



OCT 20 2014

The Honorable Richard Scott
Governor of Florida
The Capitol
400 South Monroe Street
Tallahassee, Florida 32399-0001

Dear Governor Scott:

The Employment and Training Administration (ETA) is pleased to respond to your request for a waiver 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.

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 State's recent WIA waiver requests are 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 request (copy enclosed).

Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State was previously granted a waiver to increase the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams to 75 percent. To help mitigate the effects of funding reductions in many local areas, the State is requesting renew this waiver. The State is approved this waiver to transfer up to 75 percent between the Adult and Dislocated Worker funding streams through June 30, 2015. Under this waiver, the State must identify indicators or information gathering it will use to track improved outcomes, and report the results of the waiver in the WIA Annual Report, especially how services were maintained for both Adult and Dislocated Worker populations.

The approved waiver is 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 TEGE No. 6-13, the State should address the impact this waiver has 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 Linda Lundy, the Federal Project Officer for Florida, at (404) 302-5369 and Lundy.Linda@dol.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Portia Wu", with a stylized flourish at the end.

Portia Wu
Assistant Secretary

Enclosures

cc: Les Range, Regional Administrator, ETA Atlanta Regional Office
Linda Lundy, Federal Project Officer for Florida

Workforce Investment Act Waiver Request

Date: September 8, 2014

State: Florida

Agency: Department of Economic Opportunity (DEO)

Statutory and/or regulatory requirements to be waived

WIA Section 133(b)(4) and 20 CFR Part 667.140 state that a Local Board may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area for a fiscal year between Adult employment and training activities and Dislocated Worker employment and training activities. Subsequent appropriation language has, in some cases, increased the percentage to 30 percent. Florida had a waiver in the past that allowed regional boards to transfer up to 100% between the two programs and, for the past program year, a waiver that allowed authority to transfer 75%. This request is to continue the waiver that allows the transfer of up to 75% of the funding between the Adult and Dislocated Worker Programs.

Actions undertaken to remove state or local barriers

There is no State or local statutory or regulatory barrier to implementing the proposed waiver.

Goals and expected programmatic outcomes of waiver

The state identified in its 2012-2016 State Strategic Workforce Plan its intent to embrace and support the following national strategic priorities:

- Implementation of a demand-driven system
- System reform to eliminate duplicative administrative costs and to enable increased training investment;
- Enhanced integration of service delivery through one-stop career centers; and,
- Enhanced use of waivers to provide greater flexibility to local areas in structuring their workforce investment systems.

The requested waiver will provide increased flexibility for the local areas in allocating and expending Adult and Dislocated Worker funds. The waiver is consistent with the recently approved WIA reauthorization legislation that will establish in statute 100% transfer authority between these two programs. This waiver will enable local areas to better serve the needs of their customers and will heighten their ability to respond to

changes in the local labor market and meet the needs of their local communities. Funding from the adult program and Wagner-Peyser programs are the primary support for the operation of local career centers that provide access for both job applicants and employers to engage the workforce system and receive services. During the recent recession and the continuing tight labor market, the regional workforce boards have indicated that most dislocated workers want to return to employment as quickly as possible and do not want training. In this tight labor market, more customers are asking for basic core and intensive services to help them return to work. The Adult funding stream is more flexible in using to help support the infrastructure and operating costs of local career centers that provide the core and intensive services necessary to assist all adults (including dislocated workers) with job placement assistance.

Individuals impacted by the waiver

Florida experienced a 12% decrease in its WIA funding; a 20% decrease in its TANF funding; and, a 6% decrease in its Wagner-Peyser funding for the program year that began July 1, 2013. For the new program year that began July 1, 2014, the state had a 7.3% reduction in its WIA funding.

Florida has a state requirement to use a minimum of 50% of its combined adult and dislocated worker training funding for training services so funding will remain available for dislocated workers (whether from the dislocated worker or the adult funding streams) who chose to enroll in that service. Approval of the waiver will allow the system to increase the funding available through the WIA adult program to help offset the loss of funding from TANF. It also will allow the continued provision of services to assist businesses and employed workers in need of training to either obtain (get a better job) or sustain employment at a self-sufficient wage.

Process for monitoring progress in implementation

A review of last year's financial information shows that many boards used the waiver granted last year that allowed boards to transfer up to 75% of funding between the Adult and Dislocated Worker Programs. CareerSource Florida (the state workforce board) and the Department of Economic Opportunity will continue to monitor all WIA performance and the progress toward goals and objectives expressed in the State Plan. Information contained in the State's management information system and financial management tracking system is reviewed and reported to the local areas and CareerSource Florida on a regular basis. Regular monthly expenditure reports of formula WIA funding by region is provided to the State Board. Performance information on customers served and outcomes are regularly posted on several dashboards that are available to the state, local managers, and the public.

Notice to affected local boards

Local boards were fully engaged in the initial process when the state developed a waiver request to allow the local boards to transfer 100% of their funding between the adult and dislocated worker program funding streams. That request was denied although the USDOL did approve a waiver to allow a 50% transfer and, last year, approved a one year waiver for some boards of up to 75%.

Public Comment

The earlier waiver request for a 100% transfer authority was adopted by the state workforce board at a public meeting. The state published the waiver request on its web with no public comments received. The state will publish this amended waiver request on both the DEO and the CareerSource Florida (the state workforce board) web sites.