U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

JUN 30 2010

The Honorable Jeremiah W. (Jay) Nixon
Governor of Missouri
State Capitol Building
Room 218
P.O. Box 720
Jefferson City, Missouri 65101

Dear Governor Nixon:

This letter provides approval of the modification to Missouri's State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act (W-P), and approves the extension of Missouri's existing waivers for the period July 1, 2010 through June 30, 2011, Program Year (PY) 2010. The Employment and Training Administration (ETA) received the State's proposed modification on May 26, 2010.

Training and Employment Guidance Letter (TEGL) No. 21-09, issued on April 15, 2010, provides guidance for states that choose to submit a modification of the existing State Plan for PY 2010 or submit requests for new waivers. We appreciate the State's responsiveness to this guidance.

Plan Review and Approval

ETA has reviewed Missouri's State Plan modification in accordance with Title I of WIA, the Wagner-Peyser Act, the corresponding regulations, the WIA/W-P Planning Guidance (73 Fed. Reg. 72853, December 1, 2008), and as appropriate Attachment A of TEGL 14-08. 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 modification to Missouri's State Plan for the period 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

Enclosed are the Program Year 2010 performance levels for WIA and Wagner-Peyser Act which were agreed upon in prior discussions with the Regional Office. These performance levels have been incorporated into the State Plan, and approval of this Plan constitutes formal approval of Missouri's WIA and Wagner-Peyser Act performance levels for Program Year 2010.

Waivers

As part of Missouri's modification of the WIA/W-P State Plan, and as described in TEGL 21-09, ETA has made determinations regarding an extension of Missouri's PY 2009 waivers of statutory and regulatory requirements under WIA for PY 2010. The disposition of the State's waiver extensions 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 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 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 was previously granted 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 an extension of this waiver through June 30, 2011. 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. As stated in 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 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. The State should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

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. 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.

In a letter dated June 14, 2010, ETA granted Missouri approval of the following waivers related to summer youth employment activities through September 30, 2010. The approval for these waivers remains 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.

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 TEGL 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 WIA/W-P State Plan for PY 2010. If you have any questions related to the issues discussed above, please contact Cheryl Svee, the Federal Project Officer for Missouri, at 312-596-5459 and svee.cheryl@dol.gov.

Sincerely,

Jane Oates

Jane Oates
Assistant Secretary

Enclosure

cc: David Kerr, Director, Department of Economic Development
Julie Gibson, Director, Division of Workforce Development
Byron Zuidema, Regional Administrator, ETA Chicago Regional Office
Janet Sten, Federal Coordinator for Plan Review and Approval
Thomas Martin, Grant Officer
Cheryl Svee, Federal Project Officer for Missouri

Workforce Investment Act and Wagner-Peyser Act Performance Levels for PY 2010

Missouri

Workforce Investment Act Performance Levels

Adult Measures	PY 2010
Adult Entered Employment Rate	65%
Adult Employment Retention Rate	83%
Adult Six-months Average Earnings	$11,000

Dislocated Worker Measures	PY 2010
Dislocated Worker Entered Employment Rate	65%
Dislocated Worker Employment Retention Rate	89%
Dislocated Worker Six-months Average Earnings	$12,000

Youth Measures	PY 2010
Youth Placement in employment or education	62%
Youth Attainment of degree or certificate	43%
Youth Literacy and numeracy gains	35%

Wagner-Peyser Act Performance Levels

Measures	PY 2010
Entered Employment Rate	65%
Employment Retention Rate	81%
Six-months Average Earnings	$10,143