



DEC - 5 2012

The Honorable Robert Bentley  
Governor of Alabama  
State Capitol  
600 Dexter Avenue  
Montgomery, Alabama 36130-2751

Dear Governor Bentley:

This letter provides approval of Alabama's State Integrated Workforce 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) program. The Employment and Training Administration (ETA) received the State Integrated Workforce Plan on September 7, 2012. This letter also addresses Alabama's WIA waiver requests.

Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, and TEGL No. 21-11, Change 1 issued on August 8, 2012 provide 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 Alabama State Integrated Workforce 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>), TEGL No. 21-11, and the corresponding Change 1. Pursuant to 20 CFR 661.230(e), this letter constitutes a written determination under WIA Section 112 (29 USC 2822), and WIA section 501 (20 USC 9271) which pertains to State Unified Plans, that ETA is approving those portions of the Alabama State Integrated Workforce Plan that relate to Title I of WIA, the Wagner-Peyser Act, and TAA for Program Years 2012-2016, July 1, 2012 through June 30, 2017. The annual W-P Agricultural Outreach Plan is approved for the period July 1, 2012 through June 30, 2013.

The State is eligible to receive WIA formula allotments for Adult, Dislocated Worker, and Youth programs, and W-P program allotments, effective July 1, 2012 through June 30, 2017.

#### Performance Levels

As you are aware, the Regional Administrator annually negotiates with State representatives the performance goals for the WIA and W-P programs. As required by TEGLs No. 21-11 and 38-11 dated June 18, 2012, the negotiations of PY 2012 goals were completed in September 2012, well before the deadline of December 31, 2012. On September 17, 2012, the Regional Administrator forwarded to Alabama a letter advising the State of the PY 2012 WIA and W-P final performance

goals. The letter constitutes a modification to the State Integrated Workforce Plan. ETA will incorporate Alabama's final performance goals for PY 2012 into the Regional and National Office copies of the State Integrated Workforce Plan. Please include these final PY 2012 goals in the State's official copy of the State Workforce Plan.

### Waivers

As part of Alabama's State Integrated Workforce 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 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 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 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.

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 Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training 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 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 20 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)(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 through June 30, 2013.

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 through June 30, 2013.

Waiver of 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.

The State is requesting a waiver of the requirement to disseminate training provider performance and cost information. The State is granted this waiver through June 30, 2013.

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 are incorporated into the State Integrated Workforce Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and with the approved State Plan. In addition, as described in TEG L 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 2012 and beyond. As discussed in TEG L 36-11, we strongly encourage State WIA grantees to adopt the use of the American Job Center brand for your physical One-Stop Career Centers and online tools. We are available to provide technical assistance. If you have any questions related to the issues discussed above, please contact Terri Lonowski, the Federal Project Officer for Alabama, at (404) 302-5377 and [Lonowski.Terri@dol.gov](mailto:Lonowski.Terri@dol.gov).

Sincerely,

  
Jane Oates  
Assistant Secretary

Enclosures

cc: Helen Parker, Regional Administrator, ETA Atlanta Regional Office  
Terri Lonowski, Federal Project Officer for Alabama

Alabama Department of Economic  
and Community Affairs  
Workforce Development Division  
Phone: 334.353.1632  
Fax: 334.242.5855

**From:** Calhoun, Sara  
**Sent:** Friday, September 07, 2012 8:04 AM  
**To:** 'WIA.PLAN@dol.gov'; Heather Fleck; Helen Parker  
**Cc:** Terri Lonowski; Brad Sickles; Byard, Jim; Walkley, Steve; Hornsby, Bill; Hopper, Dennis; Hutto, Mickey; Farmer, Tammy; Hollingsworth, Ken; Kocragi, Melody; Patterson, Lillian; Surtees, Tom; Brantley, Robert; Spears Griffin; AnnElizabeth McGowin; Tim Alford; Perry, David  
**Subject:** 2012-2016 WIA/Wagner-Peyser Alabama Integrated Workforce Plan

Attached please find the Governor approved WIA and Wagner-Peyser Alabama Integrated Workforce Plan for PY2012 – PY2016 with waiver requests (subject to review and necessary revisions as requested by USDOL). Per TEGL 21-11 the Program Administration Designees and Plan Signatures pages (attached within Plan) are being submitted in hard copy with an original signature to the Federal Coordinator for Plan Review and Approval, with a copy to the ETA Regional Administrator.

