



AUG 6 2014

The Honorable Jack Markell
Governor of Delaware
State Capitol Building
Dover, Delaware 19901

Dear Governor Markell:

In a letter dated April 28, 2014, the Employment and Training Administration approved two requests for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This letter replaces the April 28 letter, clarifying the terms of the State's approval. This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. On July 22, 2014, the Workforce Innovation and Opportunity Act (WIOA) was enacted. Many of WIOA's provisions take effect on July 1, 2015, but the existing WIA state and local plan provisions remain in effect until July 1, 2016. ETA is conducting a review of WIOA's implementation timeline and provisions, and will be issuing guidance in the future regarding the new State Unified Plan provisions and waivers as part of its implementation actions. Current WIA waiver approval timelines have been adjusted in accordance with the expected end date (June 30, 2016) for the existing WIA State Plans.

The requests were written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c), and meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's waiver requests (copy enclosed).

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

The State is requesting 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 this waiver through June 30, 2016. Under the waiver, the following sliding scale is permitted: 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 and local area may provide customized training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide customized training to dislocated workers with WIA Dislocated

Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

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

The State requested a waiver of the required 50 percent employer contribution for on the job training to permit the use of a sliding scale for the employer contribution based on the length of the participant's unemployment. The State is granted approval of this waiver for a sliding scale based on the length of unemployment through June 30, 2016. Under the waiver, the following reimbursement amounts will be permitted:

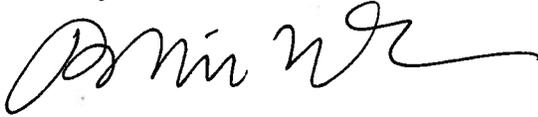
- 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. The current statutory requirements (50 percent reimbursement) will continue to apply to businesses with more than 250 employees.
- 1) up to 90 percent employer reimbursement where OJT is provided to individuals unemployed for 26 weeks or more, and 2) up to 75 percent employer reimbursement where OJT is provided to individuals unemployed for 13-26 weeks. Where on-the-job training is provided to individuals unemployed for less than 13 weeks, the current statutory requirements (50 percent reimbursement) will continue to apply. This scale may be used as an alternative to the sliding scale based on size of the employer.

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 and local areas may provide on-the-job training to individuals age 18 or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local areas 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.

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. 06-13, 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 continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Jeffery Gabriel, the Federal Project Officer for Delaware, at 215-861-5207 or Gabriel.Jeffery@dol.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Portia Wu", with a long, sweeping horizontal stroke extending to the right.

Portia Wu
Assistant Secretary

Enclosure

cc: Leo Miller, Acting Regional Administrator, ETA Philadelphia Regional Office
Jeffery Gabriel, Federal Project Officer for Delaware



APR 28 2014

The Honorable Jack Markell
Governor of Delaware
State Capitol Building
Dover, Delaware 19901

Dear Governor Markell:

The Employment and Training Administration (ETA) is pleased to respond to your requests for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. The requests were written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c), and meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's waiver requests (copy enclosed).

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

The State is requesting 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 this waiver through June 30, 2017. 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 and local area may provide customized training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

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

The State requested a waiver of the required 50 percent employer contribution for on the job training to permit the use of a sliding scale for the employer contribution based on the length of the participant's unemployment. The State is granted approval of this waiver for a sliding scale based on the length of unemployment through June 30, 2017. Under the waiver, the following

reimbursement amounts will be permitted: 1) up to 90 percent employer reimbursement where OJT is provided to individuals unemployed for 26 weeks or more, and 2) up to 75 percent employer reimbursement where OJT is provided to individuals unemployed for 13-26 weeks. Where on-the-job training is provided to individuals unemployed for less than 13 weeks, the current statutory requirements (50 percent reimbursement) will continue to apply. This scale may be used as an alternative to the sliding scale based on size of employer, for which the State was previously granted a waiver until June 30, 2017.

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 and local areas may provide on-the-job training to individuals age 18 or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local areas 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.

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. 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 continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Malcom Jackson, the Federal Project Officer for Michigan, at 215-861-5207 or Gabriel.Jeffery@dol.gov.

Sincerely,



Eric M. Selznow
Acting Assistant Secretary

Enclosure

cc: Lenita Jacobs-Simmons, Regional Administrator, ETA Chicago Regional Office
Jeffery Gabriel, Federal Project Officer for Delaware

State of Delaware
Waiver Request

As part of its 5 year State Plan being submitted for Program Years 12 – 16, the State of Delaware requests consideration of the following waiver which is currently not in effect.

Customized Training Sliding Scale

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|---------------------------------|--|
| Statutory/Regulatory Provisions | Customized Training Sliding Scale Workforce Investment Act Title I |
| Citations | WIA Section 101(8) and WIA Final Regulations at 20 CFR Section 663.715 |
| Entity | State of Delaware |

CUSTOMIZED TRAINING: 50 PERCENT EMPLOYER MATCH

The Delaware Department of Labor, Division of Employment and Training, and the Delaware Workforce Investment Board are requesting a waiver to permit the use of a sliding scale for the customized training employer match. The sliding scale would be based on the size of the business as follows:

- No less than 10 percent match for employers with 50 or fewer employees
- 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) will continue to apply.

Statutory and Regulatory Sections to be Waived:

WIA Section 101(8) and WIA Final Regulations at 20 CFR Section 663.715 define customized training and require employers to pay not less than 50 percent of the cost of training.

