



MAY - 7 2013

The Honorable David Heineman
Governor of Nebraska
State Capitol
P.O. Box 94848
Lincoln, Nebraska 68509-4848

Dear Governor Heineman:

We are pleased to be able to respond to your requests for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA) submitted on March 18, 2013. These requests are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission (copy enclosed). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

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. The State is granted this waiver effective July 1, 2012 through June 30, 2014.

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. The State is granted this waiver effective July 1, 2012 through June 30, 2014.

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 it 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 by TEGP No. 29-11, the State should address the impact its waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Danielle Waddell, the Federal Project Officer for Nebraska, at (312) 596-5539 or Waddell.Danielle@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosures

cc: Byron Zuidema, Regional Administrator, ETA Chicago Regional Office
Danielle Waddell, Federal Project Officer for Nebraska



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF LABOR

Catherine D. Lang, Commissioner
550 South 16th Street • Lincoln, NE 68509-4600
Phone: 402.471.9000 • www.dol.nebraska.gov

March 15, 2013

Mr. Byron Zuidema
Regional Administrator
U.S. Department of Labor, ETA - Region V
230 South Dearborn Street, 6th Floor
Chicago, Illinois 60604-1505

Dear Mr. Zuidema:

We received a letter approving Nebraska's WIA Five-Year Integrated State Plan (7/1/13 – 6/30/17) on December 11, 2012. In the letter, the U.S. Department of Labor also approved four of Nebraska's seven waiver requests. Regarding the three waiver requests that were not approved, please see the following:

Resubmitted – We are resubmitting two waiver requests with additional financial information for your consideration:

- Waiver Requiring Incentive Grants to Local Areas –
Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(3)
- Waiver Requiring Conduct of Evaluation of Workforce Investment Activities for Adults, Dislocated Workers, & Youth –
Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d)

Withdrawn – This is a formal request to withdraw the following waiver request:

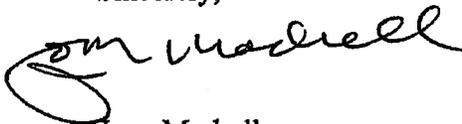
- Waiver Requiring Assistance in the Establishment and Operation of One-Stop Delivery Systems –
Waiver of WIA Section 134(a)(2)(B)(v) and 20 CFR 665.200(g)

Because of inefficiencies on our part, we have resubmitted and withdrawn certain waiver requests several times and apologize for the inconvenience. For our records as well as yours, we have summarized the events on the enclosed "Summary of Nebraska's Waiver Requests from 9/14/12 through 3/12/13). If you discover any inaccuracies, please advise.

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March 15, 2013
Mr. Byron Zuidema

We appreciate your consideration of the two waivers we have resubmitted. If you have any questions or need any more information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Joan Modrell". The signature is fluid and cursive, with a large initial "J" and "M".

Joan Modrell
Director
Office of Employment & Training

Cc: Catherine D. Lang
Danielle Waddell
Debbie Kay Ward
Jan Fox

STATE OF NEBRASKA
Workforce Investment Act Waiver Request
**Waiver Requiring Conduct of Evaluation of Workforce
Investment Activities for Adults, Dislocated Workers, & Youth**

Date: Resubmitted April 10, 2013 (Original Submission: October 23, 2012)
State: Nebraska
Agency: Department of Labor, Office of Employment and Training

Statutory And / Or Regulatory Requirements To Be Waived

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 statutory or regulatory barriers to implementing the waiver.

Goals And Expected Programmatic Outcomes Of Waiver

The reduction to 5% in the WIA allotment for Program Years 2011 and 2012 Governor's Reserve funds restricts the State's ability to effectively fund and carry out all nine of the required statewide workforce investment activities. Our goal in seeking this waiver is to ensure the State can prioritize the use of Governor's Reserve funds for the required statewide activities we deem most essential to the basic functions of the workforce investment system while allowing forward progress on the Governor's statewide initiatives as identified in the recently submitted 2012 Five Year Integrated Workforce Plan. There are no expected programmatic outcome changes as a result of this waiver.

