



The Honorable Gina M. Raimondo
Governor of Rhode Island
Office of the Governor
82 Smith St.
Providence, RI 02903

SEP 3 0 2019

Dear Governor Raimondo:

Thank you for Rhode Island's waiver request dated July 3, 2019, 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 (copy enclosed). This letter provides the Employment and Training Administration's (ETA) official response to the State's request and memorializes that Rhode Island will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Rhode Island 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: Application of WIOA Section 107(b) to allow the state board to carry out the roles of a local board.

ETA Response: ETA approves through June 30, 2020, the State's request for a waiver to allow the state board to carry out the roles of the Greater Rhode Island Workforce Development Board. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Rhode Island to implement its plan to improve the workforce development system. Given the support for this waiver request by the local elected officials in the local area and the challenges the State and local area have in mounting a fully compliant local-led board at this time, the U.S. Department of Labor agrees that the state board is in a better position to ensure effective service delivery in the Greater Rhode Island local area. Under this waiver, the Governor may designate the state board to carry out the roles and responsibilities of the local board in the State. In implementing this waiver, the State must:

- Demonstrate progress in addressing concerns identified in the 2018 compliance monitoring review, particularly in regard to fiscal controls and firewalls;
- Continue to include local input into its activities. As proposed in the State's waiver request, the state board must form a subcommittee to reflect the geographic diversity of the State and its local elected officials; and
- Allocate funding to the local area for which the state board is carrying out local board functions.

ETA is available for further discussion and to provide technical assistance to the State to support its goals. The Department of Labor proposed additional flexibility in its Fiscal Year 2018, 2019, and 2020 budgets to give governors more decision-making authority to meet the workforce needs of their states and anticipates proposing these additional flexibilities in future fiscal years.

Should you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,



John Pallasch
Assistant Secretary for Employment and Training

Enclosure

cc:

Sarah Blusiewicz, Assistant Director for Workforce Development Services, Rhode Island
Department of Labor and Training
Leo Miller, Boston/Philadelphia Regional Administrator, Employment and Training
Administration
Amanda Poirier, Federal Project Officer, Employment and Training Administration

Statutory and/or Regulatory Requirement to be Waived – State Board Carrying out Roles of a Local Board

The State of Rhode Island seeks a waiver of the requirements outlined at Sec. 107 of the Workforce Innovation and Opportunity Act, relating to the roles and responsibilities of a local board.

Background

At present, Rhode Island has two Local Workforce Development Areas under the Workforce Innovation and Opportunity Act (WIOA): The Providence/Cranston Local Workforce Development Area (LWDA) (made up of two cities) and the Greater Rhode Island LWDA (made up of thirty-seven (37) cities and towns). WIOA requires Chief Local Elected Officials to administer WIOA Title 1 funds and appoint Local Workforce Development Board members. In Rhode Island, as far back at the Jobs Training Partnership Act, the Governor has performed the functions of the Chief Local Elected Official for the Greater Rhode Island (GRI) LWDA. This means the Governor has appointed both the State Workforce Development Board (SWDB) and the GRI LWDB.

Issue

Under WIOA, the Governor has continued to serve as the Chief Elected Official for the GRI LWDB. During a compliance monitoring review conducted in February 2018, by United States Department of Labor (USDOL) regional staff identified that the Governor acting in this capacity is inconsistent with WIOA requirements because the Governor is not a Local elected official and, thus, cannot appoint the local board. Regional staff advised finding a local elected official(s) to assume the role of Chief Local Elected Official for the area or submit a waiver requesting that the SWDB act as, and carry out roles and responsibilities of, the GRI LWDB. It is important to note that the local area belonging to this board comprises 95% of the municipalities within the state.

The Governor engaged the RI League of cities and towns to address the issue. The DLT Director, at the direction of the Governor, met with the League twice to explain the change in law and answer questions regarding the ramifications of that change. The DLT asked local officials if they wanted to appoint the board and they ultimately decided they wanted to relinquish that responsibility to the state and therefore wanted the state to produce a waiver request. These considerations were documented in a letter addressed to the Director dated April 23, 2019. The main theme of those comments involved the need for more efficient management of the local board and more effective use of funds. The letter from the League of Cities and Towns outlining their final position is included with this request. The decision of the local officials is the primary compelling reason for the proposed governance structure.

Following the decision of the mayors and town managers and at the direction of the Governor, the DLT held a series of public hearings on the waiver request. In each instance, the public hearings were advertised in local papers of record. After the public hearings, the DLT posted proposed waiver language for 30 days on the website for public comment. Only one comment

was received.

Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers

The Rhode Island Department of Labor and Training conducted a review of potential statutory and regulatory barriers and does not anticipate any challenges in this area. In addition, this waiver would not change the allocation of resources as there will be no change to the designation of Local Workforce Development Areas. Allocations made to the Providence/Cranston local area would remain unchanged as the Providence/Cranston local board would remain active and continue to be appointed by the two mayors.

