



JUN 14 2012

The Honorable John R. Kasich
Governor of Ohio
Riffe Center
30th Floor
77 South High Street
Columbus, Ohio 43215-6117

Dear Governor Kasich:

This letter provides approval of an extension of Ohio'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 Ohio'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

Ohio'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 Ohio'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

Ohio 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 TEGL 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 TEGL No. 21-11, the State requested temporary extensions of Ohio'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 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 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 51-100 employees. For employers with more than 100 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 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.

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 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 State is granted an extension of this waiver through December 31, 2012. 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 the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The State 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 State is granted an extension of this waiver through December 31, 2012. Under this waiver, the State can use ITAs for older youth and out-of-school youth program participants. The State must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The State should ensure that funds used for ITAs are tracked and that the ITAs are reflected in the individual service strategies for these youth.

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

The State was previously granted 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 State is granted an extension of this waiver through December 31, 2012. Under this waiver, the State is permitted to allow its One-Stop Career Centers or partner agencies to directly provide the above youth program elements. In utilizing this waiver, the State 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 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 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.

The State was previously granted a waiver of the requirements to reduce the data collection burden for employers participating in WIA-funded incumbent worker

training programs. The waiver permits the State to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). The State is granted an extension of this waiver through December 31, 2012.

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 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 was previously granted 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 an extension of this waiver through December 31, 2012.

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 was previously granted a waiver of the requirement to provide local workforce investment area incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance. The State is granted an extension of this waiver through December 31, 2012.

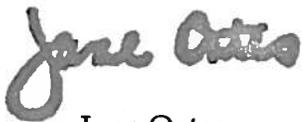
Waiver of 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.

The State was previously granted a waiver of the requirement to disseminate training provider performance and cost information. The State is granted an extension of this waiver through December 31, 2012.

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 Clay Webb, the Federal Project Officer for Ohio, at 312-695-5538 or Webb.Clay@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Byron Zuidema, Regional Administrator, ETA Chicago Regional Office
Clay Webb, Federal Project Officer for Ohio

JOHN R. KASICH

April 16, 2012

Division of WIA Adult Services and Workforce System
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW, Room S-4209
Washington, DC 20210
ATTN: Heather Fleck

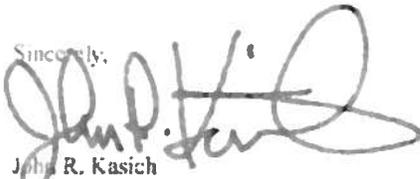
Dear Ms. Fleck:

In reference to the U.S. Department of Labor, Employment and Training Administration's Training and Employment Guidance Letter (TEGL) No. 21-11, the state of Ohio would like to exercise the option available to states to have in place approved Workforce Investment Act and Wagner-Peyser Act State Plans and waivers for Program Year 2012. As a condition of exercising this option, the State would also like to exercise Option II, which includes allowing us to submit a five-year State Plan between April 17 and Sept. 15, 2012 and temporarily extending our currently approved WIA/W-P State Plan, negotiated performance targets, and waivers for PY 2011. The waivers requested for the temporary extension are attached.

On February 9, 2012, I signed Executive Order 2012-02K, which created the Office of Workforce Transformation (OWT) to coordinate and align workforce policies, programs and resources across state government. The Executive Order also established the Governor's Executive Workforce Board, which will not only carry out the functions provided in the Workforce Investment Act of 1998, but will also advise me and the OWT on the development, implementation and continuous improvement of Ohio's workforce system.

This temporary extension of our currently approved WIA/W-P State Plan will afford the Governor's Executive Workforce Board and the OWT the opportunity to determine the best deployment of workforce resources to improve effectiveness, efficiency and accountability. Currently, Ohio has 77 workforce programs implemented across 13 agencies via federal and state resources. We will continue our work with these 13 agencies to better align and coordinate workforce development programs allowing Ohio's five-year WIA/W-P State Plan to reflect a strategic, integrated state workforce plan based on the collaboration of all those entities that implement Ohio's workforce programs.

