

JUN 29 2010



The Honorable Brad Henry
Governor of Oklahoma
Capitol Building
Room 215
2300 N. Lincoln Boulevard
Oklahoma City, Oklahoma 73105

Dear Governor Henry:

This letter provides approval of an extension of Oklahoma's current Workforce Investment Act (WIA) and Wagner-Peyser Act (W-P) State Plan and waivers for Program Year (PY) 2010. This letter also responds to Oklahoma's requests for new waivers.

Training and Employment Guidance Letter (TEGL) No. 21-09, issued on April 15, 2010, provides guidance for states to secure approval of their WIA/W-P State Plans and waivers for PY 2010, and included the option to receive an extension of the existing State Plan and waivers for an additional year without submitting a formal request.

Extension of State Plan

Oklahoma's existing State Plan will expire on June 30, 2010. This letter constitutes a written determination under WIA Section 112 (29 USC 2822) that the Employment and Training Administration (ETA) is extending the approval of Oklahoma's State Plan for WIA Title I and the Wagner-Peyser Act for Program Year 2010, July 1, 2010 through June 30, 2011.

The Grant Officer will issue a Notice of Obligation for the "July portion" of the WIA formula allocations for Adult and Dislocated Worker programs, effective July 1, 2010, under the PY 2010 Annual Funding Agreement. The W-P program's Annual Funding Agreement for PY 2010/Fiscal Year 2011 will be sent to the designated state grantee agency for signature and return to the Grant Officer for execution, effective July 1, 2010. The W-P Annual Funding Agreement will provide for the initial base allocation of PY 2010 funds.

Performance Levels

Once the final goals are established, the Regional Administrator's letter advising the State of the PY 2010 WIA and W-P final performance goals constitutes a modification to the State Plan. ETA will incorporate Oklahoma's final performance goals for PY 2010 into the Regional and National Office copies of the State Plan. Please include these final PY 2010 goals in the State's official copy of the State Plan.

Waivers

As part of the State's extension of the WIA/W-P State Plan, and as described in TEGL 21-09, ETA has made determinations regarding an extension of Oklahoma's PY 2009 waivers of statutory and regulatory requirements under WIA for PY 2010. The State also submitted a request for new waivers (copy enclosed). The State's request for new 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 extensions as well as its submission of new 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. Unless otherwise indicated, all waiver approvals that follow apply to both WIA formula funds and funds made available under the American Recovery and Reinvestment Act of 2009.

Extension of Waivers

Waiver Extension: Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State was previously granted 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 an extension of this waiver through June 30, 2011. 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 may provide customized training to low-income adults with WIA Adult funds, and may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

Waiver Extension: Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State was previously granted 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 an extension of this waiver through June 30, 2011. 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 may provide on-the-job training to low-income adults with WIA Adult funds, and 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 Extension: Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The State was previously granted 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 an extension of this waiver through June 30, 2011. Under this waiver, the State will be permitted to allow local areas to use up to 20 percent of local Dislocated Worker funds. 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 Extension: 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 was previously granted 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 an extension of this waiver through June 30, 2011. 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 lay-off 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 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. As stated in ETA Training and Employment Guidance Letter 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.

Waiver Extension: 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 was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older and out-of-school youth program participants. The State is granted an extension of this waiver through June 30, 2011. Under this waiver, the State can use ITAs for older and out-of-school youth program participants who are over age 18, regardless of their age at enrollment. The State should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth. ETA also encourages the State to co-enroll youth over the age of 18 into the Adult program and to use Adult funds for ITAs where possible.

Waiver Extension: Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The State was previously granted 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 an extension of this waiver through June 30, 2011.

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. 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 Extension: 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 was previously granted 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 an extension of this waiver through June 30, 2011. 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.

In a letter dated May 7, 2010, ETA granted Oklahoma approval of the following waivers related to summer youth employment activities through September 30, 2010. The approvals for these waivers remain in effect.

- Waiver of performance measures for youth participants in summer youth employment activities and co-enrolled in TANF and WIA programs.
- Waiver of certain provisions under WIA section 129 and 20 CFR 664 to provide program design flexibility in serving youth participants in summer youth employment activities and co-enrolled in TANF and WIA programs.

New Waiver Requests

Waiver Request: 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 one of the ten youth program elements: follow-up services. The State is granted this waiver through June 30, 2011. Under this waiver, the State is permitted to allow its One-Stop Career Centers or partner agencies to directly provide 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 Request: Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for younger and in-school youth.

The State requested a waiver to allow local areas to provide ITAs to youth who had originally enrolled when under 18 but had since reached age 18. The State does not need a separate waiver for this. ETA's approval of a waiver, described above, to allow the State to provide ITAs to older and out-of-school youth encompasses youth who are age 18 or older, regardless of the youth's age at enrollment.

Expiring Waivers

Work-Flex Designation: Termination of the State's work-flex plan.

