



September 28, 2020

The Honorable David Y. Ige  
Governor of Hawaii  
Executive Chambers  
State Capitol  
Honolulu, HI 96813

Dear Governor Ige:

Thank you for your waiver request submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (enclosed). The waiver requests were received on July 16, 2020. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that Hawaii will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Hawaii and ETA. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner–Peyser Act in WIOA Section 189(i).

Requested Waiver: Waiver of the obligation of eligible training providers (ETP) to report performance data on all students in a training program at WIOA Sections 116(d)(4)(A) and 122 and 20 CFR 677.230(a)(4) and (5) and 20 CFR 680.430(b)(5).

ETA Response: The State's request to waive the obligation of ETPs to report performance data on all students in a training program is approved through June 30, 2021. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Hawaii to implement its plan to improve the workforce development system. The State must provide information regarding how the Governor will take into account the outcomes of all students in an ETP program of study, with respect to their employment and earnings, as required for the demonstration of continued eligibility in 20 CFR 680.460(f)(1)(iii) and WIOA Section 122. The State will continue to collect and report data for all WIOA-funded participants in accordance with all statutory and regulatory requirements, including WIOA Sections 116 and 122, and as specified at 20 CFR 677.230 and 680.460. While ETA recognizes the importance of informing consumer choice through the provision of quality data on training outcomes, we also recognize that the systems to collect the required performance data from providers take time to develop and implement in a way that maximizes training provider participation, which is a critical component of the workforce development system. Starting July 1, 2021, the State's obligation to report performance data on all students in a training program will be reinstated.

Requested Waiver: Waiver of the requirement that local youth programs provide each of the 14 youth program elements required under WIOA Section 129(c)(2).

ETA Response: This waiver is not necessary. Local areas within Hawaii have the flexibility to provide the services needed by participants. As discussed in the WIOA regulation at 20 CFR 681.460, local programs must make each of the 14 program elements available to youth participants, but they do not need to provide all program elements to all youth participants. Further, as discussed in 20 CFR 681.420, local programs develop an individual service strategy based on the needs of each youth participant. Local areas in Hawaii can provide the specific services that best address the immediate needs of youth in Hawaii without requesting a waiver to do so. Also, ETA programs allow states' flexibility to offer the best method for delivering program services including virtual services, if necessary. However, security of customer data and its transmission, as well as ease of customer access, must be factors considered when virtual services are offered.

The State must report its waiver outcomes and implementation of the approved waiver in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide technical assistance to you in support of your goals. The Department proposed additional flexibility in its budgets for Fiscal Years 2018 through 2021 to give governors more decision-making authority to meet the workforce needs of their states. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,



John Pallasch  
Assistant Secretary for Employment and Training

Enclosure

cc: Allicyn C. H. Tasaka, Executive Director, Hawaii Workforce Development Council  
Nicholas Lalpui, Dallas Regional Administrator, Employment and Training Administration  
Anne Leonetti, San Francisco Deputy Regional Administrator, Employment and Training Administration  
Marian Esver, Federal Project Officer, Employment and Training Administration

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JOSH GREEN  
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July 16, 2020

Annie Leonetti, Acting Regional Administrator  
Employment and Training Administration  
90 7<sup>th</sup> Street, Suite 17-300  
San Francisco, CA 94103-1516

Dear Ms. Leonetti:

The Hawaii Workforce Development Council is requesting a waiver in accordance with WIOA Section 189(i)(3)(A) and 20 CFR 679.600.

Hawaii is requesting a waiver of the obligation of eligible training providers to collect performance data on all students in a training program at WIOA Sections 116(d)(4)(A) and 122, and 20 CFR 677.230(a)(4) and (5) and 20 CFR 680 for Program Years 2019 and 2020. The intended impact is to reduce a significant burden on training providers as well as to increase the number of training providers, thereby increasing consumer choice which can lead to lower cost options. Hawaii anticipates greater utilization of the Eligible Provider system by individuals pursuing training related to jobs that are in-demand by businesses and result in improved overall performance outcomes. The waiver will contribute to building stronger partnerships and strengthen relationships between training providers and the public workforce system. The attached document details the waiver requested.