Sincerely,



John R. Kasich
Governor

cc. EIA Region V Administrator

Attachments:

Waiver List
Program Administration Designees and Plan Signatures

State of Ohio
Workforce Investment Act and Wagner-Peyser Act
2011 Approved Waivers Requested for Extension

Adult-Dislocated Worker Transfer – 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.

Customized Training: Employer Contribution – Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

Local Funds for Incumbent Worker Training as a Statewide Activity – Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

Rapid Response Funds for Incumbent Worker Training and Other Statewide Activities – Waiver of WIA Section 134(a)(1)(A) to permit a portion of funds reserved for rapid response activities to be used for incumbent worker training.

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

Competitive Procurement for Youth Program Elements – Waiver of WIA Section 123 that requires that providers of Youth program elements be selected on a competitive basis.

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

WIASRD Elements for Incumbent Worker Training – Waiver of 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.

ETPL Initial Eligibility – Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

On-the-Job Training: Employer Reimbursement – Waiver of the WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.



Department of
Job and Family Services

John R. Kasich, Governor
Michael B. Colbert, Director

May 23, 2012

Division of WIA Adult Services and Workforce System
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW, Room S-4209
Washington, DC 20210
ATTN: Heather Fleck

Dear Ms. Fleck,

I am writing to make an addendum to Ohio's prior request to exercise Option II regarding Workforce Investment Act and Wagner-Peyser State Plans, as referenced in the U.S. Department of Labor, Employment and Training Administration's Training and Employment Guidance Letter (TEGL) No. 21-11. Please refer to the letter dated April 16, 2012, from Governor John R. Kasich, requesting a temporary extension of the currently approved WIA/W-P State Plan, negotiated performance targets, and waivers for PY 2011.

In the attachment to that letter, Ohio inadvertently omitted three of the currently approved waivers that we wanted to also extend. These are:

Incentive Grants to Local Areas – Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt the state from the requirement to provide local workforce investment area incentive grants.
Conducting Evaluations – 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 with Governor's reserve funding.
Disseminating Training Provider Performance and Cost Information – Waiver of 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.

I am requesting a temporary extension of all currently approved waivers, as identified in the revised attachment. Should you have any questions, please call Alice Worrell at 614-644-0351.

Sincerely,

Michael B. Colbert
Director

cc. ETA Region V Administrator
Attachment: Waiver List

Office of Workforce Development
P.O. Box 1618
4020 East Fifth Avenue
Columbus, OH 43216-1618
www.ifs.ohio.gov/owd

ATTACHMENT
(Revised May 23, 2012)

State of Ohio
Workforce Investment Act and Wagner-Peyser Act State Plan
2011 Approved Waivers Requested for Extension

- Adult-Dislocated Worker Transfer** – 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.
- Customized Training: Employer Contribution** – Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).
- Local Funds for Incumbent Worker Training as a Statewide Activity** – Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.
- Rapid Response Funds for Incumbent Worker Training and Other Statewide Activities** – Waiver of WIA Section 134(a)(1)(A) to permit a portion of funds reserved for rapid response activities to be used for incumbent worker training.
- Youth Individual Training Accounts** – Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.
- Competitive Procurement for Youth Program Elements** – Waiver of WIA Section 123 that requires that providers of Youth program elements be selected on a competitive basis.
- Common Measures** – Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.
- WIASRD Elements for Incumbent Worker Training** – Waiver of 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.
- ETPL Initial Eligibility** – Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.
- On-the-Job Training: Employer Reimbursement** – Waiver of the WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training
- Incentive Grants to Local Areas** – Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt the state from the requirement to provide local workforce investment area incentive grants.
- Conducting Evaluations** – 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 with Governor's reserve funding.
- Disseminating Training Provider Performance and Cost Information** – Waiver of 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.