Individuals Impacted By The Waiver

No individuals per se will be impacted. The State Workforce Investment Board and other policy makers potentially will not have the benefit of evaluation results which may or may not impact future policy decisions.

Customer Satisfaction Survey

The State will carry out the customer satisfaction indicator outlined in WIA Section 136(b)(A)(B) and Section 136(c)(A)(i). The local areas will administer a local WIB approved customer satisfaction survey tool to evaluate continuous improvement. The survey results will be reported to the Performance Committee of the Nebraska Workforce Investment Board.

This waiver will release the State from any expectation to carry out any evaluation above and beyond the customer satisfaction survey.

Process For Monitoring Progress In Implementation

The Nebraska Department of Labor (NDOL) will monitor the implementation and impact of the

waiver through the program and administrative monitoring system. The State's internal monitoring unit will assist in monitoring each waiver. Given that this waiver, if granted, would reduce those activities required of administrative staff, one of our monitoring approaches is to simply ensure that staff members are *not* pursuing unnecessary tasks. Given budget constraints, we need to reduce required activities in order to operate with a reduced budget.

Notice To Affected Local Boards

This waiver was originally approved for PY 2010. Original discussion of this waiver was held at the November 2, 2011, Local Area WIA Administrators meeting. This waiver was most recently included in the final draft Five-Year Integrated State Plan posted at www.dol.nebraska.gov on September 14, 2012.

Public Comment

This waiver request is posted for public comment on the NDOL website at www.dol.nebraska.gov. Any comments received will be forwarded to ETA Regional Office. This waiver was most recently included in the final draft Five-Year Integrated State Plan posted at www.dol.nebraska.gov on September 14, 2012. Upon approval of this waiver, NDOL will notify the Local Workforce Investment Areas and local WIB Chairs that the continuation of this waiver has been approved.

Estimated Costs To Carry Out The Required Activity For Which The Waiver Is Needed

The State estimates that a formal evaluation conducted by a reputable entity would be no less than \$30,000 depending on the scope of the evaluation.

How Statewide Funds Are Being Used (For Both Required And Allowable Statewide Activities)

All required Statewide Activities per TEGL 26-09, Change 1, are as follows:

- Section 665.200(a) - Rapid Response activities
- Section 665.200(b)(1) - Disseminate list of eligible training providers
- Section 665.200(b)(2) - Disseminate information identifying eligible OJT & CT providers
- Section 665.200(b)(3) - Disseminate performance & cost information*
- Section 665.200(b)(4) - Disseminate list of eligible youth service providers
- Section 665.200(c) - Information above must be widely available
- Section 665.200(d) - Conducting evaluations*
- Section 665.200(e) - Providing incentive grants*
- Section 665.200(f) - Providing TA to poor performing local areas
- Section 665.200(g) - Assisting in establishment and operation of One Stop system
- Section 665.200(h) - Additional assistance to high concentrations of eligible youth
- Section 665.200(i) - Operating fiscal & management accountability information systems
- Section 136(f) - Submitting required reports

Nebraska is utilizing the statewide funds for the following:

Required activities:

- Disseminating the State list of eligible providers of training services

- Providing technical assistance to local areas that fail to meet local performance measures
- Operating a fiscal and management accountability information system
- Additional assistance to areas with high concentration of eligible youth

Allowable activities:

- State administration of the adult, dislocated worker, and youth workforce investment activities
- Providing capacity building and technical assistance to the local areas
- Carrying out adult and dislocated worker employment and training activities as the State determines necessary to assist local areas in carrying out local employment and training programs
- Carrying out youth activities statewide
- Preparation and submission to the Secretary of the annual performance progress report

How Funds Are Being Prioritized Across Activities

The first priority for utilization of funds is those activities that promote and ensure program integrity and accountability. By far, our largest expense and highest priority for the utilization of statewide funds is our participant management information system, NEworks. The State hosts the system for the three local areas and has been able to not pass this cost down to the local areas, therefore, allowing the local areas to utilize their program dollar on participants. The next priority for utilization of statewide funds is the fiscal accountability system which has recently been revamped and an on-line system implemented which gives the local areas and State administrative staff direct access to expenditure and draw down information. This is part of the Corrective Action Plan the State is under. The next priority falls under the area that supports the Governor's vision as outlined in the Nebraska Workforce Integrated Plan in aligning workforce development efforts with education and economic development.