The PY2012-PY2016 WIA/Wagner-Peyser Alabama Integrated Workforce Plan has been posted on the Alabama Department of Economic and Community Affairs website and can be accessed through the following link: [http://www.adeca.alabama.gov/Divisions/wdd/Documents/2012-2016 WIA and Wagner-Peyser State Integrated Workforce Plan.pdf](http://www.adeca.alabama.gov/Divisions/wdd/Documents/2012-2016%20WIA%20and%20Wagner-Peyser%20State%20Integrated%20Workforce%20Plan.pdf)

Should you experience any problems accessing this information please contact:

Sara Calhoun  
Alabama Department of Economic and Community Affairs  
Workforce Development Division  
[Sara.Calhoun@adeca.alabama.gov](mailto:Sara.Calhoun@adeca.alabama.gov)  
334-353-1632 phone

Thank you,

Sara Calhoun

Alabama Department of Economic  
and Community Affairs  
Workforce Development Division  
Phone: 334.353.1632  
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**From:** [Calhoun, Sara](#)  
**Date:** Wednesday, November 14, 2012 3:12:28 PM  
**Posted At:** WIA.PLAN  
**Conversation:** Addendum to the 2012-2016 WIA/Wagner-Peyser Alabama Integrated Workforce Plan  
**Subject:** Addendum to the 2012-2016 WIA/Wagner-Peyser Alabama Integrated Workforce Plan  
**Attachments:** [Addendum\\_2012-2016\\_State\\_Integrated\\_Workforce\\_Plan.docx](#)  
[image001.jpg](#)

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Per U.S. DOL request, attached please find an addendum to the WIA and Wagner-Peyser Alabama Integrated Workforce Plan for PY2012 – PY2016. This addendum is being submitted for approval consideration. The addendum is posted on the Alabama Department of Economic and Community Affairs website, as of November 14, 2012, and is accessible via the following link:  
<http://www.adeca.alabama.gov/Divisions/wdd/Pages/default.aspx>

Should you experience any problems accessing this information please contact:

Sara Calhoun  
Alabama Department of Economic and Community Affairs  
Workforce Development Division  
[Sara.Calhoun@adeca.alabama.gov](mailto:Sara.Calhoun@adeca.alabama.gov)  
334-353-1632 phone

Thank you,

Happy Thanksgiving



**State of Alabama  
Workforce Investment Act  
PY12 Waiver Requests**

The following are requests for waivers which have been in use by the State of Alabama for varying periods of time. They are submitted pursuant to 20 CFR 661.420(c).

**Conduct Evaluations, Local Incentive Grants, and Disseminating Training Provider Performance and Cost Information using Governor's Reserve**

**1. Statutory Requirements to be Waived:**

The State of Alabama is seeking:

- Waiver of 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.
- Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.
- Waiver of 20 CFR 665.200(b)(3) requiring dissemination of training provider performance and cost information.

**2. State or Local Statutory Barriers:**

There are no state or local barriers.

**3. Goals of the Waiver and Expected Programmatic Outcomes:**

The reduction to five percent in the WIA allotment for PY 2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of evaluations, incentive grants to local areas, and dissemination of training provider performance and cost information. The state's reduced funds are being used to cover the following required activities.

§ 665.200

(b) Disseminating:

- (1) The State list of eligible providers of training services (including those providing non-traditional training services), for adults and dislocated workers;
- (2) Information identifying eligible providers of on-the-job training (OJT) and customized training;
- (4) A list of eligible providers of youth activities as described in WIA section 123.
- (f) Providing technical assistance to local areas that fail to meet local performance measures.
- (g) Assisting in the establishment and operation of One-Stop delivery systems, in accordance with the strategy described in the State workforce investment plan (WIA sec. 112(b)(14))
- (i) Operating a fiscal and management accountability information system, based on guidelines established by the Secretary after consultation with the Governors, chief elected officials, and One-Stop partners, as required by WIA section 136(f) (WIA secs. 129(b)(2), 134(a)(2), and 136(e)(2))

Funds are being used by the state in regard to WIA grant administration, oversight and monitoring, reporting to the USDOL, and for State WIB support as necessary.

Our goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system.

The following is the amount of funding available for statewide activities

- Governor's 10% Program Funds Carried into PY12: \$811,367.54
- 5% Administrative Funds: \$4,012,213.82
- Rapid Response: \$919,338.81
- Total Available: \$5,742,920.17

The following amount would be spent on required activities:

- \$3,267,322.32 is budgeted/obligated for required activities.

Allowable activities are continuing to be funded with Governor's Reserve funds as follows:

- \$2,125,597.85 is budgeted/obligated for allowable activities
- \$350,000 of available FY13 RR Funds are not obligated and are available for "additional assistance" to local workforce investment areas, which may encounter a situation in which they need additional funds (beyond their formula DW funds) to meet the needs of eligible dislocated workers.

Once all required activities necessary for the Grantee to administer the WIA program, to include participant management information systems, reporting, oversight and monitoring, etc., are budgeted, then a determination is made as to funding new and/or continuing statewide programs/activities. Note that some previously funded programs such as the statewide ITA program, which was linked to dislocated workers who were provided services by the State Rapid Response Team, is winding down as new enrollments were stopped once it became apparent that the Governor would not be receiving any FY12 10 Percent Set Aside Funds. The highly successful Incumbent Worker Training Program is budgeted (limited amount) with Five Percent Administrative funds in order to keep it somewhat viable and to be able to offer some services to employers.

