

Terry E. Branstad, Governor

Kim Reynolds, Lt. Governor

Teresa Wahlert, Director



March 5, 2012

Division of WIA Adult Services and Workforce System
Employment and Training Administration, US Dept of Labor
Federal Coordinator for Plan Review and Approval
Attn: Heather Fleck
200 Constitution Ave
NW Room S-4209
Washington, DC 20210

Dear Ms. Fleck:

The State of Iowa is requesting three new waivers. The expectation is that two of the waivers will enhance our provision of services under the Workforce Investment Act. The waiver requests are for the following:

- (1) Common Measures. Waiving Sections 136(b)(2) and (c)(1) of the Workforce Investment Act of 1998, as well as accompanying regulations at 20 CFR 666.100(a) and 666.300(a), which specific certain required State and local performance measures for WIA title 1B programs.

Iowa Workforce Development (IWD)to requests a wavier under the authority of the Secretary of Labor to waive performance reporting requirements of the Workforce Investment Act (WIA), Title I, Subtitles B and E. Section 136(b) of WIA provides that State performance measures for WIA shall consist of seventeen (17) specific core indicators of performance and customer satisfaction. Iowa is requesting a waiver to reporting the 17 measures required under WIA 136(b), and the performance measures applicable to Employment Services (ES), veterans services and Trade services. IWD, as the State of Iowa's administrator for the Workforce Investment Act is requesting is requesting to eliminate the required seventeen (17) (15 core and two customer satisfaction) performance measures and replaces them with the common measures delineated in TEGL 28-04. For Program Year 2012, the state of Iowa would be operating under nine measures: Adult/Dislocated Worker Entered Employment, Adult/Dislocated Worker Retention, Adult/Dislocated Worker Earnings Change, Youth Placement in Employment or Education, Youth Attainment of a Degree or Certificate, and Youth Literacy and Numeracy Gains.

The waiver will allow Iowa to align with the common measures developed by the United States Department of Labor (USDOL) and begin implementation of these measures by July 1, 2012. Through this waiver, the State is hoping to mitigate the potential confusion of the current reporting system by discontinuing the use of the 17 measures and reducing them to the six common performance criteria called for under Adult and Youth common measures.

Iowa has embarked on a service delivery model process that will ensure services are integrated at the front line level and unified at the management level. Granting this waiver would complement our efforts through the provision of common workforce system performance measures and make Iowa's workforce system more efficient and effective. By refocusing the local regions' performance assessment from individual program performance measures to universal outcome measures, service integration can be enhanced.

The common measures will also be easier to manage and more clearly understood by Regional Workforce Investment Boards (RWIB), businesses, and workforce investment system partners.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

Iowa is seeking a waiver of certain provisions of the requirements of the Workforce Investment Act of 1998, Sections 136(b)(2) and (c)(1) of the Act, as well as accompanying regulations at 20 CFR 666.100(a) and 666.300(a), which specify certain required state and local performance measures for WIA Title 1B programs.

The State of Iowa requests a waiver of the 17 indicators of performance for employment and training activities authorized under Sections 136(b) and 134 of the WIA; the four Labor Exchange Performance Measures authorized under the Wagner-Peyser Act; the three Veterans Performance Measures authorized under Title 38 United States Code as amended by the Jobs for Veterans Act of 2002; and the three Trade Act performance measures.

This waiver request will enable Iowa's workforce development system to fully implement the six (three adult and three youth) common measures finalized by the USDOL and five other agencies. The State of Iowa would implement these common measures by July 1, 2012.

Actions Undertaken to Remove State or Local Barriers

There are no known state or local statutory or regulatory barriers to implementing this waiver. Upon notification on the approval of this waiver, IWD will incorporate it into policy and distribute the new policy to the local regions. Nothing in this waiver is intended to prevent the State or any RWIB from implementing additional measures to assess performance.

Goals and Expected Programmatic Outcomes of this Waiver

The goal of this waiver request is to improve case management integration through the use of common measures that will capture the effectiveness of the system across all partners. It should minimize program silos, and decrease frustration over conflicting and confusing data collection requirements between partners. The excessive number of performance measures (the continuation of the historic WIA performance measures with the common measures) compel staff to spend time focusing on program outcomes – time that could be better spent by focusing on the needs of employers and job seekers. Reporting on only the common measures removes that barrier and allows for improved service delivery.

