

INFORMATION NOTICE

WORKFORCE SERVICES

Number: WSIN13-69

Date: June 11, 2014

Expiration Date: 7/11/16

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: PROPOSED WIA WAIVER REQUESTS–PUBLIC COMMENT

The purpose of this Information Notice is to inform Local Workforce Investment Areas and other interested parties that the California Workforce Investment Board (State Board) has released the following two proposed waivers for public comment:

- 1) Waiver Relating to Competitive Procurement for Youth Program Elements
- 2) Waiver Relating to the Limitation on Employer Reimbursements for On-the-Job Training

These waiver requests can be viewed as attachments to this Information Notice.

The Workforce Investment Act (WIA) provides for waiver requests on certain program elements through Public Law 105-220. In conformance with WIA Section 189(i)(4)(b) and Title 20 Code of Federal Regulations Part 661.420(c), the State Board will consider all public comments. The State Board will accept comments on the waivers until 5 p.m. on July 11, 2014.

Comments can be submitted through one of the following ways:

- 1) **Fax:** State Board, Attention: WIA Waiver Requests at 916-324-3068
- 2) **Email:** Daniel.Patterson@cwib.ca.gov
(Include "WIA Waiver Requests" in the subject line)
- 3) **Mail:** CWIB, Attention: WIA Waiver Requests,
777 12th Street, Suite 200, Sacramento, CA 95814

For additional information or questions, please contact Daniel Patterson at 916-324-2853 or Daniel.Patterson@cwib.ca.gov.

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Workforce Services Division

Attachments

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

**STATE OF CALIFORNIA
WORKFORCE INVESTMENT ACT (WIA)
WAIVER REQUEST**

Waiver Relating to Competitive Procurement for Youth Program Elements

The California Workforce Investment Board (State Board) and the Employment Development Department (EDD), as the administrative entity of the WIA, submit this request for a waiver to the requirement for Local Workforce Investment Boards to competitively procure youth providers. Specifically, the request is to waive the requirement for provision of the following youth program elements included in WIA Section 129(c)(2): supportive services, paid and unpaid work experience, and follow-up services.

In keeping with the guidelines set forth at WIA Section 189(i)(4)(B) and Title 20 Code of Federal Regulations (CFR) Part 661.420(c), please accept the following as a request for waiver.

A. Statutory or Regulatory Requirements to be Waived

WIA Sections 112(b)(18)(B), 117(d)(2)(B), 117(e), 117(h)(4)(b)(i and ii), 123, and 129(c)(2). Title 20 CFR Parts 664.405 and 664.610.

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

Grant recipients/fiscal agents that are already providing framework services to youth (as allowed under Title 20 CFR Part 664.405) are in a better position to also provide work experience, supportive services, and follow-up services to these same youth. These grant recipients/fiscal agents have case managed the youth, so they can better identify appropriate supportive and follow-up services; they have also developed strong working relationships with public and private sector employers by administering the summer employment opportunities element of the youth program. The requirement of an additional competitive bidding process for supportive services, follow-up services, and work experience is duplicative and burdensome. This waiver would create a more streamlined and cohesive approach to service strategy development and case management by allowing these providers of youth framework services to provide personal attention to each youth on a consistent basis throughout their period of participation and beyond.

A waiver will maximize resources by allowing grant recipient/fiscal agent staff who are already providing framework services to provide work experience, supportive services, and follow-up services to youth, instead of requiring a separate competitive bidding

process. Granting the waiver will allow for greater continuity of service and monitoring of progress of the youth as they move through the various services identified within their individual service strategies. This continuity of service will enhance our ability to understand the needs of each participant and better meet those needs. Granting the waiver will also allow for a smoother flow of data that documents the delivery of youth services, as well as the outcomes that result from youth participation. This is possible since the organization that is providing framework services will be in a better position to know where each youth stands, in relationship to his or her individual service strategy. The organization will also be in a better position to know when a youth has exited a WIA service, the WIA program, and when the period for follow-up begins. This service delivery method will foster a strong connection that will be maintained throughout the duration of program enrollment.