**4. Description of Individuals Impacted by the Waiver:**

This waiver will provide the state agency with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

**5. Description of the Process to Monitor Waiver Program:**

The State will monitor progress and ensure accountability for Federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

**6. Opportunity for Local Board and Public Comment on the Waiver Request:**

Local workforce administrative entities were provided a copy of this proposed waiver request as well as the USDOL ETA's June 29, 2012 reply to this request. Local areas have already been notified (during a recent WIA Roundtable Meeting) that no incentive grants would be made in PY 2011 or thereafter (until Governor's full 15 Percent Set Aside funds are restored to the state) due to the loss of Governor's 10 Percent WIA funds.

**7. Public Comment on the Waiver Request:**

Information of this request was made available on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. No comments were received in regard to this waiver.

**Increase the Allowable Transfer Rate between Adult and Dislocated Worker Programs**

**1. Statutory Requirements to be Waived:**

A waiver of the limits on transfers between adult and dislocated worker programs is requested. This limit is found in Section 133(b)(4) of WIA. This waiver would result in the ability to transfer up to 50 percent of funds from one of these programs to the other.

**2. State of Local Statutory Barriers:**

There are no existing State or local barriers, statutory or regulatory, to implementation of this waiver request.

**3. Goals of the Waiver and Expected Programmatic Outcomes:**

The primary goal of this waiver is to gain the flexibility needed to effectively use the funds allocated to the state under the Workforce Investment Act. By allowing the funds to be transferred as needed, based on the needs determined within each local area within the state, the funds will be more effectively used. Within the last two years, several areas of the state have been impacted by events that resulted in the State's ability to access National Emergency Grant funding. These NEG grants have focused on providing services to Dislocated Workers. Our ability to transfer WIA funds initially allocated for Dislocated Workers to the Adult fund has made it possible for us to serve a much larger number of individuals and to maximize the resources available to area industry for On-the-Job Training.

As Career Center representatives have indicated in the past, there are more applicants that qualify for Adult funding than for Dislocated Worker funding. Additionally, since dislocated workers can receive assistance from the Trade Adjustment Assistance and extended unemployment resources they are not as limited with their funding options. Also, many dislocated workers tend to extend their job search efforts rather than enter training courses.

**4. Description of the Individuals Impacted by the Waiver:**

The individuals impacted will be adults and dislocated workers who are in need of training and re-employment services. By having the flexibility to move the funds to the target group where the need is greatest, program participants, both adults and dislocated workers, will benefit from the waiver.

**5. Description of the Process to Monitor Waiver Program:**

Alabama's Workforce Investment Act planning and accounting procedures allow the state to keep track of and approve any transfers. We also track expenditures of funds in order to ensure the benefits of such transfers. The local areas track all fund sources on a monthly and quarterly basis to assure that funds are being made available to the most "in-need" populations. The 65-County (AWIA) and Mobile local areas have successfully utilized 100% of the funds allocated through the WIA funding process each program year. Jefferson County has not been as successful and lost dislocated worker funds (based on the June 30, 2012 ETA-9130 Reports) due to non-expenditure during the two-year life of funds at the local workforce investment area.

**6. Opportunity for Local Boards to Comment on the Waiver Request:**

The Local Workforce Boards have been provided a copy of their respective local area's annual plans which are, in turn, submitted to the state. In the plans, the intention to utilize the available waivers is expressed. Throughout the program year, as budgets and transfers are submitted to the State for review and consideration they must first be approved by the local Board. Additionally, information of this request has been made available to local areas through publication on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. Comments received will be reviewed and forwarded to the USDOL in a timely manner.

**7. Public Comment on the Waiver Request:**

Information of this request was made available on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. No comments were received in regard to this waiver.

**Common Measures**

**1. Statutory Requirements to be Waived:**

The State of Alabama is seeking to waive the provision of WIA Section 136(b) and (c) and accompanying Regulations §666.100(a) and §666.300(a) that specify the state and local performance measures currently required for WIA Title I programs

**2. State or Local Statutory Barriers:**

There are no State or local statutory or regulatory barriers to implementing this requested waiver. Nothing in this waiver is intended to prevent the State or any local workforce board from implementing additional measures to assess performance

**3. Goals of the Waiver and Expected Programmatic Outcomes:**

This waiver will allow Alabama to renew its performance focus and will facilitate system integration across partner programs. The common measures provide a simplified and streamlined performance measurement system that is more cost effective and understandable to business-led local boards. It is believed that case management, customer service, and operational effectiveness will be enhanced through the implementation of this waiver. By utilizing common measures, there is no requirement to conduct customer satisfaction surveys; therefore, the State will not conduct these surveys as long as the common measure waiver is in effect.