Actions undertaken to remove state or local barriers:

There are no existing state statutory or regulatory barriers to implementing this waiver request.

Goals and Expected Programmatic Outcomes of Waiver:

Customized training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers. However, the current 50 percent employer match requirement may limit the ability to market customized training programs to employers. The Delaware Workforce Investment Board believes the sliding scale will better facilitate employer involvement and job seeker placement.

The proposed sliding scale for the employer match will create the necessary flexibility for employers to provide the required match at a rate that more appropriately represents a particular business' or industry's cost benefit ratio of contributing to a match amount to receive skilled employees. Allowing businesses and industries to apply the sliding scale to determine the match amount will increase

employer participation in WIA customized training programs. Employers will benefit by having a labor pool with the marketable skills they require.

Individuals Impacted By the Waiver:

The waiver will positively affect all of the state's WIA customers, employers and job seekers.

Process for Monitoring Progress in Implementation:

Delaware is a single service area and as such does not have to provide notice to a local Board. The Delaware Department of Labor, Division of Employment and Training (DOL/DET) and the Delaware Workforce Investment Board (DWIB) serve as the co-administrative entity for Workforce Investment Act and State Blue Collar Jobs Act programs. Further, the DOL/DET serves as the administrative entity for Wagner-Peyser, Veterans, and Trade Act Assistance programs. The waiver provides the DOL/DET and the DWIB with the flexibility to implement a seamless delivery of services and to customize the planning and delivery of services for applicable programs. The DOL/DET and the DWIB will monitor the implementation and impact of the waiver through a combination of performance reporting, evaluations, and discussions with stakeholders regarding our progress towards expected outcomes. The DOL/DET and the DWIB will review applicable policies and procedures and modify them accordingly. The DOL/DET and the DWIB will submit both an interim and final report to the USDOL detailing the impact of the waiver.

Notice to Affected Local Board:

Delaware is a single service area and as such does not have to provide notice to a local Board. The waiver request was discussed during a meeting of the Full Board of the Delaware Workforce Investment Board held on January 14, 2014 at which time they expressed their endorsement.

Public Comment:

The DWIB posted the waiver to its website. The public comment period ended on 21 March 2014; there were no comments.

State of Delaware
Waiver Request

As part of its 5 year State Plan being submitted for Program Years 12 – 16, the State of Delaware requests consideration of the following waiver which is currently not in effect.

On The Job Training (OJT) Sliding Scale

| | |
|---------------------------------|---|
| Statutory/Regulatory Provisions | On the Job Training Sliding Scale Workforce Investment Act Title I |
| Citations | Workforce Investment Act (WIA) section 101(31)(B)), 20 CFR 663.700, 20 CFR 663.710, 20 CFR 663.240 http://www.doleta.gov/layoff/pdf/OJT_REQ.pdf |
| Entity | State of Delaware |

On the Job Training EMPLOYER MATCH

The Delaware Department of Labor, Division of Employment and Training, and the Delaware Workforce Investment Board requests a waiver to permit the use of the sliding scale for OJT described in TEG 4-10. The wage level on which the reimbursement is based will not exceed the State's average hourly wage. The negotiated reimbursement percentage may be as high as 90 percent of the participant's hourly wage based on either of the following conditions:

- **Employer size:** Up to 90% of the wage for employers with 50 or fewer employees, up to 75% of the wage for employers with 51-250 employees, and employers with more than 250 employees are capped at the 50%
- **Long Term Unemployed:** Up 90% of the wage for clients who have been determined unemployed for over 26 weeks, up to 75% of the wage for clients who have been determined unemployed for 13-26 weeks, 50% of the wage for clients who have been determined unemployed less than 13 weeks.

Statutory and Regulatory Sections to be Waived:

Workforce Investment Act (WIA) section 101(31)(B)), 20 CFR 663.700, 20 CFR 663.710

Actions undertaken to remove state or local barriers:

There are no existing state statutory or regulatory barriers to implementing this waiver request.

Goals and Expected Programmatic Outcomes of Waiver:

On-The-Job Training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers. However, the current 50 percent employer match requirement may limit the ability to market training programs to employers. The Delaware Workforce Investment Board believes embracing a sliding scale will better facilitate employer involvement and job seeker placement.

The proposed sliding scale for the employer match will create the necessary flexibility to provide the required match at a rate that more appropriately represents a particular business' or industry's cost benefit ratio of contributing to a match amount to receive skilled employees.

Individuals Impacted By the Waiver:

The waiver will positively affect all of the state's WIA customers, employers and job seekers.

Process for Monitoring Progress in Implementation:

Delaware is a single service area and as such does not have to provide notice to a local Board. The Delaware Department of Labor, Division of Employment and Training (DOL/DET) and the Delaware Workforce Investment Board (DWIB) serve as the co-administrative entity for Workforce Investment Act and State Blue Collar Jobs Act programs. Further, the DOL/DET serves as the administrative entity for Wagner-Peyser, Veterans, and Trade Act Assistance programs. The waiver provides the DOL/DET and the DWIB with the flexibility to implement a seamless delivery of services and to customize the planning and delivery of services for applicable programs. The DOL/DET and the DWIB will monitor the implementation and impact of the waiver through a combination of performance reporting, evaluations, and discussions with stakeholders regarding our progress towards expected outcomes. The DOL/DET and the DWIB will review applicable policies and procedures and modify them accordingly. The DOL/DET and the DWIB will submit both an interim and final report to the USDOL detailing the impact of the waiver.

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Public Comment:

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