



JUN 14 2012

The Honorable Scott Walker
Governor of Wisconsin
115 East State Capitol
Post Office Box 7863
Madison, Wisconsin 53707

Dear Governor Walker:

This letter provides approval of an extension of Wisconsin's current Workforce Investment Act (WIA) and Wagner-Peyser Act (W-P) State Plan for a portion of Program Year (PY) 2012. This letter also provides approval of extensions for Wisconsin's current waivers. Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, provides guidance for states to secure approval of their WIA/W-P State Plans and waivers for PY 2012. In accordance with TEGL No. 21-11 and your extension request, the State must submit a full five-year WIA/W-P State Plan and annual W-P Agricultural Outreach Plan by September 15, 2012.

Extension of State Plan

Wisconsin's existing State Plan will expire on June 30, 2012. This letter constitutes a written determination under WIA Section 112 (29 USC 2822) that the Employment and Training Administration (ETA) is temporarily extending the approval of Wisconsin's State Plan for WIA Title I and the Wagner-Peyser Act into PY 2012, for the period July 1, 2012 through December 31, 2012. The State already received its formula allotment for the WIA Youth program for PY 2012. The State is eligible to receive WIA formula allotments for the Adult and Dislocated Worker programs under the PY 2012 Annual Funding Agreement. The W-P Annual Funding Agreement for PY 2012/Fiscal Year 2013 will provide the W-P Act initial base allocation of PY 2012 funds.

Performance Levels

Wisconsin requested to temporarily extend its existing PY 2011 WIA and W-P performance goals for a portion of PY 2012. ETA has incorporated these performance goals, identified as PY 2012 performance goals, into the Regional

and National Office copies of the State Plan. Please include these PY 2012 goals in the State's official copy of the State Plan. As required by TEG 21-11, the State must renegotiate its new PY 2012 goals upon submission of its full State Plan.

Waivers

As part of the State's extension of the WIA/W-P Act State Plan, and as described in TEG 21-11, the State requested temporary extensions of Wisconsin's PY 2011 waivers of statutory and regulatory requirements under WIA for PY 2012. The disposition of the State's waiver extensions is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

Extension of Waivers

Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The State was previously granted a waiver that allows the State to replace the 17 performance measures under WIA Section 136(b) with the common measures. The State is granted an extension of this waiver through December 31, 2012.

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 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 State is granted an extension of this waiver through December 31, 2012. 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 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State was previously granted a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is granted an extension of this waiver through December 31, 2012. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local areas may provide on-the-job training to individuals 18 years of age 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.

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

The State was previously granted 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 an extension of this waiver through December 31, 2012. 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 areas may provide customized training to individuals 18 years of age 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 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 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State was previously granted a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted an extension of this waiver through December 31, 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 of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

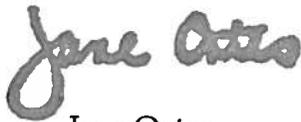
The State was previously granted a waiver to permit local areas to conduct allowable statewide activities as defined under WIA Section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The State is granted an extension of this waiver through December 31, 2012. Under this 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.

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 described in TEGL No. 29-11, the State should address the impact that 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 receiving your full State Plan for PY 2012 and working together as you implement your State workforce strategies. If you have any questions related to the issues discussed above, please contact Catherine Brooks, the Federal Project Officer for Wisconsin, at 312-596-5531 or Brooks.Catherine@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Byron Zuidema, Regional Administrator, ETA Chicago Regional Office
Catherine Brooks, Federal Project Officer for Wisconsin

Department of Workforce Development
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STATE OF WISCONSIN



Department of Workforce Development

Scott Walker, Governor
Reginald J. Newson, Secretary

April 5, 2012

Assistant Secretary Jane Oates
Attention: Heather Fleck
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue NW, Rooms S-4209
Washington, D.C. 20210

Dear Ms. Oates:

This communication is in response to TEGL 21-11 and the U.S. Department of Labor's (DOL) Integrated Workforce Investment Act-Wagner Peyser Planning Guidance that provides States the opportunity to develop the Plan which coincides with other overarching State strategic planning efforts, and implementation of new State initiatives. Wisconsin is requesting a temporary extension date of its current Workforce Investment Act-Wagner Peyser State Plan (WIANVP) into program year (PY) 2012.

The State is also requesting an extension into PY 2012 of the following currently approved waivers:

- Common performance measures, WIA Section 136(b).
- Extending the period of initial eligibility of training providers, 20 CFR § 663.530.
- Increasing the employer reimbursement for on-the-job training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(31)(8).
- Reducing the 50% employer match for customized training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(8)(C).
- Transferring authority up to 50% between the Adult and Dislocated Worker funding streams allocated to a local area, WIA Section 133(b)(4).
- Using up to 10% of local Adult funds and up to 10% of local Dislocated Worker funds for incumbent worker training only as part of a lay-off aversion strategy serving only low-income/economically disadvantaged adults, along with other conditions such as training restricted to skill attainment activities, WIA Section 134.

Finally, the State is requesting that its PY 2011 negotiated/re-negotiated performance goals be extended into PY 2012. We understand that the PY 2012 performance goals negotiations may commence upon the PY 2012 Integrated Plan submittal, and when finalized, the goals will apply to the full PY 2012 from June 1, 2012, through June 30, 2013, performance period. Attached is the State's currently approved performance goals.