Extent To Which The Funding Levels Are Insufficient To Cover The Activity For Which A Waiver Is Requested

Per the 2nd Quarter 9130 (through December 31, 2012), the State had approximately \$392,836 of unexpended PY10/FY11 Governor's 15% Reserve. Of this amount, \$343,630 is available for Statewide Activities, \$49,206 for Capacity Building, and \$-0- for Administration. Based on the table below, the available PY10/FY11 funds do not support the cost of approximately \$30,000 to provide evaluation of workforce investment activities.

Required Statewide Activities—Financial Analysis	
PY11 and PY12 Governor's Set Aside (5% State Administration) Amount	\$552,810
PY10/FY11 Governor's 15% Reserve Carryover Amount	\$392,836
Estimated Costs to Perform Required Statewide Activities 1/1/13 Through 6/30/13 include:	
Statewide MIS system (NEworks) & fiscal management system	\$ 191,885
T.A. & Capacity Building (<i>Includes development of exemplary program activities & assistance to areas with high concentration of eligible youth</i>)	\$ 99,207
Financial System Development, Phase 2	\$ 49,000
Project Staff for Statewide Activities	\$ 15,000
Disseminating State ETP List/H3 Website	\$ 10,000
Annual Report	\$ 5,000
<u>Indirect Costs</u>	<u>\$ 24,000</u>
Total	\$ 394,092
Amount Available to Provide Local Area Incentive Awards	\$ - 1,256
Estimated Cost of Providing Evaluation of Workforce Investment Activities	\$ 30,000
Shortfall to Cover Evaluation of Workforce Investment Activities [based on PY09]	\$ 30,000

Anticipated Impact Of Not Funding The Activity

It is anticipated there will be no impact on programs or to participants if this activity is not funded.

Whether It May Directly Affect WIA Participant Services

There should be no immediate direct effect on WIA participant services.

STATE OF NEBRASKA
Workforce Investment Act Waiver Request
Waiver Requiring Incentive Grants to Local Areas

Date: Resubmitted April 10, 2013 (Original Submission: October 23, 2012)
State: Nebraska
Agency: Department of Labor, Office of Employment and Training

Statutory And/Or Regulatory Requirements To Be Waived

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 statutory or regulatory barriers to implementing the waiver.

Goals And Expected Programmatic Outcomes Of Waiver

The reduction to 5% in the WIA allotment for Program Years 2011 and 2012 Governor's Reserve funds restricts the State's ability to effectively fund and carry out all nine of the required statewide workforce investment activities. Our goal in seeking this waiver is to ensure the State can prioritize the use of Governor's Reserve funds for the required statewide activities we deem most essential to the basic functions of the workforce investment system while allowing forward progress on the Governor's statewide initiatives as identified in the recently submitted 2012 Five Year Integrated Workforce Plan. There are not expected programmatic outcome changes as a result of this waiver.

Individuals Impacted By The Waiver

Local areas are most impacted by this waiver. Since the statewide incentive funds that would have been awarded by the State to the local areas have been directly passed to the local areas, any impact to the local areas is minimal.

Process For Monitoring Progress In Implementation

The Nebraska Department of Labor (NDOL) will monitor the implementation and impact of the waiver through the program and administrative monitoring system. The State's internal monitoring unit will assist in monitoring each waiver. Given that this waiver, if granted, would reduce those activities required of administrative staff, one of our monitoring approaches is to simply ensure that staff members are *not* pursuing unnecessary tasks. Given budget constraints, we need to reduce required activities in order to operate with a reduced budget.

Notice To Affected Local Boards

This waiver was originally approved for PY 2010. Original discussion of this waiver was held at the November 2, 2011, Local Area WIA Administrators meeting. This waiver was most recently included in the final draft Five-Year Integrated State Plan posted at www.dol.nebraska.gov on September 14, 2012.