In keeping with WIA Section 192(c), which restricts approval of a state's work-flex plan to a period of not more than five years, ETA is terminating approval of Oklahoma's work-flex designation. Oklahoma received its initial work-flex designation in PY 2005, and therefore is no longer eligible for such designation. The State must terminate all waivers granted to local workforce investment areas under its work-flex designation effective June 30, 2010.

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 required by TEGP No. 14-00, Change 3, 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 Plan for PY 2010. If you have any questions related to the issues discussed above, please contact Felecia Blair, the Federal Project Officer for Oklahoma, at (972) 850-4643 or Blair.Felecia@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Norma Noble, Deputy Secretary of Commerce for Workforce Development
Jon Brock, Administrator, Oklahoma Employment Security Commission
Steve Hendrickson, Chair, Governor's Council for Workforce & Economic
Development
Joseph C. Juarez, Regional Administrator, ETA Dallas Regional Office
Janet Sten, Federal Coordinator for Plan Review and Approval
Thomas Martin, Grant Officer
Felecia Blair, Federal Project Officer for Oklahoma

OKLAHOMA
DEPARTMENT OF COMMERCE

May 13, 2010

Mr. Joseph Juarez
Regional Administrator
U.S. Department of Labor/ETA
525 Griffin St., Room 317
Dallas, TX 75202

Dear Mr. Juarez:

Attached are two waiver requests for the State of Oklahoma. These waivers have been issued to local workforce areas through Oklahoma's Work-flex Authority. We understand that our Work-flex Authority will expire June 30, 2010, thus we are submitting these waivers for approval as a general statewide waiver request.

Both of these waivers are youth-related and are a vital part of ensuring successful youth programs, especially summer programs.

First is a waiver of the limitation on the use of Individual Training Accounts (ITAs) to allow them to be utilized, where determined appropriate, for youth program participants that were enrolled as younger or in-school but now meet the minimum qualifications for enrolling in postsecondary education, as required by the training institution. The second is a waiver to allow follow-up services to be provided as part of the youth program design framework services, without need for a separate competitive procurement process.

These waivers were sent directly to WIB staff for feedback as well as being posted on the Oklahoma Employment Security Commission web site for over 2 weeks. No comments have been received.

Thank you in advance for your consideration of these requests. Please contact me if you have any questions.

Sincerely,



Norma Noble
Deputy Secretary of Commerce for Workforce Development

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

Use of Individual Training Accounts by Youth Enrolled as Younger or In-School

The Oklahoma Employment Security Commission (OESC), as the administrative entity of the Workforce Investment Act (WIA) in the State of Oklahoma, requests a waiver of the limitation on the use of Individual Training Accounts (ITAs) to allow them to be utilized, where determined appropriate, for youth program participants that were enrolled as younger or in-school but now meet the minimum qualifications for enrolling in post-secondary education, as required by the training institution. The state fully realizes the importance of the ten required youth program elements and their positive and lasting impact. However, there are times in youth service delivery when use of an ITA is appropriate and necessary. A waiver allowing the use of ITAs for youth that were enrolled as younger or in-school but now meet the minimum qualifications for enrolling in post-secondary education will maximize the delivery of services by enabling staff to use this option for training if and when it is the best service option. This will also eliminate the need for dual enrollment of older youth in Adult programs and provide broader options for younger and out-of-school youth.

This request is similar to a waiver previously granted by the United States Department of Labor for use of the eligible training provider system for those youth participants classified as older and out-of-school, but the state of Oklahoma now desires to add those participants classified as younger and in-school under the conditions listed above.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

1. Statutory or Regulatory Requirement to be Waived

- WIA Section 123 (29 U.S.C. 2843) provides that local areas will award grants or contracts for youth services based on a competitive process;
- WIA Section 134(d)(4)(G) (29 U.S.C. 2864 (d)(4)) limits access to the eligible training providers to Adults and Dislocated Workers; and
- 20 CFR 664.510 prohibits the use of ITAs by youth participants.

The state of Oklahoma is now requesting such a waiver that will allow youth that were enrolled as younger in-school but now meet the minimum qualifications for post-secondary education, if deemed appropriate, to select approved ITA programs from the Eligible Training Provider List, while retaining their "youth" classification.

2. State or Local Statutory or Regulatory Barriers

There are no existing state or local statutory or regulatory barriers to implementing this waiver. Upon notification of approval of this waiver, OESC will incorporate it into policy and distribute the new policy to Local Workforce Investment Boards (LWIBs).

3. Goals and Expected Programmatic Outcomes of this Waiver

The Eligible Training Provider System requires that training providers meet rigid requirements for certification to provide training for Adult and Dislocated Workers under WIA (and now for Older and Out-of-School youth under the U.S. Department of Labor's waiver for Oklahoma). The state of Oklahoma believes that youth enrolled as younger or in-school but now meet the minimum qualifications for enrolling in post-secondary education, as required by the training institution, would benefit from the services provided by these certified training providers. Expected benefits and outcomes of this waiver include:

- Streamlined services, cost savings improved staff efficiency, and a decrease in paperwork, in tracking and in dual enrollment;
- Greater customer choice for youth in choosing their training provider;
- The opportunity for case management staff to work with younger or in-school youth regarding career decisions and the appropriate training necessary to reach their career goals; and
- The flexibility for LWIBs to design and deliver programs and services based on customer needs rather than age restrictions.