The State will submit its Integrated WIANVP Five-Year State Plan along with all waiver requests and proposed performance goals on September 14, 2012, for PY 2012-13. Approval of the extension will allow the State the necessary time to involve multiple partners in this important strategic planning opportunity.

The supporting justifications are discussed in more detail below for your consideration of this request.

As you know, Governor Scott Walker has been in office a little over one year, and while great strides have been made to improve the workforce system during that time, substantial details still need to be addressed. The Governor unveiled the first phase of his "Wisconsin Working" plan in January 2012 for job creation and economic growth. A number of policy changes and agency collaboration efforts are addressed in the Plan to ensure job seekers connect with current job needs, while building the skills necessary for family-supporting jobs. In order to improve workforce training, Governor Walker is also creating the College and Workforce Readiness Council comprised of representatives from small business, the workforce partners, State Department of Public Instruction, Cabinet Secretaries and top officials from public and private universities and technical colleges. The Council's ultimate goal via multiple partner involvement is to provide employers with needed skilled workers and, at the same time, ensure workers' access to affordable and timely career and training programs. These new initiatives will require staff resources for expedient implementation and intense collaborative efforts among workforce, education and business partners. Allowing Wisconsin additional time to work with the numerous partners throughout the State will not only provide a more strategic approach, but will also result in solidified efforts to bring the Governor's initiatives to fruition.

Also critical to the Governor's initiatives, is the Governor's Council on Workforce Investment's (CWI) new industry-driven sector subcommittees that met this January for the first time, with very specific charges being overseen by the Executive Committee. A new Youth Subcommittee was also formed and charged to advise the CWI and the Department of Workforce Development (DWD) on youth employment and program issues, including: improving program performance, rebranding manufacturing to students, reviewing and recommending best practices to improve youth outcomes, and sharing findings with the Workforce Development Boards (WDB) and the Wisconsin Technical College System. The next Council meeting is being scheduled for July when we could address overarching workforce strategies, infrastructure and service delivery improvements for the WIA/WP State Plan.

The Legislature has also introduced a number of workforce bills that will impact service delivery strategies in the State Plan. For example, in early March, the Governor signed into law the "Wisconsin Worker Wins" bill that will help place Unemployment Insurance recipients directly into the workplace for on-the-job training. It allows Wisconsinites receiving unemployment insurance benefits to take part-time training with employers potentially looking for full-time employment.

DWD, with the responsibility of the WIA/WP Plan development, and the hub for collaborative efforts with all workforce partners, has recently issued their strategic plan with the goals as follows:

- Connect Jobseekers to Jobs (250,000 by 2015).
- Support the development of a highly skilled labor force in Wisconsin.
- Achieve Unemployment Insurance solvency and increase program integrity.
- Deliver DWD services more efficiently, and increase transparency and accountability.

In addition, the following high priority DWD efforts will require additional time to complete during this spring and summer:

- Finalize a robust nine-month long process with the WDB WIA local plans that includes extensive compliance reviews based on the DOL's Comprehensive Review;
- Finalize and implement a DOL-approved State Performance Improvement Plan;
- Satisfy all findings for closure of DOL's Comprehensive Review;
- Provide technical assistance to the WDBs for youth performance failures, and work with DOL on performance improvement for the one State performance failure;
- Ramp-up the infrastructure to improve the participant's initial contact, reemployment service and job service activities; and
- Upgrade JobCenterofWisconsin, the State's electronic workforce portal.

Attention: Heather Fleck

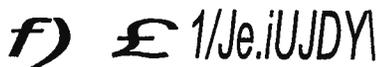
Approving our request to submit the Integrated WIAM/P State Plan in mid-September will allow the additional time necessary to submit a Plan that has fully addressed past challenges and highlights improvements made along with future plans to build on successes. The additional time will also allow for greater involvement of all of our partners to ensure a meaningful state plan process.

With regard to establishing performance goals, we are currently engaged in the performance regression analysis. We will use this new regression-based process for establishing program targets with the WDBs. The proposed high-level timeline is:

April-May	WDB performance negotiations
July	Strategic planning, CWI development of the plan, local plan modifications and partner plan engagement
August 6	
September 14	30-day public review and comment of draft plan Submittal to DOL followed by State performance negotiations

We appreciate DOL's flexibility so there is confluence with the State's efforts and federal WIA requirements. We look forward to working in partnership as we develop Wisconsin's next five-year Integrated WAIMJP State Plan.

Sincerely,



Jeff Newson
WIA Title 1 Signatory Official
Secretary, Department of Workforce Development

cc: Lisa Boyd, Administrator, Department of Workforce Development
Byron Zuidema, Regional Administrator, U.S. Department of Labor/ETA

Wisconsin 2011-2012 State Performance Goals
Workforce Investment Act Common Measures for
Adult, Youth, Dislocated Worker and Employment Service

Performance Measures	Goals
Adult	
Adult Entered Employment	72
Adult Retention	84
Adult Average Earnings	\$9,800
Dislocated Worker (OW)	
OW Entered Employment	84
OW Retention	93
OW Average Earnings	\$14,400
Youth	
Youth Placement in Employment or Education	72
Youth Attainment of a Degree or Certificate	75
Literacy and Numeracy Gains	30
Employment Service (ES)	
ES Entered Employment	61
ES Retention	84
ES Average Earnings	\$12,500