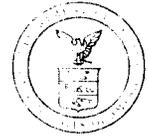


OCT 13 2009



The Honorable Mike Rounds
Governor of South Dakota
State Capitol
Pierre, South Dakota 57501

Dear Governor Rounds:

As part of South Dakota's modification to the State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, the State submitted waiver plans to request that the State's waivers of statutory and regulatory requirements under WIA be approved for the remainder of Program Year (PY) 2009 (copy enclosed). These requests are written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission. This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act.

In the letter dated June 29, 2009, ETA granted South Dakota temporary extensions of South Dakota's waiver requests. The previous approval of the extensions is hereby terminated and replaced by decisions set forth in this letter.

Requested Waivers

Requested Waiver: 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, 2010. Under the waiver, transfer authority will be 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. As stated in ETA Training and Employment Guidance Letter (TEGL) No. 14-08, Section 19, issued on March 18, 2009, this waiver does not apply to funds made available through the American Recovery and Reinvestment Act of 2009. However, the State is permitted to transfer up to 30 percent of ARRA funds between programs under WIA and under the Department of Labor Appropriations Act of 2009. This authority is discussed in TEGL No. 14-08, change 1.

Waiver Request: Waiver of WIA 101(13) to allow the state to consider as eligible all children ages 14-22 of parents who are WIA Adult participants.

WIA waiver authority does not extend to WIA Title I, Subtitle A, which outlines workforce investment definitions. Additionally, this request asks to waive youth eligibility provisions. Provisions related to eligibility of participants are excluded from the WIA waiver authority, and cannot be waived. Therefore, we are denying this waiver.

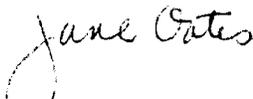
Requested Waiver: Waiver of WIA Section 134 (a) to permit local areas to use a portion of local funds for incumbent worker training.

The State has withdrawn this waiver request.

The approved waiver is incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as required by TEGP No. 14-00, Change 3, the State should address the impact of these waivers 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 Joseph Juarez, the Regional Administrator for Region IV, at 972-850-4600 or Juarez.Joseph@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Bernie Cutter, Federal Project Officer for South Dakota, ETA Dallas Regional Office
Joseph Juarez, Regional Administrator, ETA Dallas Regional Office

X. State Administration

A. Technology Infrastructure and Management Information Systems

The SDDOL has developed a web-based data collection, management, and reporting system known as SDWORKS.

As a single statewide service area, the SDDOL requires local service providers to use SDWORKS for data collection, case management, and reporting. Since all providers are connected to the same system, reports are simply generated at the State level and need not be created at the local level and forwarded to the State. A single statewide system also allows for easy access to client records from anywhere in the State.

SDWORKS is the primary data management system for WIA Adult, Youth, and Dislocated Worker programs as well as the Wagner-Peyser and VETS programs. All Federal reports for these programs are generated through the SDWORKS system.

SDWORKS also provides Internet access to the SDDOL. Job Seekers can register and perform job searches online. Employers can list job openings and review unsuppressed applicant resumes.

Further enhancements to the public user side of SDWORKS have begun and are nearing completion. A Users Group determined priorities to improve ease of use of the system, appearance, and functionality.

B. Description of South Dakota's plan to use reserved funds for Statewide activities under WIA.

South Dakota plans to continue utilization of the WIA Statewide Activity funds to support the operations of the SDDOL and allowable statewide employment and training activities. Other activities that will benefit from these funds are:

- Continued enhancements to SDWORKS and the Data Warehouse strengthening our ability to effectively use the data in operational and decision making functions.
- Training apprentice workers in targeted industries/occupations.
- Activities to assist youth in achieving the goal of becoming a successful adult.

C. Description of waivers and workflex authority.

The SDDOL, administrative entity for WIA, recognizes the importance and flexibility waivers afford the workforce development system. The department proposes two requests for waivers to allow the state the flexibility necessary for full development of the goals of WIA and increasing the eligible population. The following waiver requests are submitted for approval:

1. Transfer of funds between WIA Adult and Dislocated Worker programs

a. Statutory and Regulatory provisions to be waived:

WIA Section 133(b)(4) and WIA Regulations at 667.140 state a local board may transfer not more than 20 percent of the funds allocated to Adult and Dislocated Worker employment and training activities.