In accordance with waiver request instructions, these documents have also been emailed to [WIOA.Plan@dol.gov](mailto:WIOA.Plan@dol.gov).

Your review and consideration of this waiver request are appreciated. Please contact me with any questions at [Allicyn.h.tasaka@hawaii.gov](mailto:Allicyn.h.tasaka@hawaii.gov) and 808-586-9169.

Sincerely,

Allicyn C. H. Tasaka  
Executive Director

Attachment

C: Marian Esver, Federal Project Officer, Region 6, USDOL ETA

## **WIOA Statutory and/or Regulatory Requirements to be Waived–Eligible Training Provider List Requirements**

### **State of Hawaii**

The State of Hawaii is seeking a waiver for Program Years 2019 and 2020 from the requirements outlined in WIOA at Sections 116 and 122, and at 20 CFR 677.230 and 20 CFR 680.400 through 680.530, which require the collection and reporting of performance related data on all students participating in training programs listed on the state’s Eligible Training Provider List (ETPL).

### **Background**

Since the passage of WIOA in 2014, the State of Hawaii has been working diligently to implement the new law’s Eligible Training Provider (ETP) provisions. On July 3, 2018 a new ETP site was launched on the Workforce Development Council’s (WDC) website. The old site was stand-alone, difficult for users to find, and was built on an outdated platform that could not be adapted to new WIOA regulations; it was finally determined to be unsustainable. The new process was created as an interim solution and is simpler for potential eligible providers to use.

The State of Hawaii Department of Labor and Industrial Relations executed a new contract (effective July 1, 2020) for a Management Information System and Case Management System for the State’s Titles I and III workforce programs. The new system includes an ETPL module so that the ETP List is part of that system and easier to access by both case managers, participants, and partners. The new system is operational and WDC is working to transition providers and programs to the new system, customizing the system with State required fields, and training Local Workforce Development Board (LWDB) staff and providers to use the module. This new module will also produce ETP performance reports for WIOA participants.

During the same period, WDC also developed a secure system and template for providers to submit required data. However, due to the restrictions of the COVID-19 pandemic, educational institutions have curtailed classes and services. Some providers are no longer operating; and many students opted not to finish classes or were not able to participate in on-line sessions. Although the plan was to ask providers to submit reports, WDC is not sure that providers have the ability or staff to create and submit reports.

The University of Hawaii Community Colleges (UHCCs) are the largest providers of training programs in the State. The colleges have cited the performance reporting requirements as a reason that they are reluctant to participate in the program. To overcome this obstacle, WDC has been working with the University of Hawaii’s Data Exchange Program<sup>1</sup> (DXP) to create a process by which all the performance data from the UH system (universities and colleges) will be transmitted to WDC by the DXP. Thus, eliminating each instructor or program from the burden of manually submitting the data.

Unfortunately, most of the programs on the ETPL are non-credit courses and although the UHCC system has been working to develop a database for those programs, the database is not yet able to provide the necessary data; and the non-credit programs do not collect Social Security Numbers (SSNs), needed for the wage match with the UI database.

The UH system recently informed WDC that although the UHCCs continuing education programs had anticipated collecting participants’ SSNs for Program Year (PY) 2019, the process stalled in the Fall of 2019 due to “unresolved data governance concerns.”

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<sup>1</sup> DXP also houses the State Longitudinal Data System

UHCCs are reorganizing the administration of their continuing education registration system. As of July 1, 2020, the UHCC System office was scheduled to take over the administration of the system from the lead campus, thus allowing discussions to restart and facilitating establishment of a process with necessary data security to collect participants' SSNs. The new anticipated date of providing SSNs is July 1, 2021. Since COVID-19 restrictions severely affected the University's activities, WDC is anticipating that this new system will be further delayed. Because the UHCCs are focusing their efforts on providing mostly virtual skill building and training programs for workers who lost their jobs due to COVID-19, it is unlikely that establishing a new process will be a high priority for them.