The waiver is viewed as a continuous improvement measure that will have the following far-reaching benefits and outcomes:

- Facilitate the goal of a fully integrated workforce system.
- Provide clear and understandable information to stakeholders concerning the use of public funds and return on investment;
- Improve case management integration, service coordination, and information sharing;
- Assist in the realignment of youth program designs to better implement the USDOL's vision for targeting out-of-school youth;
- Use a single set of measures for youth, thus eliminating the need to track younger and older youth through separate silos, and
- Reduce labor intensive data collection.

**4. Description of Individuals Impacted by the Waiver:**

All customers of the workforce system will benefit from this waiver. The quality and quantity of services to participants will be enhanced by focusing on fewer targeted outcomes. State and local program administrators will benefit as Alabama progresses toward a fully integrated workforce system that concentrates on demand-driven accountability measures.

**5. Description of the Process to Monitor Waiver Program:**

The Alabama Department of Economic & Community Affairs Workforce Development Division (ADECA/WDD) will monitor the implementation and impact of the waiver, as well as progress toward meeting expected outcomes. This will be accomplished as follows:

- Alabama's participant tracking system will be used to monitor the data collection and

reporting of the common measures at both the state and local workforce areas. The system accommodates the common measures reporting requirements and allows for specialized reports to ensure the accuracy of data. This will enable the state and local area staff to identify technical assistance needs related to the implementation of the common measures.

- ADECA/WDD will review applicable policies, procedures, and manuals and modify them accordingly.
- Alabama will report performance on the common measures to the U.S. Department of Labor both quarterly and annually in accordance with USDOL prescribed procedures.
- ADECA/WDD will monitor the implementation of the waiver through regular contact with local area administrators as well as through meetings with Career Center staff and supervisors.
- Alabama's incentive and sanction policies will be developed around the common measures to reward success in meeting and exceeding performance and require timely corrective action to enhance the performance of the measures. (Incentives will resume if the Governor's 10 Percent Set Aside funds are once again allocated for the Governor's use by Congress.)

**6. Opportunity for Local Boards to Comment on the Waiver Request:**

The Common Measure goals and yearly performance are presented to board members at the quarterly meetings. Information of this waiver request has been made available through publication on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. Comments received will be reviewed and forwarded to the USDOL in a timely manner.

**7. Public Comment on the Waiver Request:**

Information of this request was made available on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. No comments were received in regard to this waiver.

**Eligible Training Provider List**

**1. Statutory Requirements to be Waived:**

WIA Section 122(d) requires the annual submission by training providers of program information on all individuals participating in an applicable training program. This has proven to be an overly burdensome requirement. If performance information was required only for WIA-funded program participants, the collection of information would be much less burdensome and compliance would be manageable.

**2. State or Local Statutory Barriers:**

There are no existing State or local statutory or regulatory barriers to implementation of this waiver request.

**3. Goals of the Waiver and Expected Programmatic Outcomes:**

This waiver makes the provision of consumer information less burdensome and still provides information that is valuable to the consumer. This waiver allows the provision of helpful information to potential trainees without being overly burdensome.

**4. Description of the Individuals Impacted by the Waiver:**

This waiver impacts those customers who are eligible for WIA training services in that it would provide them with information about performance results for WIA-funded individuals in a given training program. This information is very valuable to the consumer in making critical career decisions. Information about the entire group that has gone through training, regardless of funding, would also be valuable, but it has been extremely difficult to acquire. Confidentiality issues come into play when acquiring information about non-WIA students because Social Security Numbers are involved. Two-year colleges have been unable to overcome this issue.

**5. Description of the Process to Monitor Waiver Program:**

The ADECA Workforce Development Division will monitor the progress of the waiver through maintenance of the ETPL system, of which the Workforce Development Division is the administrator of the Internet website. The Workforce Development Division continues to work with the two-year colleges and the Department of Postsecondary Education to provide the best information available to those using the ETPL. Routine maintenance of the provider list ensures the information on the list (courses, addresses, etc.) are up-to-date. The State recognizes providers that are public training providers or private trainers that have been certified by the private school licensure unit of the State Department of Post-Secondary Education before they can be added to the registered training provider list.

During a previous program year the software was updated to Geo Solutions software and all of the previously stored data was reviewed and updated during the conversion process. The provider list is maintained by ADECA, utilizing the Geo Solutions software. The software allows for two-year colleges to update the courses they have available, and for local areas to review and send training provider data to the State. However, no changes can be made to the information on the website without the review and approval from ADECA Workforce Development Division staff.

**6. Opportunity for Local Boards to Comment on the Waiver Request:**

This waiver has been used by WIA local areas and boards for several years. They have taken no exception to it as it is helpful to them. This waiver request will be available for review and comment on ADECA's website ([www.adeca.alabama.gov](http://www.adeca.alabama.gov)) for a minimum of 30 days prior to September 15, 2012. Comments received will be reviewed and forwarded to the USDOL in a timely manner.