We also believe that defining follow-up as a framework service will support the implementation of common performance measures, since the framework service provider will be in the best position to know when a WIA youth is also participating in another partner program. Therefore, the provider will be able to make a better administrative judgment as to when program completion will trigger the time period to determine a performance outcome under the new common measures. Allowing work experience to be defined as a framework service will further support the needs of the particular youth participant. The framework service provider will be able to determine what a youth participant needs according to the participant's objective assessment and individual service strategy. This will allow a participant to have a work experience that is clearly tailored to the individual's needs and therefore further benefit the youth participant.

Providing a greater continuity of service, greater monitoring of progress, and further supporting the needs of each youth participant based on their individual service strategy will allow the Local Workforce Investment Boards to develop and strengthen a highly skilled workforce, through education and training. This is consistent with the State of California's WIA/Wagner-Peyser Strategic Plan.

C. State or Local Statutory or Regulatory Barriers

There is no State or local statutory or regulatory barriers to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

The waiver will directly impact WIA eligible youth and the grant recipient/fiscal agent staff who are already providing framework services to the youth.

**STATE OF CALIFORNIA
WORKFORCE INVESTMENT ACT (WIA)
WAIVER REQUEST**

**Waiver Relating to the Limitation on Employer Reimbursements
for
On-the-Job Training**

As stated in the Economic Assessment portion of California's WIA 5-Year Strategic Plan, the Great Recession disproportionately affected those with lower levels of educational attainment. In the most recent analysis from July 2012, 81.6 percent of college graduates ages 25 to 54 had jobs. In contrast, only 73.4 percent of prime-working-age adults with some college but no degree were working, and just 68 percent of prime-working-age adults with a high school diploma and 60.5 percent of those without a high school diploma were working.

In 2012, the average period of unemployment in California reached 39.2 weeks, which is the longest average since 1948, when this data was first collected. Of the 1.9 million (1,925,200) unemployed Californians in 2012, 49.2 percent (946,700) had been unemployed for 26 weeks and longer, and 20.1 percent (386,200) had been unemployed for 73 weeks and longer.

To enable Local Workforce Investment Boards (local boards) to more effectively serve the long term unemployed and address some of the barriers to reattachment to the workforce, the California Workforce Investment Board is seeking a waiver to the reimbursement rate currently provided in the WIA. Under this waiver, the following reimbursement amounts would be permitted:

- 1) Up to 90 percent employer reimbursement for individuals dislocated from the workforce for 52 weeks or more.
- 2) Up to 75 percent employer reimbursement for individuals dislocated from the workforce for 16-51 weeks.
- 3) For individuals dislocated from the workforce for less than 16 weeks, the current statutory requirements would apply.

This waiver will be effective immediately upon approval and for the full period of the California WIA Strategic Plan through June 30, 2017.

In keeping with the guidelines set forth at WIA Section 189(i)(4)(B) and Title 20 Code of Federal Regulations (CFR) Part 661.420(c), please accept the following as a request for waiver.

Statutory or Regulatory Requirements to be Waived

WIA Section 101(31)(B) and Title 20 CFR Part 663.710, which limits the amount of wage reimbursement for On-the-Job Training to 50 percent of the wage rate of the participant.

Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

The goal of this waiver is to increase employment opportunities for the long term unemployed by providing wage reimbursement and assistance to employers that provide earn and learn opportunities to this targeted population of job seekers as they transition back to full productivity in the workplace. This waiver would also provide an additional and effective strategy to local boards to assist its clients to seek, find, and retain employment. This waiver is consistent with the California WIA Strategic Plan in using earn and learn models that provide career pathways that lead to middle-skill occupations that provide a self-sufficiency wage.

The success of this waiver will be determined over time as we monitor its effectiveness through the use quarterly reporting and data in the client record to determine number of clients served under this waiver and the associated outcomes for the client.

State or Local Statutory or Regulatory Barriers

There is no State or local statutory or regulatory barriers to implementing the proposed waiver.

Description of Individuals Impacted by the Wavier

All WIA eligible participants (long term unemployed as defined by this waiver request), local boards and participating employers will be impacted by this waiver. Additional workforce partners that provide services to this client population, such as social services and other such entities, may be impacted through a reduction in the total number of clients receiving other public services and assistance.