Public Comment

This waiver request is posted for public comment on the NDOL website at www.dol.nebraska.gov. Any comments received will be forwarded to ETA Regional Office. Upon approval of this waiver, NDOL's Office of Employment and Training will issue a revised "Allocation Planning" policy reflecting this waiver that will be disseminated to Local Workforce Investment Areas and local WIB Chairs. The policy will also be posted on the NDOL website for a 10 day comment period, with the final policy posted on the NDOL website, at www.dol.nebraska.gov.

Estimated Costs To Carry Out The Required Activity For Which The Waiver Is Needed

Nebraska's State Policy stipulated that, if funds are available, 2.5% of the WIA formula funds received be set aside for incentive awards, capacity building, and technical assistance. Based on PY2010 allocations, the amount specifically set aside for local area PY2010 Incentive Awards was: \$118,847.

How Statewide Funds Are Being Used (For Both Required And Allowable Statewide Activities)

All required Statewide Activities per TEGL 26-09, Change 1, are as follows:

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- Section 665.200(i) - Operating fiscal & management accountability information systems
- Section 136(f) - Submitting required reports

Nebraska is utilizing the statewide funds for the following:

Required activities:

- Disseminating the State list of eligible providers of training services
- Providing technical assistance to local areas that fail to meet local performance measures
- Operating a fiscal and management accountability information system
- Additional assistance to areas with high concentration of eligible youth

Allowable activities:

- State administration of the adult, dislocated worker, and youth workforce investment activities
- Providing capacity building and technical assistance to the local areas

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How Funds Are Being Prioritized Across Activities

The first priority for utilization of funds is those activities that promote and ensure program integrity and accountability. By far, our largest expense and highest priority for the utilization of statewide funds is our participant management information system, NEworks. The State hosts the system for the three local areas and has been able to not pass this cost down to the local areas, therefore, allowing the local areas to utilize their program dollar on participants. The next priority for utilization of statewide funds is the fiscal accountability system which has recently been revamped and an on-line system implemented which gives the local areas and State administrative staff direct access to expenditure and draw down information. This is part of the Corrective Action Plan the State is under. The next priority falls under the area that supports the Governor’s vision as outlined in the Nebraska Workforce Integrated Plan in aligning workforce development efforts with education and economic development.

Extent To Which The Funding Levels Are Insufficient To Cover The Activity For Which A Waiver Is Requested

Per the 2nd Quarter 9130 (through December 31, 2012), the State had approximately \$392,836 of unexpended PY10/FY11 Governor’s 15% Reserve. Of this amount, \$343,630 is available for Statewide Activities, \$49,206 for Capacity Building, and \$-0- for Administration. Based on the table below, the available PY10/FY11 funds do not support the cost of approximately \$118,847 to provide local area incentive awards.

Required Statewide Activities—Financial Analysis	
PY11 and PY12 Governor’s Set Aside (5% State Administration) Amount	\$552,810
PY10/FY11 Governor’s 15% Reserve Carryover Amount	\$392,836
Estimated Costs to Perform Required Statewide Activities 1/1/13 Through 6/30/13 include:	
Statewide MIS system (NEworks) & fiscal management system	\$ 191,885
T.A. & Capacity Building (<i>Includes development of exemplary program activities & assistance to areas with high concentration of eligible youth</i>)	\$ 99,207
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Project Staff for Statewide Activities	\$ 15,000
Disseminating State ETP List/H3 Website	\$ 10,000
Annual Report	\$ 5,000
Indirect Costs	\$ 24,000
Total	\$ 394,092
Amount Available to Provide Local Area Incentive Awards	\$ - 1,256
Estimated Cost of Providing Local Area Incentive Awards	\$118,847
Shortfall to Cover Local Area Incentive Awards [based on PY09]	\$118,847

Anticipated Impact Of Not Funding The Activity

It is anticipated the impact of this waiver should be minimal. Beginning in 2011 based on TEG L No. 09-11 these funds were passed directly to the local areas through the formula allocation process. The same holds true for PY2012.

Whether It May Directly Affect WIA Participant Services

It is doubtful this waiver will have any direct effect on WIA participant services.