**7. Public Comment on the Waiver Request:**

Information of this request was made available on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 7 days prior to September 15, 2012. No comments were received in regard to this waiver.

## Incumbent Worker Training at the Local Area Level

### 1. Statutory Requirements to be Waived:

The Alabama Department of Economic and Community Affairs (ADECA), as the State Administrative Entity for the Workforce Investment Act (WIA), is requesting that its waiver of the restrictions on the use of local area WIA funds for Incumbent Worker Training at the local area level be extended.

WIA requires progression through a series of core, intensive, and training activities. The requirements for intensive services include, from WIA Section 134(d)(3)(A), being "... unemployed and are unable to obtain employment through core services ...", "... been determined by a one-stop operator to be in need of more intensive services in order to obtain or retain employment that allows for self-sufficiency." WIA Section 134(d)(4)(A)(i) requires a person to have "... met eligibility requirements for intensive services ..." and to be "... unable to obtain or retain employment through such services." These requirements effectively block the use of local funds for Incumbent Worker Training.

With very limited State level funds (due to the loss of 10 Percent Governor's Set Aside Funds and only limited amounts of Five Percent Administrative funds being available for IWT), it is more likely that Local Area's will need to contribute to the IWT efforts. This waiver would allow Local Workforce Investment Boards, at their discretion, to spend up to 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training only as part of a lay-off aversion strategy. Use of Adult funds must be restricted to serving low-income adults under this waiver. 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 (WISARD). The approval of this waiver will help to prevent layoffs and closures by assisting companies in becoming more competitive through provision of needed training.

Alabama implemented an Incumbent Worker Training Program using state-level funds in 2001. This program has become very popular and very worthwhile. To date, local areas have used the waiver to a limited extent, but the waiver is a valuable tool for training incumbent workers. A state policy requires a dollar-for-dollar match of WIA funds by the employer. This waiver increases local flexibility to address the needs of the local labor market.

### 2. State or Local Statutory Barriers

There are no existing State or local statutory or regulatory barriers to implementation of this waiver request.

### 3. Goals of the Waiver and Expected Programmatic Outcomes:

This waiver provides Local Workforce Investment Boards the option to spend a portion of their WIA funding on Incumbent Worker Training. The Incumbent Worker Training Program is very popular with employers as industry competition is constantly increasing. Employers are required not only to work harder, but also to work smarter; and this requires employee training.

Incumbent Worker Training provides skill upgrade training to employees of companies that need the assistance, thereby assisting in retaining jobs and even in creating jobs. In addition to these benefits, Incumbent Worker Training is spreading the word about WIA funded programs and resources in a very positive way.

The State has experienced several major lay-offs within the last six months and continues to work with local business and industry to identify areas where layoff/closure risks may exist and put training in place to address these issues. Occasionally requests are received from local companies for resources to assist them to retrain or up-train their current employees to adapt to changing market forces or to integrate new skill sets into their process to remain competitive. Historically, these cases have first been referred to the State for consideration of support. Going forward, having the option of earmarking and investing 10% of funding toward IWT provides the Local Areas with flexibility to provide a better way to address local workforce training needs and provides them with another resource to help employers remain competitive.

In the event an appropriate application of IWT is identified locally, one local area will apply the same guidelines used to determine which industries are targeted as are applied to applicants seeking to be added to their Eligible Training Provider list. The current list of target areas approved by the Board includes Maritime, Aviation, Transportation/Materials Handling, Healthcare, Technology, Manufacturing and Construction. In an effort to streamline the review and approval process, the remaining local workforce areas would have the option to utilize the existing State IWTP Application and contracting process. Coordination would also occur with regard to the applicant pool. If applicable submissions are received by the State when state-level funding is not available, they would be passed along to the local workforce areas for funding consideration. The Local Workforce Investment Areas would coordinate with the State to ensure that they were considering the funding an IWT project, which is currently or recently funded by the State. Funding for IWT will be limited to training for skills that provide the worker with a substantial new level of function that secures that individuals long term employment prospects and/or provides the target business with a new or improved capacity that results in a more competitive position in the market arena in which they are positioned.

Additional One-Stop Career Center services (to the affected employees) will also be made available including access to information about individual classes aimed at improving the employees' ability to craft a resume, seek out possible employment, and improve their career readiness through Work Keys and other Career Center activities. Outreach to employees, who are faced with the potential of downsizing or closure, will also include information about training resources that are available to individuals who have been laid off or who are interested in pursuing training in areas where more demand exists.

The Local Areas would utilize the IWT funding for those companies who have a clear strategy to implement training for existing employees as part of their layoff aversion effort. This training must also result in the guaranteed continuation of employment for those trainees who successfully complete the course and in addition, these employees must receive no reduction in pay and if appropriate, be considered for increased pay as a result of the new skills they have acquired via the training. No local workforce area funds will be made available to companies where no risk to the company related to major downsizing or closure exists. The Local Areas

would coordinate with the State to ensure that they were not funding an IWT Project currently or recently funded by the State.

