



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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April 12, 2012

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

Dear Ms. Fleck:

On behalf of the Department of Labor and Industrial Relations ("DLIR"), the state's operational entity for Title I Workforce Investment Act, we respectfully request a temporary extension of Hawaii's current State *Workforce Investment Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act* (Plan) for the period ending June 30, 2012.

The State of Hawaii's current Plan is in effect from July 1, 2011 to June 30, 2012. The Plan, its negotiated performance measures and all approved waivers will expire on June 30, 2012. We are requesting the U.S. Department of Labor to extend the life of the existing Plan, performance measures and waivers to September 15, 2012 in accordance with Training and Employment Guidance Letter No. 21-11. A summary of the applicable waivers is included with this request.

The state intends to submit its' five year Plan by September 15, 2012. The additional time is needed to allow the state to work more collaboratively with our Local Area Workforce Investment Boards, One-Stops, as well as our educational and private sector partners to address Hawaii's current and projected workforce needs.

Thank you for your consideration of this extension. Should you have any questions, please contact Mr. James P. Hardway, Executive Director, Hawaii Workforce Development Council, at (808) 586-8671.

Sincerely,

DWIGHTY. TAKAMINE
Director

ENCLOSURE

- C. Elaine Young, Administrator, Workforce Development Division
James P. Hardway, Executive Director, Workforce Development Council

Enclosure

Extension of Currently Approved Waivers

In accordance with Training and Employment Guidance Letter ("TEGL") No 21-11, issued on March 27, 2012, along with guidance from the U.S. Department of Labor ("USDOL") who is giving states the option to extend their state plans to September 15, 2012, the State of Hawaii requests an extension of the following existing approved waivers through September 15, 2012. These Waivers will continue to provide flexibility in the continuing development of our workforce investment system.

1. Waive of WIA section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt a state from the requirement to provide local area incentive grants.

The Waiver will continue to redirect funds from the incentive grant to other required statewide employment and training activities, including operational fiscal and management accountability information system and providing technical assistance to improve performance. In implementing this waiver, the State Department of Labor and Industrial Relations ("DLIR") will ensure that local areas' performance information is recorded accurately and One-Stop operations are continually evaluated for efficiency.

2. Waive the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

This Waiver allows providers who have been found to be eligible by the local areas to continue under initial eligibility processes and safeguards. It continues to be effective for the State of Hawaii in reducing staff time and resources in implementing the subsequent eligibility process. Freeing staff and resources from this task will enable Hawaii to improve the management information system and continue to provide more technical assistance in performance outcomes. Re-implementation of the onerous data collection requirements under the subsequent eligibility process deters providers, including some community colleges, from applying for subsequent eligibility. Continued removal of this requirement is encouraging more providers to apply to be a training provider, thus giving clients more training choices.

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

The City and County of Honolulu is currently utilizing this Waiver in order for the local area to provide intake, objective assessment and development of individual service strategy as services within the design framework they have developed to serve older and younger youth in the local area. Furthermore, the City also provides follow up services, guidance and counseling in its older and younger youth programs. Their comprehensive array of services has allowed the county to improve on younger and older youth performance measures. The Oahu program, provided by this Waiver, continues to provide flexibility and continuity of program delivery to better meet client's needs.

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

The focus of this waiver is to increase employer participation in WIA customized training programs at the local level. The implementation of a sliding scale, rather than a flat 50% rate across the board, continues to address the local employer's primary objection of having to pay too much to participate in customized training. This has and continues to increase employer participation in One-Stop programs in Hawaii.

5. Waiver of the 20 percent limit on transferring WIA funds between the Adult and Dislocated Worker Programs.

The waiver initially requested, with State approval, 100% of the Adult and Dislocated Worker formula funding to be made available to meet the workforce needs of the local area. In response, ETA limited the transfer authority to 50%. The limitation provided state flexibility while also adhering to the Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker Programs. The State of Hawaii requests the continuation of the waiver with the requirements of limiting transfer authority to 50% be maintained.

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

Under this waiver, the State of Hawaii can use Individual Training Accounts for older and out-of-school youth program participants. The State continues to utilize this waiver to increase older youth enrollment and serve more of that population. With the state's increased focus on service of older youth by local areas, it is important that waivers that allow for increased flexibility to serve older youth be continued, as the state continues to improve its performance in this area.

7. Exempt the State of Hawaii from including On-the-Job-Training participants in credential attainment measures.

The goal of this waiver is to give the local workforce investment areas greater flexibility and access to use of the OJT activity without having a negative impact on credential/certificate related to this performance measure. Because the State of Hawaii's businesses are mostly in the "small business" category, most OJT training that occurs is not nationally certified, but is tailored more toward the specific business, their operations and procedures. These in themselves will give those trained valuable skills and knowledge. The state continues to utilize this waiver as it provides program flexibility in expanding On-The-Job programs throughout the state.

8. Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

This waiver continues to allow the State to encourage and expand the hiring of dislocated workers and other populations who lack certain skills to meet an employer's need. It provides them with the opportunity to add new skills and earn new technologies while

they return to the workplace and earn wages. The State continues to utilize this waiver to promote to smaller businesses the opportunities to utilize OJT for their employees and for potential employees without adversely affecting the financial situation of a small company.

WIA/Wagner-Peyser Performance Goals for PY 2012

Understanding that the State will need to renegotiate performance levels with the USDOL, the State of Hawaii does not request a renegotiation of PY 2012 WIA and Wagner-Peyser performance levels at this time. The state is currently reviewing data on historical performance as well as future economic indicators to determine new performance levels for the State of Hawaii. The State intends to submit new negotiated performance levels by the deadline set by USDOL.

Contact Information of State Official to Serve as Point of Contact

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