

Attachment

WIA Waivers and Work-flex Plan Options

Waivers

States may want to consider requesting one or more of the following waivers:

1. Waiver of the funds transfer limitation at WIA Section 133(b)(4) to permit states to approve local area requests to transfer up to 100 percent of local area formula allocation funds between the WIA Adult and Dislocated Worker programs.
2. Waiver of the language that limits the authority to provide the activities identified in WIA Section 134 to the state to permit local areas to request the use of a portion of local area formula funds for adults and dislocated workers to provide incumbent worker training identified at WIA Section 134(a)(3)(A)(iv).

The Department has approved this waiver in amounts ranging from 10 to 50 percent. States will be required to report performance outcomes for incumbent workers served under this waiver.

3. Waiver of the language limiting the authority to provide the activities at WIA Section 134(a)(1)(B) to statewide reserve funds to permit the use of a portion of the funds reserved for rapid response activities at WIA Section 133(a)(2) to provide incumbent worker training.

The Department has approved this waiver in amounts ranging from 10 to 50 percent. States will be required to report performance outcomes for incumbent workers served under this waiver.

4. Waiver of the reporting requirements at 20 CFR 667.300(a) to provide relief in the collection of certain participant data elements for incumbent workers trained with local area WIA formula funds.

Under the waiver, states will not need to collect from these participants the following data elements in the Workforce Investment Act Standardized Record Data (WIASRD): 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).

5. Waiver of the required 50 percent employer match for customized training at WIA Section 101(8)(C) to permit a match based on a sliding scale.

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 continue to apply.

6. Waiver of WIA Section 101(31)(B) to permit states to reimburse the employer on a graduated scale based on the size of the business.

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 more than 50 but fewer than 100 employees. For employers with 100 or more employees, the current statutory requirements will continue to apply.

7. Waiver of the provision at WIA Section 181(e) that limits the use of funds for capitalization of businesses to permit the use of WIA funds to capitalize a small business up to \$5,000.

Under the waiver, this activity must be conducted in concert with entrepreneurial or microenterprise training for the individuals benefiting from the capitalization.

8. Waiver of the provision at WIA Section 181(e) that prohibits the use of funds for economic development activities that are not directly related to training for eligible individuals.

This waiver permits the use of funds for economic development activities that have a direct tie to workforce development and human capital solutions, such as work related to identifying skill requirements of business and developing industry-recognized competency models. Funds may not be used for activities such as infrastructure development or business financing, except under the conditions described in waiver #7 above.

9. Waiver of the reallocation provisions at WIA sections 128(c)(2) and 133(c)(2), and 20 CFR 667.160 to provide states additional flexibility in the targeting of WIA funds.

Under the waiver, states will be permitted to implement the following features: 1) mid-year deobligation and reallocation of local area funds;

2) recapture of funds from local areas that have not expended at least 80 percent of their local funds in the first year; 3) use of recaptured funds for statewide activities or reallocation to other eligible local areas; 4) use of additional factors in determining local area eligibility for a reallocation of recaptured funds, including demonstrated need and ability to use additional funds.

10. Waiver of the requirement that local programs provide each of the ten youth program elements at WIA section 129(c)(2) as options available to youth participants.

Under this waiver, states will be required to develop a strategic youth plan inclusive of the program elements or program services that will be provided and the specific outcomes to be attained from such services.

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

Work-flex Authority

Work-flex authority allows Governors to waive any of the statutory or regulatory requirements under Title I of WIA applicable to local areas, except those described at 20 CFR 661.430(a)(1), any of the statutory or regulatory requirements applicable under Sections 8 through 10 of the Wagner-Peyser Act, except for those listed at 20 CFR 661.430(a)(2), and any of the statutory or regulatory requirements under the Older Americans Act of 1965, except those described at 20 CFR 661.430(a)(3). Once a state is identified as a work-flex state, it has the authority to identify additional local level provisions to waive without further approval from the Secretary of Labor.