**4. Description of the Individuals Impacted by the Waiver:**

The potential impact of this waiver is on employers and employees in businesses in which employees need training in order to remain competitive in the marketplace. Without the training, the business may have to lay off employees or close. The training makes the employees more valuable to the current employer and to other future employers.

**5. Description of the Process to Monitor Waiver Program:**

The ADECA Workforce Development Division will monitor the progress of the waiver by checking with local areas on any Incumbent Worker Training they provide and to check on them through the statewide management information system. As noted earlier, there will be continuous coordination between the State and Local Workforce Investment Areas. Also, expenditures will be reviewed to ensure that the approved limitation for use in IWT is not exceeded by any of the local workforce investment areas as they implement IWT projects.

**6. Opportunity for Local Boards to Comment on the Waiver Request:**

This waiver has been available to local areas for several years. Information of this request will be made available to local areas through publication on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. Comments received will be reviewed and forwarded to the USDOL in a timely manner.

**7. Public Comment on the Waiver Request:**

Information of this request was made available on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. No comments were received in regard to this waiver.

**Transfer of Funds from Rapid Response to Statewide Activities**

**1. Statutory Requirements to be Waived:**

The State of Alabama requests that its waiver of WIA Section 134(a)(3)(A)(iv)(I) be extended. This waiver allows the transfer on up to 20 percent of Rapid Response funds to WIA Statewide Activities in order that we may provide additional Incumbent Worker Training

**2. State or Local Statutory Barriers:**

There are no existing State or local statutory or regulatory barriers to implementation of this waiver request

**3. Goals of the Waiver and Expected Programmatic Outcomes:**

This waiver gives the state the flexibility to move funds from the Rapid Response program to Incumbent Worker Training, which greatly enhances the state's ability to adapt as situations dictate. Incumbent Worker Training has proven to be our best available tool to assist with layoff avoidance. With very limited funds (due to the loss of 10 Percent Governor's Set Aside Funds and only limited amounts of Five Percent Administrative funds being available for IWT), this waiver should result in IWT Projects being funded, which otherwise would not be funded due to a lack of funding. The Rapid Response funds would fund projects, which meet the criteria for "lay off aversion." The goal would be to preclude layoffs as well as providing employers with a workforce trained in the latest skills necessary for their companies to compete in a global economy by reducing "output" costs. The benefits to the employees is that the skills are often "transferable" to other jobs, industries should they eventually be laid off and/or terminate their employment with the employer.

Our State has experienced several major lay-offs within the last six months and our Local Areas continue to work with local businesses and industry to identify areas where lay off closure risks may exist and put training in place to address these issues. Utilizing Rapid Responses funds, the IWT Program is vital to the specific situations where downsizing and closures can be avoided through skill upgrade training for current employees. By adapting to the changing market forces or integrating new skill sets the improved skill of the IWT trained employees can help companies to remain open and competitive. Through IWT training activities, financial competitiveness is positively affected with improvements in efficiency, downtime, customer satisfaction, and subsequently, overall job security. Alabama has lost 147,000 jobs during the past two years or so and the unemployment rate as of August 2012 is 8.5 percent.

Please keep in mind that the State is the project operator for the statewide IWT Program in Alabama. The State's waiver to use up to 20 percent of the PY12/FY13 Rapid Response funds for IWT is in addition to the Five Percent Administrative funds budgeted for IWT. The use of Rapid Response Funds is limited to IWT Applications from employers whereby without the provision of IWT, the company indicates that it will either "lay off employees" and or close down its operations. If there are no companies, which meet the criteria, then Rapid Response funds will not be used for the IWT Program. As we first implemented a statewide IWT Program in 2001, we have used Governor's 10 Percent Set Aside funds and Rapid Response funds (via approved waiver) to fund approved IWT Program applications. We have also used Five Percent Administrative funds when it was determined that we had some Administrative funds, which could be used for the IWT Program when the 10 Percent Governor's Set Aside funds and Rapid

Response funds budgets were already obligated for IWT Projects. During Program Year 2012, we have established a limited budget of Five Percent Administrative funds to be used for IWT Projects to keep the program somewhat viable since the 10 Percent Governor's Set Aside funds are no longer available. If this waiver is approved, then Rapid Response funds will be used for specific projects meeting the required "layoff aversion" criteria.

The purpose of the program is to provide assistance to Alabama employers to help with certain expenses associated with new or upgraded skills training of full-time, permanent company employees. The IWT Program is accessible to every industry and business sector, aside from training providers, labor unions, and government entities. Allowable training services can be provided through Alabama's public or private educational institutions, in- or out-of-state private training organizations, professional trainers hired by the company, or a combination of training providers. These services can consist of occupational skills training designed to meet special requirements of a business or industry or can be educational training, other than degreed programs, such as workplace literacy, basic skills, "soft" skills, and English as a Second Language (ESL). Training services, which are not allowable include: training in professional fields in which continuous education is necessary to retain professional certification, such as Certified Public Accountants, degreed medical professionals, insurance providers, attorneys, etc. Additionally, training, which would result in advanced degrees such as associate, bachelor, master, or doctorate, cannot be provided through the IWT Program.