This waiver would have the following goals and programmatic outcomes:

- Further the integration of IWD programs and enhance productivity
- Provide a simplified and streamlined performance measurement.
- Improve One-Stop case manager integration through the use of common measures which capture the effectiveness of the system across all partners
- RWIBs will be able to respond to the needs of employers and job seekers without the limitations imposed through siloed performance reporting. Applying common measures across all programs will promote service delivery designs that are based on employer needs rather than siloed program requirements.
- Elimination of the OJT credential will provide greater flexibility for this training activity.
- Simplify the youth measures by removing the complexity and allowing them to become more achievable.
- Reduce the administrative costs for reporting. Cost savings will be immediate with the discontinuance of administering the Customer Satisfaction Surveys.
- Removes barriers to co-enrollment and promotes more integrated case management
- Focus the maximum amount of resources on employment outcomes

Individuals Impacted by this Waiver

A granting of this waiver would be in alignment with Iowa's strategic goal of streamlining the performance accountability system so that there is an increased focus on the system's performance. Employers, job seekers and field staff will also benefit from this waiver. The implementation of the waiver will allow staff to focus on the needs of employers, find job seekers to match those needs, and maximize integrated services to achieve the best outcomes. Additionally, moving to common measures will foster increased focus in adult programs on employment and youth programs on education and attainment of a degree or certificate.

Processes for Monitoring Progress in Implementation

IWD is the entity responsible for the programs affected by this waiver, and if this waiver is granted, IWD will assume the lead role in monitoring the implementation of the waiver. Iowa is prepared to be fully operational for the implementation of common measures data collection and reporting to meet the July 1, 2012, date. Training has and will continue to be provided to IWD staff and partner staff so both are prepared for the transition. IWD will monitor the progress of this waiver implementation by providing a means for reporting the impact on the number of individuals served and the performance results achieved following the adoption of common measures.

Notice to Affected Local Boards

Prior to the submission of the waiver request, IWD informed all regions of its intent via a presentation by WIA program coordinators to the RWIB. A copy of the waiver request was provided via e-mail and to the RWIBs at their meetings.

A 30-day comment period from the date of written notification was given to allow RWIBs an opportunity to provide comments on the waiver request. The waiver request was posted on IWD's website. No comments were received to be forwarded to the USDOL's regional office in Chicago.

Public Comment

A 30-day comment period on the Iowa Workforce Development website, www.iowaworkforce.org, did not elicit any comments.

- (2) Use of Dislocated Worker Formula Funds and State Rapid Response Funds for Incumbent Worker Training. This waiver is pursuant to WIA section 134 (a)(3). The purpose of the incumbent worker waiver is to increase flexibility, thus providing the Iowa workforce system with additional opportunities to maximize training services that meet the skill needs of employers and incumbent workers for the jobs of the 21st century. Historically, the Workforce Investment Act allowed the States to provide assistance to incumbent workers. The results of the Early Warning/ Layoff Aversion Demonstration Grant have provided the State with the strategies and the outreach to successfully implement incumbent worker training. Under the demonstration grant approximately \$314,000 was spent on incumbent worker training, maintaining employment for workers and retaining jobs in Iowa. This grant allowed Iowa Workforce Development the opportunity to explore the need and mechanism for incumbent worker training. An additional purpose of this waiver is to ensure the Department of Labor that IWD will continue to assist the dislocated workers in Iowa and this will not detract from their resources for re-employment. The limit on the percentage of funds available at the State and local levels will ensure that ample funds will remain available for the dislocated workers in Iowa.

Statutory and/or Regulatory Provisions to Be Waived

The State of Iowa is requesting a waiver pursuant to WIA section 134 (a) (3). Under this waiver the State is asking to be allowed to use up to 10 percent of the local dislocated worker formula funds and 20 percent of the rapid response funds for incumbent worker training only as a part of a layoff aversion strategy. All training under this waiver will be restricted to skill attainment activities. Any individual served under this waiver will be reported for the performance outcomes in the WIASRD.

Actions Undertaken to Remove State or Local Barriers

There are no existing State or local statutory or regulatory barriers to the implementation of this waiver request.

Goals and Expected Programmatic Outcomes of the Waiver

This waiver will provide workers with relevant job training that leads to high-growth, high-demand occupations. Giving Iowa Workforce Development the flexibility to respond to employer-identified skill needs with a combination of education, employment and training services will ensure that the State is able to maintain a more stable workforce.

The waiver will provide the opportunity for the State to offer greater flexibility in designing and implementing WIA services. Rapid response services will be able to respond quickly to existing and emergent demands across the State. The State of Iowa supports the retention and growth of a competent and competitive workforce in order for our State to remain competitive in the global economy.

