



SEP 30 2013

The Honorable William Haslam
Governor of Tennessee
1st Floor, Tennessee State Capitol
Nashville, Tennessee 37243-0001

Dear Governor Haslam:

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 original 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 extension requests (copy enclosed).

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 has requested an extension of the waiver of the requirement to provide local workforce investment areas incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance. The State is granted an extension of this waiver through June 30, 2014.

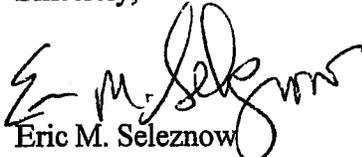
Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) to exempt the State from the requirement to conduct evaluations.

The State has requested an extension of the 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 June 30, 2014. The State must continue to administer customer satisfaction surveys to comply with performance measurement requirements.

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 Lovie Thompson, the Federal Project Officer for Tennessee, at (404) 302- 5379 and Thompson.Lovie@dol.gov.

Sincerely,



Eric M. Seleznow
Acting Assistant Secretary

Enclosure

cc: Eugene Caso, Acting Regional Administrator, ETA Atlanta Regional Office
Lovie Thompson, Federal Project Officer for Tennessee

STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

220 French Landing Drive
Nashville, TN 37243
(615) 741-6642

BILL HASLAM
GOVERNOR

BURNS PHILLIPS
COMMISSIONER

August 19, 2013

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

Dear Ms. Fleck:

On behalf of the Tennessee Department of Labor and Workforce Development, Tennessee requests an extension of the waivers for Local Area Incentive Grant and Conducting Evaluations through June 30, 2014. On February 29, 2012, Tennessee submitted requests for waivers in accordance with ETA's Training and Employment Guidance Letter 9-11, and WIA §189(i)(4) [20 C.F.R. §§661.400-661.420] and was granted approval through June 30, 2013.

The following is a list of the two waivers that the state would like to extend through June 30, 2014.

- 1) Waiver of the provisions for evaluation in WIA §134(a)(2)(B)(ii),
- 2) Waiver for incentive grants to local areas in WIA §134(a)(2)(B)(iii).

The current State Plan may be accessed for review at the following link: http://www.tn.gov/labor-wfd/IN_State_Integrated_Plan_2012.pdf

We appreciate the opportunity to submit this extension request. Should you have any questions or require additional information, please contact Dan Holton, Assistant Administrator, Workforce Services at 615) 741-1031 or Dan.Holton@tn.gov.

Sincerely,


Burns Phillips

BP/SB

Cc: Lovie Thompson, Federal Project Officer
Sterling van der Spuy, Administrator
Dan Holton, Assistant Administrator

Attachments

Waiver # 1 – Evaluations

State of Tennessee Workforce Investment Act Waiver Request

Statutory or Regulatory Requirements to be Waived

The Tennessee Department of Labor and Workforce Development requests a waiver under the authority of the Secretary of Labor to waive requirements of the Workforce Investment Act (WIA) Title I (WIA Section 134 (a)(2)(B)(ii) and 20 CFR Part 665.200(d)) requiring the conduct of evaluations of workforce investment activities for adults, dislocated workers and youth.

State or Local Statutory or Regulatory Barriers

There are no state or local statutory barriers in implementing the requested waiver. Present regulations and policy statements are in compliance with current federal law. Upon notification of the approval of this waiver request, rules and policies will be amended to comply with the terms of the waiver.

Goals to be Achieved by the Waiver and Expected Programmatic Outcomes

The reduction to five percent in the WIA allotment for Program Year 2011 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of evaluations. The state's reduced funds are being used to cover the following required activities:

- operating fiscal and management accountability information systems (WIA Section 134(a)(2)(B)(vi) and 20 C.F.R. 665.200(b)(1))
- submitting required reports (WIA Section 136(f))
- disseminating the list of eligible training providers for adults and dislocated workers (WIA Section 134(a)(2)(B)(i) and 20 C.F.R. 665.200 (b)(1)), and youth activities (20 C.F.R. 665.200(b)(4))
- providing technical assistance to poor performing local areas (WIA Section 134(a)(2)(B)(iv) and 20 C.F.R 665.200(f))
- disseminating training provider performance and cost information (20 CFR 665.200(b)(3)).

The goal in seeking this waiver is to ensure that the state may prioritize the use of the Governor's Reserve funds for the required activities deemed most essential to the basic functions of the workforce investment system.