State law R.I.G.L §42-102 provides the Governor's Workforce Board authority to "establish statewide policies, definitions, objectives, goals, and guidelines for the coordination of all employment-and-training programs and related services and programs within the state." This statute applies to all such programs administered by the Department of Labor and Training, which includes WIOA Title 1B. This statute, and its related subsections, provides the state policy necessary to assume the roles of the local workforce board.

Ensuring local stakeholder interests are represented and engaged

The DLT will form a subcommittee of the Governor's Workforce Board to reflect the geographic diversity of the state. Because the GRI local area covers so much of the state, synergy exists already between the role of the SWDB and the GRI LWDB. Existing SWDB committees already address many of the local board roles and the new committee would handle any additional roles. The existing committees already perform the roles of planning, regional labor market and workforce research, convening system stakeholders, engaging employers, aligning services to promote career pathways, disseminating information on promising practices, coordinating with education and training providers, and developing budgets for all workforce programs.

The board currently has four committees, two made up of only state board members and two with a broader composition to include a diverse set of additional stakeholders with interest and expertise in specific programmatic areas.

Executive:

The Executive Committee is responsible for the overall management, direction and oversight of the Board and its programs. The Committee's primary role is to ensure the functionality and effectiveness of the State Board. The Committee is also responsible for workforce development planning and policy, which includes oversight of the State's Biennial Plan and the WIOA State Plan. Membership is limited to officers and chairs of standing and ad-hoc committees. The Committee may establish subcommittees to perform any activities within its scope of responsibilities.

Strategic Investments and Evaluation Committee:

The Strategic Investments and Evaluation Committee is responsible for guiding workforce investments (federal, state and local), aligning and leveraging workforce funds, and

recommending allocations for the state's Job Development Fund. The Committee's primary role is to ensure investments are demand-driven, meet the talent needs of businesses to spur economic resilience and growth, and create employment opportunities for Rhode Island workers. The Committee regularly reviews Labor Market Information, Bureau of Labor Statistics data and program-level performance data to evaluate demand and supply, monitor progress, and inform future investments. The Committee, like the full board, includes representatives from business, labor, public institutions and community-based organizations.

Career Pathways Advisory Committee (CPAC):

CPAC is responsible for overseeing the development and growth of career pathways that connect populations throughout the state with current and future career opportunities. Central to this function is overseeing the execution of the State's PrepareRI action plan to provide all youth (K-24) with access to flexible, quality and demand-driven career pathways programming through high-quality work-based learning including, but not limited to, Career and Technical Education. CPAC's membership is diverse and includes stakeholders beyond those appointed to the State Board, including industry intermediaries, youth-serving organizations, local school districts, higher education, etc.

Education & Employment Advisory Committee (EEAC):

EEAC is responsible for overseeing programs that ensure adults and out-of-school youth in or nearing the labor force have access and opportunity to obtain postsecondary education, training and credentials and secure employment and a living wage. EEAC is particularly focused aligning Title II adult education programming, administered by the RI Department of Education, with the State's sector-based, demand driven workforce strategy. Like CPAC, EEAC is comprised of stakeholders, such as adult education service providers, industry intermediaries, employers, organized labor, the K-12 and higher education systems, etc.

The new local committee would have purview over the one-stop system for the local area, manage the technology needs to improve access and communication among programs, conduct program oversight, negotiate local performance measures, select operators and providers, and access physical and programmatic accessibility of the one-stop centers.

Waiver Goals and Outcomes

The primary goal and outcome related to this waiver request are to comply with the provisions of WIOA.

Ancillary outcomes expected from this waiver include increased efficiency within the Department of Labor and Training, and more Title IB resources available for career and training services. Currently, the Department of Labor and Training staffs both the SWDB and the GRI LWDB, as both boards are appointed by the Governor. If this waiver is granted, only one board would remain, allowing the management staff dedicated to the GRI board to assume different responsibilities within the agency. The department estimates the reallocation of staff will result in at least \$464,197 going to the provision of direct career services for participants in the Adult and Dislocated Worker programs rather than to managerial staff

costs. There is no cost in implementing this waiver to detract from this benefit. The increase in resources dedicated to service delivery will allow significantly more participants to be served under these programs.

The selection process for operators and providers would remain largely unchanged under this waiver request. Currently, the Governor appointed LWDB, with assistance from their Department of Labor and Training staff, develop and publish RFPs for operators and providers. The RFPs are issued and awarded through the State of Rhode Island's procurement process. Awards are managed through the Department of Labor and Training, since the department is the LWDB's fiscal agent. Under the waiver, the SWDB would develop and publish the required RFPs with assistance from their Department of Labor and Training staff. The RFPs would still use the state's procurement process and the Department of Labor of Training would still manage the awards as the fiscal agent for the SWDB.