Implementation of the waiver will facilitate the use of the layoff aversion strategies developed during Iowa's demonstration grant that ended June 30, 2011. Policies that will describe how the potential for layoff aversion will be determined such as the likelihood of future layoffs without training, how the training will prevent the layoff or reduce the magnitude of a large and layoff and the specific skills to be provided to the workers that will assist in the layoff aversion strategy. Consideration will also be given to how the skills attained contribute either to the maintenance of employment or increase the employment in security for workers or both. Each region will be required to develop a plan for determining a layoff risk and when and whether incumbent worker training is an appropriate response to the situation. The waiver plan would also consider whether a job is likely to be lost or degraded, and whether the job is likely to be retained or improved with training.

Individuals Impacted by the Waiver

Individuals impacted by this waiver are incumbent workers who would benefit from training to prevent a layoff or denigration of their current job. Additionally it would allow the State and local regions to design and customize training opportunities for employers to further enhance their ability to remain competitive and maintain their workforce. The specific needs of employers will be addressed. It is anticipated this activity will provide the opportunity for additional employers to turn to the workforce system for customized solutions to their employment and training concerns because service delivery will be streamlined and less complicated.

Process for Monitoring Progress in Implementation

The State of Iowa will continue to make adjustments to monitoring performance requirements to ensure that performance goals and objectives are met for WIA services, including services created through the use of the waiver. The program coordinator for the layoff aversion demonstration grant and performance coordinator will be designated to oversee the expenditure and performance reports. All WIA State staff will be part of the team that will review and work in collaboration with the local workforce to approve and monitor the progress of regional projects for the employers and incumbent workers. Once approved this waiver will be incorporated into the State Plan for implementation and become part of the service delivery model for the Workforce Investment Act in Iowa which places it under the same monitoring guidelines as the formula program.

Notice to Affected Local Boards

The waiver request has been circulated to the regional workforce investment boards for explanation and their comments. The request has been presented to the State Board for their endorsement and posted on the on the Iowa Workforce Development website at www.iowa.workforce.org

Public Comment

A 30-day comment period on the Iowa Workforce Development website, www.iowaworkforce.org, did not elicit any comments.

- (3) Removal of the Provision of Incentive Funds to the Local Regions. The purpose of the request for removal of the requirement to provide incentive funds to the local regions is based on the Congressional decision to rescind the total amount of funds available under the Governor's Discretionary State Setaside. Historically these funds have been used to provide incentive dollars to the fifteen WIA regions across the State that have met their annual negotiated performance measures for the Workforce Investment Act. This has always been 15% of the formula funds for adults and youth. For program year 2011, this was only 5% of the formula funds. The 5% will pay for the reporting requirements, fiscal accountability and the technical assistance. The loss of the regional incentive should have no impact on the customers and the services provided. The 10% difference will be allocated to the regional formula budgets using the prescribed allocation.

Statutory and/or Regulatory Requirements to be Waived

The State of Iowa is requesting a waiver pursuant to WIA section 134(a)(2)(B)(iii) and 20 CFR 665.200 (e) which would allow States to use setaside dollars from the adult formula funds to provide incentive grants to local regions for exemplary performance by the local areas on the local performance measures. According to TEGL 26-10 Congress decreased the base funds that governors may reserve from 15% to 5%. TEGL-9-11 confirmed this action.

Actions Undertaken to Remove State or Local Barriers

There are no existing State or local statutory or regulatory barriers to the implementation of this waiver request.

Goals and Expected Programmatic Outcomes of the Waiver

The reduction from 15 percent to 5 percent in the WIA formula funded program for Program Year 2011 for the Governor's Discretionary State Setaside 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 Discretionary funds is insufficient to cover the costs of providing incentive grants to local areas. Therefore, 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 CFR 665.200(b)(1);
- Submitting required reports WIA Section 136 (f) and
- Providing technical assistance to poor performing local areas 20CFR 665.200(f)

Individuals Impacted by the Waiver

The actual services provided to the customers and the regional workforce investment boards will not be impacted by this waiver request. The WIA formula funds will continue to be allocated as a standard policy for providing services to adults, youth and dislocated workers. With a 10% percent increase in the local funding formula the expectation is that it will enhance the region's ability to provide services to the targeted populations.

Process for Monitoring Progress in Implementation

Iowa Workforce Development will monitor implementation progress and ensure accountability for Federal funds in connection with these waivers by monitoring monthly expenditures, performance outcomes, regular contact with the Regional Department of Labor office in Chicago, monthly and quarterly reports to USDOL and through the State's monitoring and performance accountability system.

Notice to Affected Local Boards

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Public Comment

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Please consider the above waivers for approval in the continued administration of the Workforce Investment Act in the State of Iowa. If you have any questions pertaining to this request please contact Carol Paulus at carol.paulus@iwd.iowa.gov or at 515-281-9008.

Sincerely,



Teresa Wahlert
Director

cc: Byron Zuidema
Lori Adams
Barbara Bobb