Individuals Impacted by the Waiver

This waiver will provide the state agency with more flexibility in directing the Governor's Reserve funds to those activities that best preserve the basic functions of the statewide workforce investment system. This waiver is intended to waive the requirement to conduct evaluations of Workforce Investment activities for adults, dislocated workers and youth. Of the required statewide activities all but two of the basic administrative functions will continue. Based on the current spending for 5%, it is necessary to reduce the amount provided to one of our statewide contractors. This contractor was previously funded using the 10% statewide funds and in the development of quarterly and annual WIA participant and performance reports, compiles and analyzes Unemployment Insurance (UI) data to support WIA performance accountability, responds to LWIA requests for information on customer satisfaction surveys/performance measures issues, and assists TDLWD staff in the conduct of data validation of WIA participant data and any additional evaluations requested by the state. The state is working to create efficiencies through the consolidation of our data management and reporting to streamline costs. Should the federal government reduce the amount allocated to the state, and we continue on the track of receiving 5%, the state would be left with providing only the essential administrative requirements of the Workforce Investment Act.

Process for monitoring progress in implementation

The state will monitor progress and ensure accountability for federal funds in connection with these waivers by reviewing monthly expenditures, performance, and other reports, through regular contact with ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Opportunity for State and Local Board and Public Comment on Waiver Request

The waiver request will be posted on the division's Web site for 30 days for public review and comment, and TDLWD will solicit additional, public input regarding this waiver request through notification to our state and local partners. This waiver was initially posted for public comment at the end of January 2012, followed by the request for waiver to USDOL on February 29, 2012. Public comment is solicited through website notification and direct emailing to all local area administrative entities and boards. In addition, the waiver was posted again on August 15, 2012 for comment along with the State Integrated Plan. Consistent with general waiver request requirements, the State is adhering to publication requirements to ensure the broadest participation including informing labor and community-based organizations, local workforce boards, and the Tennessee Workforce Investment Board. No public comments were received regarding this waiver.

Waiver #2 Local Incentive Grants

State of Tennessee Workforce Investment Act Waiver Request

Statutory or Regulatory Requirements to be Waived

The Tennessee Department of Labor and Workforce Development requests a waiver under the authority of the Secretary of Labor to waive requirements of the Workforce Investment Act Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.

State or Local Statutory or Regulatory Barriers

There are no state or local statutory barriers in implementing the requested waiver. Present regulations and policy statements are in compliance with current federal law. Upon notification of the approval of this waiver request, rules and policies will be amended to comply with the terms of the waiver.

Goals to be Achieved by the Waiver and Expected Programmatic Outcomes

The reduction to five percent in the WIA allotment for Program Year 2011 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of local incentive grants. The state's reduced funds are being used to cover the following required activities:

- operating fiscal and management accountability information systems (WIA Section 134(a)(2)(B)(vi) and 20 C.F.R. 665.200(b)(1))
- submitting required reports (WIA Section 136(f))
- disseminating the list of eligible training providers for adults and dislocated workers (WIA Section 134(a)(2)(B)(i) and 20 C.F.R. 665.200 (b)(1)), and youth activities (20 C.F.R. 665.200(b)(4))
- providing technical assistance to poor performing local areas (WIA Section 134(a)(2)(B)(iv) and 20 C.F.R. 665.200(f))
- disseminate training provider performance and cost information (20 CFR 665.200(b)(3)).

The goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for the required activities deemed most essential to the basic functions of the workforce investment system.

Individuals impacted by the waiver

This waiver will provide the state agency with more flexibility in directing the Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system. Of the required statewide activities all but two of the basic administrative functions will continue. This waiver is intended to waive the requirement of providing incentive grants to local areas. Based on the current spending for 5%, it is necessary to reduce the amount provided to one of our statewide contractors. This contractor was previously funded using the 10% statewide funds and in the development of quarterly and annual WIA participant and performance reports, compiles and analyzes Unemployment Insurance (UI) data to support WIA performance accountability, responds to LWIA requests for information on customer satisfaction surveys/performance measures issues, and assists TDLWD staff in the conduct of data validation of WIA participant data. Without the services provided by this contractor, the state would be limited on the amount of performance data that would be accessible for use in determining performance outcomes, etc. The state is working to create efficiencies through the consolidation of our data management and reporting to streamline costs. Should the federal government reduce the amount allocated to the state, and we continue on the track of receiving 5%, the state would be left with providing only the essential administrative requirements of the Workforce Investment Act. The state is not requesting to waive performance gathering and reporting requirements, only the award of incentive grants to local areas.

Process for Monitoring Progress in Implementation

The State will monitor progress and ensure accountability for federal funds in connection with these waivers by reviewing monthly expenditures, performance, and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Opportunity for State and Local Board and Public Comment on Waiver Request

The waiver request will be posted on the division's Web site for 30 days for public review and comment, and TDLWD will solicit additional, public input regarding this waiver request through notification to our state and local partners. This waiver was initially posted for public comment at the end of January 2012, followed by the request for waiver to USDOL on February 29, 2012. Public comment is solicited through website notification and direct emailing to all local area administrative entities and boards. In addition, the waiver was posted again on August 15, 2012 for comment along with the State Integrated Plan. Consistent with general waiver request requirements, the state is adhering to publication requirements to ensure the broadest participation including informing labor and community-based organizations, local workforce boards, and the Tennessee Workforce Investment Board. No public comments were received regarding this waiver.