The training should result in some combination of the following, where applicable, business growth or expansion, productivity and efficiency improvements, reduced employee turnover to include layoff aversion and wage improvements of employees, the use of new technology to improve current production practices, and a positive return on investment of federal funds and employer matching contributions relevant to the outcomes achieved from the newly acquired skills obtained from the training activities.

The One-Stop Career Centers provide the full array of WIA services when determining eligibility for the IWT. The Career Center staff complete the enrollment process as well as the exit process upon completion of the training program. Employees are "on-the-job" during the IWT, which means that the employer is paying them while they're in training, which is usually on-site at the employer's place of business. Additional One-Stop Job Center services to the affected employees will also be made available including access to information about individual classes aimed at improving the employees' ability to craft a resume, seek out possible employment, and improve their career readiness through Work Keys and other Career Center activities. Outreach to employees, who are faced with the potential of downsizing or closure, will also include information about training resources that are available to individuals who have been laid off or who are interested in pursuing training in areas where more demand exists.

As far as "leveraged" resources, the employers are required to pay the employees their normal wages and benefits while they're in IWT. The requirement is a dollar-for-dollar expenditure by the employer for wages and benefits plus other costs not covered by the IWT Project such as trainer travel costs. The purpose of this requirement is to get a "buy in" by the employer to ensure that they're serious about implementing their approved project as well as ensuring the employees don't suffer a wage/benefit loss while they are in the IWT Project. On-the-job

training is also available to employers to encourage them to hire workers who are WIA eligible. However, employers are reluctant to hire new employees unless they perceive a positive economic outlook for their particular company.

**4. Description of Individuals Impacted by the Waiver:**

Individuals impacted by this waiver will be those workers whose companies are in need of employee training to meet the competitive demands of the marketplace. Provision of the training to these individuals helps the competitiveness of the company and helps the trainee by providing the worker with additional skills which are valuable at the current job and any future job.

**5. Description of the Process to Monitor Waiver Program:**

The ADECA Workforce Development Division will monitor the program through visits to companies, which have Incumbent Worker Training agreements and by reviewing information in our reporting system. As in past years, if approved, the waiver will be limited to the 20 percent of the Rapid Response funds approved for specific IWT as noted earlier. ADECA's Program Integrity Section has the responsibility for monitoring of state as well as local workforce programs. State staff, who administer the IWT Program, will have the responsibility of ensuring that only companies, which meet the "layoff aversion" criteria, are funded with Rapid Response funds. There's a zero tolerance for the misapplication of WIA funds.

The purpose of the program is to provide assistance to Alabama employers to help with certain expenses associated with new or upgraded skills training of full-time, permanent company employees. Training project applications are reviewed on a first-come-first-served basis, with priority given to companies that have not previously received IWTP funding assistance, until the budgeted funds are fully awarded. Each business (applying for funding assistance) must provide evidence of matching contributions, at least a dollar-for-dollar, for the funds requested and provide details regarding their layoff aversion strategy and how the requested training assistance will impact their layoff aversion goals. With high demand and limited funding available, all applications will be evaluated to leverage other state, federal, and private funds with IWTP funds. Upon receipt of an IWT application, a thorough review is conducted to determine if the applying company's current needs meet the requirements necessary to utilize Rapid Response funds for layoff aversion, reduced employee hours, and other economic difficulty.

The IWT program can be an appropriate solution for many employers if they can present a training program that provides for new and/or upgraded job skills that are necessary for the company to maintain or increase competitiveness in a global economy, provide marketable work skills for the participating employees, demonstrate the effect of the training on business operations, and identify the skills that will be acquired by the employees. It is required that applicants for IWT funds provide clear and measurable anticipated performance outcomes for the company and the employees in the IWTP application. These outcomes may include: prevention of relocation; training of veterans, disabled, or minorities; contributions to the long- and/or short-term viability of the company; improve competitiveness and/or international trade opportunities; number of employees affected by the layoff aversion, number of jobs created

from training activities, short- and long-term wage improvements, turnover reductions, efficiency improvements, and profit margin improvements

Local workforce investment areas do not apply to the "state" for funding of IWT Projects. The State administers its own statewide program, and local workforce investment areas would administer their own programs via a separately approved waiver for them to use part of their local WIA allocations for IWT. The local workforce areas have the option of using the State's approved IWT Guidelines and application, which are on the ADECA web site. As in the past, the State would coordinate with the local areas to ensure that they were not funding an IWT Project currently or recently funded by the State. Also, the State would ensure that it was not funding an IWT project being served by a local workforce investment area or recently served by them. Local workforce area's may also ask the State for assistance in the implementation and operation of their programs to further improve coordination of the IWT Program on the State and local level.

