



JUN 21 2011

The Honorable Robert McDonnell
Governor of Virginia
Patrick Henry Building
1111 East Broad Street, 3rd Floor
Richmond, Virginia 23219

Dear Governor McDonnell:

This letter provides approval of the modification to Virginia's State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act (W-P) for the period July 1, 2011 through June 30, 2012, Program Year (PY) 2011. The Employment and Training Administration (ETA) received the Commonwealth's proposed modification on April 14, 2011. This letter also responds to Virginia's requests for new and extended waivers.

Training and Employment Guidance Letter (TEGL) No. 17-10, issued on December 30, 2010, provides guidance for states that choose to submit a modification of the existing State Plan or submit requests for new waivers. We appreciate the Commonwealth's responsiveness to this guidance.

Plan Review and Approval

ETA has reviewed the Virginia 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 TEGL No. 17-10. 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 Virginia's State Plan for the period July 1, 2011 through June 30, 2012. The Commonwealth has already received its formula allotment for the WIA Youth program for PY 2011. The Commonwealth is eligible to receive WIA formula allotments for Adult and Dislocated Worker programs and W-P initial base program allotments, effective July 1, 2011, under the PY 2011 annual funding agreement for WIA and the PY 2011/Fiscal Year 2012 annual funding agreement for W-P.

Performance Levels

Virginia requested to extend its existing PY 2010 WIA and W-P performance goals for PY 2011. ETA has incorporated these performance goals, identified as PY 2011 performance goals, into the Regional and National Office copies of the State Plan. Please include these PY 2011 goals in the State's official copy of the State Plan.

Waivers

As part of Virginia's modification of the WIA/W-P State Plan, and as described in TEGL No. 17-10, the Commonwealth requested extensions of Virginia's PY 2010 waivers of statutory and regulatory requirements under WIA for PY 2011. The Commonwealth also submitted a request for new waivers (copy enclosed). The Commonwealth'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 Commonwealth'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.

Extension of Waivers

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 Commonwealth 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 Commonwealth is granted an extension of this waiver through June 30, 2012. 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 Commonwealth was previously granted a waiver that allows it to replace the 17 performance measures under WIA Section 136(b) with the common measures. The Commonwealth is granted an extension of this waiver through June 30, 2012.

This waiver permits the Commonwealth to negotiate and report WIA outcomes against the common performance measures only, rather than the performance measures described at WIA Section 136(b). The Commonwealth 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 Commonwealth will use the three adult common performance measures to negotiate goals and report outcomes for the WIA Adult and WIA Dislocated Worker programs. The Commonwealth 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 Commonwealth 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 Commonwealth is granted an extension of this waiver through June 30, 2012. Under the waiver, the Commonwealth is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the Commonwealth 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 Commonwealth 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 Commonwealth is granted an extension of this waiver through June 30, 2012. Under this waiver, the Commonwealth is permitted to allow local areas to use up to 20 percent of local Dislocated Worker funds for incumbent worker training only as part of a layoff aversion strategy. 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 Commonwealth is required to report performance outcomes for any individual 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.

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 Commonwealth 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 Commonwealth is granted an extension of this waiver through June 30, 2012. Under this waiver, the Commonwealth 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 Commonwealth 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.

Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The Commonwealth was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The Commonwealth is granted an extension of this waiver through June 30, 2012. Under this waiver, the Commonwealth can use ITAs for older youth and out-of-school youth program participants. The Commonwealth must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The Commonwealth should ensure that funds used for ITAs are tracked and that the ITA is reflected in the individual service strategies for these youth.

New Waiver Requests

Waiver of WIA Section 123 that requires that providers of Youth program elements be selected on a competitive basis.

The Commonwealth is requesting a waiver of the requirement for competitive procurement of service providers for three of the ten youth program elements: supportive services, follow-up services, and work experience. The Commonwealth is granted this waiver through June 30, 2012. Under this waiver, the Commonwealth is permitted to allow its One-Stop Career Centers or partner agencies to directly provide youth program elements. In utilizing this waiver, the Commonwealth 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 of WIA Section 134(d)(4)(G) to allow the local areas within the state to contract for training with WIA funds instead of using Individual Training Accounts (ITAs).

The Commonwealth is requesting a waiver to allow local area workforce boards to develop class-size contracts with training providers outside of the required ITA process for training provision. The Commonwealth is granted this waiver through June 30, 2012. Under this waiver, the Commonwealth may only contract with training providers on the eligible training provider list, must competitively procure contracts, ensure that all WIA eligible populations have access to training offerings, and maintain customer choice. This waiver only applies to remaining WIA funding for PY 2009. The Department of Labor Appropriations Acts for Fiscal Year (FY) 2010 and 2011 allow states to use FY 2010 and FY 2011 funds to provide training through class-size contracts. Therefore, no waiver is necessary for FY 2010 and 2011 WIA funds.

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

The Commonwealth has withdrawn this waiver request.

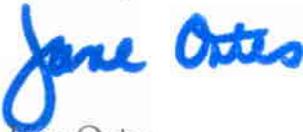
Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The Commonwealth has withdrawn this waiver request.

The approved waivers are incorporated by reference into the Commonwealth'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 described in TEGL No. 09-10, page 3, the Commonwealth should address the impact these waivers have had on the Commonwealth'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 2011. If you have any questions related to the issues discussed above, please contact Tobby Willis, the Federal Project Officer for Virginia, at 215-861-5524 and Willis.Tobby@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Lenita Jacob-Simmons, Regional Administrator, ETA Philadelphia
Regional Office
Tobby Willis, Federal Project Officer for Virginia



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

703 East Main Street

Post Office Box 1358
Richmond, Virginia 23218-1358

John R. Broadway
Commissioner

April 13, 2011

Ms. Kimberly Vitelli, Federal Coordinator
Division of Workforce System Support
Employment and Training Administration
U. S. Department of Labor
200 Constitution Avenue, N.W., Room S-4231
Washington, D.C. 20210

Dear Ms. Vitelli:

As Virginia's Workforce Investment Act Title I and Wagner-Peyser signatory officials, we are pleased to submit on behalf of the Commonwealth this State Plan for Program Year 2011.

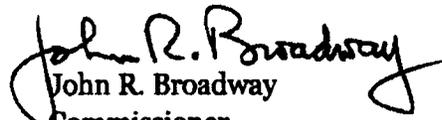
The plan has been developed in accordance with the instructions issued by the Employment and Training Administration in Training and Employment Guidance Letter 17-10.

We thank you in advance for your time in reviewing this document and consideration of its approval.

Sincerely,

(See Companion Letter)

Dr. M. Craig Herndon, Interim Vice Chancellor
Workforce Development Services
Virginia Community College System
For Workforce Investment Act Title I


John R. Broadway
Commissioner
Virginia Employment Commission
For Wagner-Peyser



April 14, 2011

Ms. Kimberly Vitelli, Federal Coordinator
Division of Workforce System Support
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, Room S-4231
Washington, DC 20210

Dear Ms. Vitelli:

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The plan has been developed in accordance with the instructions issued by the Employment and Training Administration in Training and Employment Guidance Letter 17-10.

We thank you in advance for your time in reviewing this document and consideration of its approval.

Sincerely,

A handwritten signature in black ink, appearing to read 'MCH', written over a horizontal line.

Dr. M. Craig Herndon, Interim Vice Chancellor
Workforce Development Services
Virginia Community College System
For Workforce Investment Act Title I

(See Companion Letter)

Mr. John R. Broadway, Commissioner
Virginia Employment Commission
For Wagner-Peyser