4. Individuals Affected by this Waiver

- Youth enrolled as younger or in-school but who now meet the minimum qualifications for enrolling in post-secondary education, will benefit by being able to select from a list of certified training providers and receive services in a timely manner.
- LWIBs will benefit by eliminating costly and time-consuming competitive procurements.
- Training providers will benefit by utilizing common procedures for all WIA participants.

5. Processes Used to:

Monitor the Progress in Implementing the Waiver

OESC, as the administrative entity of the WIA in the state of Oklahoma, will be responsible for monitoring the implementation and impact of this waiver. OESC will provide policy and guidance through an agency issuance if this waiver is approved. Oversight of the policy that will result from this waiver will be incorporated into the administrative entity's monitoring procedures.

Provide Notice to any Local Board Affected by the Waiver

Prior to submission of this waiver request, OESC will inform all LWIBs of its intent via an email memorandum with this waiver request attached.

Ensure Meaningful Public Comment on the Waiver Request

Prior to the submission of the waiver request, OESC will disseminate this waiver request to local WIB chairs and staff and to members of the Governor's Council for Workforce and Economic Development (including representatives of organized labor and business). OESC will also post this waiver request on their website with opportunity for public comment during a two-week period.

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

Inclusion of Youth Follow-Up Services as a Youth Program Framework Service

The Oklahoma Employment Security Commission (OESC), as the administrative entity of the Workforce Investment Act (WIA) in the State of Oklahoma, submits this request for a general waiver to allow follow-up services to be provided as part of the youth program design framework services, without need for a separate competitive procurement process.

WIA Section 123 stipulates that eligible providers of youth services be selected by awarding a grant or contract on a competitive basis. WIA Regulations 20 CFR 664.405 further clarifies that this competitive procurement requirement does not apply to the design framework component, such as services for intake, objective assessment and the development of individual service strategy, when these services are provided by the grant recipient/fiscal agent. Grant recipient/fiscal agents that are already providing framework services to youth (as allowed under 664.405) are in a better position to also provide follow-up services to these same youth. The requirement of an additional competitive bidding process for follow-up services is duplicative and burdensome. This waiver would create a more streamlined and cohesive approach to case management by allowing these providers of youth framework services to provide personal attention to each youth on a consistent basis throughout their service strategy.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

1. Statutory or Regulatory Requirement to be Waived

WIA Section 123 (29 U.S.C. 2843), WIA Section 117(h)(4)(B)(i) (29 U.S.C. 2832), and 20 C.F.R. Part 664.405 which require that eligible providers of youth services be selected by awarding a grant or contract on a competitive basis for all youth activities and services.

2. State or Local Statutory or Regulatory Barriers

There are no existing state or local statutory or regulatory barriers to implementing this waiver. Upon notification of approval of this waiver, OESC will incorporate it into policy and distribute the new policy to Local Workforce Investment Boards (LWIBs).

3. Goals and Expected Programmatic Outcomes of this Waiver

This waiver will maximize resources by allowing grant recipient/fiscal agent staff who are already providing framework services to provide follow-up services to youth, instead of requiring a separate competitive bidding process. Granting the waiver will allow for greater continuity of service and monitoring of progress of the youth as they move through the various services identified within their individual service strategy. 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.

Additionally, granting the waiver will support the implementation of common performance measures, since the framework service provider will be in the best position to know when a WIA youth is also participating in another partner program, and therefore will be able to make a better administrative judgment as to when program completion will trigger the time period to determine a performance outcome under the common measures.

4. Individuals Affected by this Waiver

- This waiver will affect WIA eligible youth.
- The WIA Grantee/Fiscal Agent will benefit from not having to procure a provider of follow-up services.

5. Processes Used to:

Monitor the Progress in Implementing the Waiver

OESC, as the administrative entity of the WIA in the State of Oklahoma, will be responsible for monitoring the implementation and impact of this waiver. OESC will provide policy and guidance through an agency issuance if this waiver is approved. Oversight of the policy that will result from this waiver will be incorporated into the administrative entity's monitoring procedures.

Provide Notice to any Local Board Affected by the Waiver

This request was developed as a result of concerns expressed by local areas in order to streamline the case management approach by allowing these providers of youth framework services to provide personal attention to each youth on a consistent basis throughout their service strategy. Prior to submission of this waiver request, OESC will inform all LWIBs of its intent via an email memorandum with this waiver request attached.

Ensure Meaningful Public Comment on the Waiver Request

Prior to the submission of the waiver request, OESC will disseminate this waiver request to local WIB chairs and staff and to members of the Governor's Council for Workforce and Economic Development (including representatives of organized labor and business). OESC will also post this waiver request on their website with opportunity for public comment during a two-week period.