youth participants are more likely to succeed when they are case managed by the same person who can facilitate their progress through the program, from intake through progressively appropriate elements and finally to successful transition into employment. VDOL case managers provide a level of consistency and stability that has typically been lacking in this population's family, school and social environments. In addition to providing stability, VDOL youth case managers consistently model behaviors that guide youth toward success in the workplace.

In serving a youth population that reflects a broad range of challenges, VDOL case managers rely heavily on established relationships with a variety of local partners to secure appropriate services. By working directly with service providers, our case managers have fostered greater collaboration among partners, resulting in greater efficiency and quality of programs/services. In many instances, case managers have identified local service gaps, and because of the cooperation among providers, someone has stepped up and filled the gap.

In developing individual or group work experience sites, VDOL staff and management will continue its strict adherence to all state and local procurement laws and policies.

C. State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

VDOL youth case managers are responsible for the design framework component including such services as intake, objective assessments and development of individual service strategies. Allowing them to continue delivering the work experience, supportive services and follow-up elements is more cost effective and seamless than the alternative of undergoing a competitive process, negotiating and monitoring grants and subsequently referring youth participants to various other service providers for these three program elements. This strategy prevents youth from falling through the cracks and engages them to continue services provided at the One Stop Centers.

Youth participants are the ultimate beneficiaries of this waiver. It allows them to relate to a single case manager for most of their programmatic needs during their enrollment, and for the twelve month period following exit.

This waiver, if granted, should yield high levels of program outcomes as measured by the youth performance measures, in particular, entered employment, employment retention and earnings change for older youth. Program monitoring by the VDOL youth services coordinator, both on-site and through desk reviews, will continue on an on-going basis.

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

As with all other major policy and procedural decisions made by the State of Vermont, we rely upon input from Vermont's Work Force Development Division's Management, State's Workforce Investment board, businesses and Career Resource Center staff and customers.

All requests for waiver submissions have been posted on the Vermont Department of Labor website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in the State.

The Executive Office of the Vermont Department of Labor and its Workforce Development Division will monitor the implementation of this waiver and develop the appropriate state policies to govern its use.

**State of Vermont
Workforce Investment Act
Waiver Request**

Eligible Training Provider Performance Requirements Waiver

The Vermont Department of Labor's Workforce Development Division, the administrative entity for the Workforce Investment Act, is requesting a waiver that pertains to Section 122(c) and (d) and CFR 661.530, to permanently waive the performance eligibility requirements for training providers from June 30, 2013, and subsequent years. Additionally, the State wishes to provide an opportunity for existing training providers to reenroll and be considered enrolled on the Eligible Training Provider List (ETPL) as initially eligible providers, as provided for under WIA Section 122(b) and Title 20 CFR Section 663.530, related to eligible training provider provisions.

Vermont's rural nature and the fact that there are not enough service providers to make competitive bidding for most youth and adult services cost effective. Likewise a large number of eligible training providers for adult services indicate that the WIA enrollment numbers are too small for an investment in a WIA data collection system for all students. This waiver will assist the State in developing a more efficient and cost effective workforce system and provide a wider range of options to Vermonters.

A. Statutory or Regulatory Requirements to be Waived

WIA Section 122(c) and (d) and WIA Regulations at Section 661.530 address the time limit for initial eligibility that would be waived with an extension of the initial eligibility period and subsequent years. WIA Section 122(b) and Title 20 CFR Section 663.530, related to eligible training provider provisions.

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted.

- Retain current approved eligible providers and continue to increase their numbers thereby providing quality customer choice for Vermont job seekers
- Alleviate providers' concerns with the types and amount of required information
- Have sufficient time to develop an effective and efficient method of collecting data from training providers
- Increase the amount and accuracy of WIA performance information from training providers
- Provide increased training opportunities for Vermont WIA participants residing close to border areas (New Hampshire, New York and Massachusetts) where attending training would be more convenient and practical.

C. State or Local Statutory or Regulatory Barriers

There is no state or local statutory or regulatory barrier to implementing

the proposed waiver.

D. Description of Individuals Impacted by the Waiver

This waiver will positively impact Vermont's public and private training providers. As indicated earlier, these mandated reporting requirements are so burdensome and costly that some providers may find it necessary to end WIA participation. The waiver would alleviate this problem by allowing the State to retain providers that are currently participating and also allow for the reinstatement of past providers.

The waiver would also have a positive impact on WIA training participants. It gives greater choice, not only among in-state providers, but also with providers located in border states where a Vermont WIA participant may find it more convenient to attend training.

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

As with all other major policy and procedural decisions made by Vermont we relied upon input from Regional One Stop Career Center staff, boards and employers. All requests for this waiver have been posted on the Vermont Department of Labor's website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in Vermont.

The Executive Office of the Vermont Department of Labor and Workforce Development Division, as the State administrator of WIA, will continue to monitor the implementation of this waiver through the Regional One Stop Career Centers and develop the appropriate state policies to govern its use by the Regional One Stop Career Centers.

Note: Performance goals for waivers will be established by Region, results monitored quarterly, corrective action plans developed and implemented to assure that waivers are being used and managed effectively.