Individuals Benefiting from the Waiver

We believe that all employer and job-seeker customers will benefit from this waiver and the transition toward a more unified statewide workforce system. WIOA partner programs will benefit from more straightforward planning and program development. AJC staff and other partners will benefit from increased resources for direct programming and training as well as increased opportunities for system improvements and investments in technical assistance.

How the State plans to monitor waiver implementation, including the collection of waiver outcome information.

The State Workforce Development Board will continuously monitor the implementation and impact of this waiver. A quarterly update on implementation will be prepared and posted to the State Workforce Development Board website and submitted to the Regional Administrator. The Department of Labor and Training as the grant recipient of Title I funds also prepares monitoring reports for the SWDB regarding the USDOL Consolidated Compliance Review, and the department's own monitoring and audit reports regarding both the state and local boards. The unit responsible for these updates includes dedicated monitors who do not have a role in the implementation or operations processes. This function will continue if the waiver is granted.

In addition to formal monitoring functions, the department also engages in a monthly StateSTAT performance review. This review covers progress on key implementation issues involving workforce development programs and Unemployment Insurance. The implementation of the waiver and the related data necessary to evaluate outcomes would be collected by the department's performance data team and presented at these monthly meetings. Each local board role and project relating to the waiver would be converted into deliverable and the progress of each deliverable would be evaluated each month. The Deputy Chief of Staff for the Governor attends these meetings on her behalf.

Notice to Local Boards and Public Comment

The waiver was announced to the public and posted to the State Workforce Development Board's website for four weeks for public comment and review. Furthermore, the Board has

hosted three (3) public hearings across the LWDA to encourage public comment and notified stakeholders and advocates of these scheduled events, as well as the process for submitting written comments.



April 23, 2019

Mr. Scott Jensen
Director
Rhode Island Department of Labor and Training
1511 Pontiac Avenue
Cranston, RI 02920

Dear Director Jensen:

Thank you for meeting with our Executive Board on January 8 to discuss options for required governance changes to the Workforce Partnership of Greater Rhode Island (WPGRI), which serves thirty-seven Rhode Island communities. In light of the U.S. Department of Labor's (USDOL) guidance that WPGRI's board of directors does not have sufficient representation from municipal leaders, our Board formed a working group to discuss possible alternatives. On April 9, our Executive Board – which includes the chief executive or legislative officers of 24 cities and towns – endorsed the working group's recommendation to have the statewide Governor's Workforce Board (GWB) serve as the local board for the Greater Rhode Island region, with several caveats and conditions.

When reviewing the budget, performance data and USDOL's consolidated compliance review of June 2018, our members noted that WPGRI had high administrative costs and that its training and workforce development efforts did not appear to be directly aligned with community needs. In light of those concerns, as well as the findings in USDOL's compliance review, our board recommends the following changes if GWB assumes administration of WPGRI's current functions:

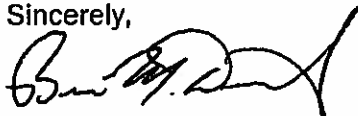
- The Governor's Workforce Board membership should be expanded to include one or more municipal representatives, consistent with any relevant USDOL guidance on board membership;
- GWB should have a Local Workforce Committee, with appointments from municipal leaders, to align program spending with local workforce and employer needs, consistent with any relevant USDOL guidance;
- Local workforce funds should be segregated from other statewide workforce funds and invested primarily based on the recommendations of the Local Workforce Committee;
- DLT should reduce the high administrative and overhead costs currently facing WPGRI, with more funds allocated to direct programming and training in order to increase the number of people served;

- DLT should establish strategic training priorities based on municipal member input (e.g., building trades); use existing programs and resources instead of creating new programs; and establish greater connection between one-stops and local employers, including the opportunity for regional specialization (e.g., defense, agriculture, manufacturing, etc.);
- DLT should pursue expanding one-stops to underserved geographic areas (i.e., East Bay / Aquidneck Island);
- DLT should work with the Local Workforce Committee to establish performance measures and provide relevant data on an ongoing basis; and
- The new arrangement should have a time limit and evaluation period to determine whether performance goals have improved.

We appreciate the program information and guidance that you, DLT staff and the Governor's Office have provided throughout this process. Our members believe that this recommended approach will have the greatest impact in our communities by providing local input into workforce needs while leveraging the skills and expertise of the GWB and its staff. We recognize that this transition, if acceptable to the Administration and the USDOL, will require ongoing collaboration and consultation. The League and its members are prepared to assist in that effort as needed.

Thank you again for engaging the League and its members on this important issue and for your ongoing commitment to local workforce needs.

Sincerely,



Brian M. Daniels
Executive Director

cc: Kevin Gallagher, Deputy Chief of Staff, Office of Governor Gina M. Raimondo