**6. Opportunity for Local Boards to Comment on the Waiver Request:**

Information of this request will be made available to local areas through publication on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to June September 15, 2012. Comments received will be reviewed and forwarded to the USDOL in a timely manner.

**7. Public Comment on the Waiver Request:**

Information of this request was made available on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. No comments were received in regard to this waiver.

**State of Alabama  
Workforce Investment Act  
PY12 Waiver Requests**

The following are requests for waivers which have been in use by the State of Alabama for varying periods of time. They are submitted pursuant to 20 CFR 661.420(e).

**Conduct Evaluations, Local Incentive Grants, and Disseminating Training Provider Performance and Cost Information using Governor's Reserve**

**1. Statutory Requirements to be Waived:**

The State of Alabama is seeking:

- Waiver of 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
- Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.
- Waiver of 20 CFR 665.200(b)(3) requiring dissemination of training provider performance and cost information.

**2. State or Local Statutory Barriers:**

There are no state or local barriers.

**3. Goals of the Waiver and Expected Programmatic Outcomes:**

The reduction to five percent in the WIA allotment for PY 2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of evaluations, incentive grants to local areas, and dissemination of training provider performance and cost information. The state's reduced funds are being used to cover the following required activities:

§ 665.200

- (b) Disseminating:
  - (1) The State list of eligible providers of training services (including those providing non-traditional training services), for adults and dislocated workers.
  - (2) Information identifying eligible providers of on-the-job training (OJT) and customized training.
  - (4) A list of eligible providers of youth activities as described in WIA section 123.
  - (f) Providing technical assistance to local areas that fail to meet local performance measures.
  - (g) Assisting in the establishment and operation of One-Stop delivery systems, in accordance with the strategy described in the State workforce investment plan. (WIA sec. 112(b)(14))
  - (i) Operating a fiscal and management accountability information system, based on guidelines established by the Secretary after consultation with the Governors, chief elected officials, and One-Stop partners, as required by WIA section 136(f) (WIA secs. 129(b)(2), 134(a)(2), and 136(e)(2))

Funds are being used by the state in regard to WIA grant administration, oversight and monitoring, reporting to the USDOL, and for State WIB support as necessary.

Our goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system.

The following is the amount of funding available for statewide activities:

- Governor's 10% Program Funds Carried into PY12: \$811,367.54
- 5% Administrative Funds: \$4,012,213.32
- Rapid Response: \$919,338.81
- Total Available: \$5,742,920.17

The following amount would be spent on required activities:

- \$3,267,322.32 is budgeted obligated for required activities. Required activities include:
  - The provision of Statewide Rapid Response Services
  - Grants management
  - Reporting to the Grantor
  - Maintenance of the required financial management and participant management information systems
  - Maintenance of the State Eligible Training Provider List
  - Oversight and Monitoring
  - Other functions required to properly manage the WIA Title I-B program as the Grantee for U.S. Department of Labor funds

Allowable activities are continuing to be funded with Governor's Reserve funds as follows:

- \$2,125,597.85 is budgeted obligated for allowable activities
- \$350,000 of available FY13 RR Funds are not obligated and are available for "additional assistance" to local workforce investment areas, which may encounter a situation in which they need additional funds (beyond their formula D W. funds) to meet the needs of eligible dislocated workers.

Once all required activities necessary for the Grantee to administer the WIA program, to include participant management information systems, reporting, oversight and monitoring, etc., are budgeted, then a determination is made as to funding new and/or continuing statewide programs activities. Note that some previously funded programs such as the statewide ITA program, which was linked to dislocated workers who were provided services by the State Rapid Response Team, is winding down as new enrollments were stopped once it became apparent that the Governor would not be receiving any FY12 10 Percent Set Aside Funds. The highly successful Incumbent Worker Training Program is budgeted (limited amount) with Five Percent Administrative funds in order to keep it somewhat viable and to be able to offer some services to employers.

**4. Description of Individuals Impacted by the Waiver:**

This waiver will provide the state agency with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system

**5. Description of the Process to Monitor Waiver Program:**

The State will monitor progress and ensure accountability for Federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system

**6. Opportunity for Local Board and Public Comment on the Waiver Request:**

Local workforce administrative entities were provided a copy of this proposed waiver request as well as the USDOL ETA's June 29, 2012 reply to this request. Local areas have already been notified (during a recent WIA Roundtable Meeting) that no incentive grants would be made in PY 2011 or thereafter (until Governor's full 15 Percent Set Aside funds are restored to the state) due to the loss of Governor's 10 Percent WIA funds

**7. Public Comment on the Waiver Request:**

Information of this request was made available on the ADECA website at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) for a minimum of 30 days prior to September 15, 2012. No comments were received in regard to this waiver