Hawaii has faced several challenges while working to implement the WIOA ETP requirements, which include:

- Ensuring that local areas have sufficient numbers of, and diversity of training providers necessary to create an effective marketplace of training programs for WIOA participants using Individual Training Accounts (ITAs).
- There already exists a lack of training provider options on neighbor islands (Kauai, Maui, and Hawaii Island); reporting requirements have been cited by potential providers as a barrier to their participation.
- Ensuring fairness in the process of determining training provider eligibility.
- Reducing the burden of the requirement for training providers to submit performance information to the State, which may not be readily accessible.
- Social security numbers are not required for UH registration making the wage and employment data incomplete or inaccurate.
- UH is reluctant to transmit Personally Identifiable Information (PII) to WDC.
- DXP's data sharing agreement to receive Unemployment Compensation Division wage match data is on hold while that system is reorganized.
- Proprietary schools would have to collect sensitive information, such as social security numbers and other PII on all students for the State to match wage and earnings information on students utilizing the ETPL programs, which increase security liabilities for those organizations.
- Students funded by WIOA programs at UH Community Colleges represent a small portion of the community college enrollment. ETPL students are more likely to enter training-related employment after an entire suite of courses over a longer period of time. Therefore, including all students in the cohort that counts toward that course's performance unfairly skews the outcome in a negative direction.

### **Actions Undertaken to Remove State of Local Statutory or Regulatory Barriers**

There are currently no state or local statutory barriers to implementing the requested waiver. The State of Hawaii regulations and policy statements are in compliance with current federal law.

### **Waiver Goals and Outcomes**

Goals and outcomes related to this waiver request include:

- Continue to remove the most significant disincentive for schools and training providers to participate in the ETPL in anticipation of maximizing the available marketplace of training curricula.
- Continue to encourage numerous and varied training offerings for individuals using Individual Training Accounts (ITAs) in Hawaii's workforce system.

- Allow UHCCs to continue to provide programs despite their inability to provide required data. In many cases, UHCCs provide lower cost options to our local areas, many who have small program allocations.
- Improved overall performance outcomes for individuals pursuing training via ITAs.
- Stronger partnerships and relationships between training providers both public and private by Hawaii's workforce system.
- Enhanced ability of local boards (especially those on neighbor islands) to respond quickly and efficiently to immediate local job seeker and employer needs.

### **Individuals Impacted by the Waiver**

Individuals who access training services in Hawaii via ITAs, Workforce Development Council (WDC) staff, local workforce development board staff, WIOA partner staff, American Job Center Hawaii staff, subcontracted service provider staff, and training providers will benefit from this waiver.

### **Monitoring Progress and Implementation**

Annual WIOA on-site programmatic reviews will include an evaluation of the impact of the waiver on local programs to ensure programmatic goals and outcome are being met. WDC staff will also review the collection of pertinent information such as updated licenses, financial statements, certificates of insurance and appropriate State of Hawaii certifications; and will periodically examine the appropriateness and effectiveness of this waiver. This strategy ensures that the goals described above, as well as those outlined in the State's Unified State Plan, are consistent with established objectives of WIOA and federal and state regulations.

### **Notice to Local Boards and Public Comment**

In accordance with the WIOA regulations at 20 CFR 676.135, Hawaii is submitting a modification to its Unified State Plan, which is subject to the requirements outlined in the WIOA Regulations at 20 CFR 676.130(d) for public review and comment. This waiver request is currently posted on WDC's website for comment and review by required parties and the general public.

A copy of the request has been provided to all four local workforce development boards. Any comment received will be forwarded to the USDOL and included as a modification to the state's Unified State Plan. The impact of this waiver on the state's performance will be included in the state's WIOA Annual Report.