- b. South Dakota requests the authority to transfer up to 100% of funds allocated for a program year for WIA Adult and Dislocated Worker employment and training activities between the two programs.
 - c. Goals to be achieved by the waiver request:
Granting authority to transfer funds between Adult and Dislocated Worker programs provides the flexibility for improvement of the statewide workforce investment system. Such authority will allow the state to better manage resources in response to the needs of our work force. This flexibility will provide the best use of resources as the state strives for regional economic competitiveness through talent development. Using resources for the eligible population in the region will bring job growth and expand employment and advancement opportunities.
 - d. State of local statutory or regulatory barriers:
There are no state or local barriers to implementing this waiver request.
 - e. Description of the goals of the waiver and expected outcomes:
Transfer authority will allow the state to better respond to changes in the economy. The flexibility to transfer funds between Adult and Dislocated Worker programs maximizes our ability to meet the economic needs of particular regions of the state for development of talent needed for economic growth.
 - f. Description of Individuals impacted by the Waiver:
Adults and Dislocated Workers eligible for the program will be positively impacted by the waiver through the flexibility to move significant funding to reflect actual needs of specific regions of the state.
 - g. Description of the process to monitor progress:
SDDOL is the administrative agent for the SDWDC and will be responsible for approving and monitoring all transfer of funds.
 - h. Opportunity for local boards to comment on the waiver request:
As stated previously in this plan, South Dakota is a single local area with the SDWDC serving as the state and local board.
 - i. Public Comment on the waiver request:
This request for waivers is incorporated in the submission of the modification to the state plan for year five of the five year plan. The public has been invited to comment on the waiver request. The SDWDC have demonstrated support of the waiver through a regularly scheduled and public meeting soliciting comments on the waiver and plan.
2. Expand the population eligible for WIA Youth services

Statutory and Regulatory Provisions to be Waived:

South Dakota's Workforce Investment adult and youth programs work closely and this has been beneficial to many families in our state. But the Department feels it is also losing the ability to serve youth family members under the youth economic eligibility guidelines (section 101(13)

and (25)) when we are serving the parent under the priority of services allowable for adult programming (section 133 (b)(2)(A) or (3)). Priority of service in South Dakota for adults would be given to those earning less than \$8.94 per hour; thus a single parent with three children could participate in WIA programs, but the children could not.

Providing services for multiple family members has a number of benefits from building trust within the whole family, eliminating transportation issues, a common family goal, and building a long term relationship for appropriate youth follow-up services.

Waiver Modification Request:

It is for this purpose SDDOL requests a waiver to add a third descriptor to the Low Income Individual (section 101(25)(B)).

The State would like the locals to have the ability to serve children of adult WIA participants. This would mean youth between the ages of 14 and 22 would be eligible for WIA registration and enrollment into WIA services.

Description of Individuals Affected by the Waiver:

Providers often have youth wanting to participate in summer career programs and youth year round activities, but the family income is over the economic eligibility guidelines for youth in South Dakota. Often the youth is from a single parent family; the State is ranked as having the largest percentage of working mothers. Unfortunately, the single parent typically has only a high school education with entry level job skills. To try and make enough money to pay for housing, transportation, and typical living expenses, the parent is working two or more jobs and well over 40 hours a week. This takes the parent out of the home when the youth are there needing guidance with school work and gaining basic living skills, i.e. money management, time management, purchasing necessities, etc.

Many of the youth could truly benefit from career awareness and exploration activities. The skills to be gained under the WIA leadership activities are especially important for the youth being targeted. The youth could truly benefit from understanding how advanced training can lead to economic stability in their future.

It is not unusual for the youth to be struggling in school with basic reading and math scores below average for their age. Not being able to read with ease, the youth struggles in all the subject areas and finds it easier to skip school than attend. As the State's WIA provides are closely connected to the Alternative High Schools and the Adult Education and Learning programs, the opportunities would be available for remediation.

As mentioned earlier, the parent(s) considered to be underemployed are often high school graduates and lack the skills to help their youth seriously plan for postsecondary training. The goal would be to have the youth be the first generation to enter a postsecondary training.

Goals to be Achieved by the Waiver:

It would allow the providers to serve the "family." The parent could participate in skill training opportunities allowing for advancement in their home community. The youth could learn about their interests and explore career opportunities. The exploration would allow the youth to understand the role education plays in their career choice. With the realization, youth are more likely to complete high school and continue in appropriate advanced training opportunities (apprenticeship, associate and bachelor degrees, etc.).