



JUN 29 2018

The Honorable C.L. "Butch" Otter
Governor of Idaho
Office of the Governor
State Capitol
P.O. Box 83720
Boise, Idaho 83720

Dear Governor Otter:

Thank you for your waiver requests of certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system, submitted as part of your WIOA State Plan modification on May 4, 2018 (copy enclosed). This letter provides the Employment and Training Administration's (ETA) official response to the State's request and memorializes that Idaho will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Idaho 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 WIOA Section 107(b) to allow the State Board to carry out the roles of a Local Board.

The State's request to waive WIOA Section 107(b) to allow the State Board to carry out the roles of a Local Board is approved. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Idaho to implement its plan to improve the workforce development system. Therefore, ETA approves this waiver for Program Years (PYs) 2018 and 2019 (July 1, 2018 through June 30, 2020). Under this waiver, the Governor may designate the State Board to carry out the roles and responsibilities of the Local Boards in the State. As a condition of this approval, the State must continue to include local input into its activities and allocate funding to the local areas for which the State Board is carrying out Local Board functions.

Requested Waiver: Waiver of the obligation of eligible training providers (ETPs) 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 680.460.

The State's request to waive the obligation of ETPs to collect and report performance data on all students in a training program is approved. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Idaho to implement its plan to improve the workforce development system. Therefore, ETA approves this waiver for PYs 2018 and 2019 (July 1, 2018 through June 30, 2020).

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 performance data for all WIOA-funded participants in accordance with WIOA Sections 116 and 122, and as specified in 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 and willingness to collect the required performance data from providers may discourage training provider participation, which is a critical component of the workforce development system.

Requested Waiver: The State is requesting a waiver of the requirement to conduct evaluations of workforce investment activities for adults, dislocated workers and youth at WIOA Section 134(a)(2)(B)(vi)) and WIOA Section 129(b)(1)(A).

The State's request for a waiver of the requirement to conduct evaluations of workforce investment activities for adults, dislocated workers, and youth at WIOA Section 134(a)(2)(B)(vi)) and WIOA Section 129(b)(1)(A) is approved. The State is requesting this waiver because of the perceived expense and lack of capacity to conduct evaluations. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Idaho to implement its plan to improve the workforce system. Therefore, ETA approves this waiver for PY 2018 (July 1, 2018 through June 30, 2019). ETA will provide technical assistance regarding lower cost evaluation options and other acceptable evaluation activities to prepare the State to conduct evaluations in PY 2019.

ETA is available for further discussion and to provide technical assistance to the State to support achieving its goals. Also, the Department has proposed additional flexibility in its Fiscal Year 2019 Budget to give governors more flexibility to meet the workforce needs of their states. If you have questions or wish to explore additional flexibility, feel free to contact my office at (202) 693-2772.

Sincerely,



Rosemary Lahasky
Acting Assistant Secretary

Enclosure

cc:

Melinda S. Smyser, Director, Idaho Department of Labor
John Bailey, Acting San Francisco Regional Administrator, Employment and Training Administration
Marian Esver, Federal Project Officer, Employment and Training Administration

Idaho

SINGLE STATEWIDE COUNCIL SERVING STATEWIDE REGIONAL PLANNING AREA

(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;

The State of Idaho is formally seeking a waiver to permit a state board to carry out the functions of a local board. This waiver request is for a renewal of a waiver previously applied 20 CFR 679.310(f) which states that a state board must carry out the roles of a local board when the State Plan indicates that the State will be treated as a local area under WIOA. The Workforce Innovation and Opportunity Act Sections 106(d)(2) and 107(c)(4) also direct a state board for a single state local area to carry out the functions of the local board. The Workforce Development Council has acted as both the state and local board under WIA since 2005 and the current structure is reflected in the Combined State Plan.

(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

No state or local policies limit the Governor's authority to require a regional plan or utilize the Workforce Development Council as the local workforce board for the state.

(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;

The primary goal to be achieved by this waiver is to reduce annual overhead and maximize the available money directed to training and services to business. The programmatic outcome is to serve a larger number of participants than would otherwise be served due to added administrative costs. To maximize resources available for service delivery, the state continued to use the Workforce Development Council as the local workforce board throughout the state. When initially implemented, this saved the WIA program in the state approximately \$1.5 million dollars by removing the administrative overhead of maintaining six regions throughout the state. Since then, these former administrative funds have been utilized as program funds allowing for more participants to be served.

As evidenced since its initial implementation, the single statewide planning structure has continued to reduce annual overhead, and maximizes the available funding directed to training and services to business and job seekers.

This statewide structure enhances efforts to transform the system into a demand driven system. The 25 Idaho Department of Labor offices across the state serve as the state's American Job Centers offering the full range of workforce development services. This recognizes the importance of sharing data and information about new and expanding businesses to build the economy across regions.

(4) Describes how the waiver will align with the Department's policy priorities, such as:

(A) supporting employer engagement; (B) connecting education and training strategies;

(C) supporting work-based learning; (D) improving job and career results, and

(E) other guidance issued by the Department.

The Workforce Development Council structure has been in place since the Jobs Training Partnership Act. Its current membership aligns with the prescribed composition under WIOA, including a majority business representatives, along with partners from government, labor, community-based and educational entities. State education policy is thoroughly aligned with the state's workforce development goals.

(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment; The change to a single statewide regional planning structure, in conjunction with this waiver, has allowed for an average annual increase in training opportunities for more adults, dislocated workers and at-risk youth, and has since permitted the state to maintain service levels despite funding cuts over the years.

(6) Describes the processes used to:

(A) Monitor the progress in implementing the waiver; (B) Provide notice to any local board affected by the waiver; (C) Provide any local board affected by the waiver an opportunity to comment on the request; (D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver. (E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.

As evidenced since its initial implementation, the single statewide planning structure has reduced annual overhead, maximizing the available money directed to training, including work-based learning, and services to business and job seekers. The State has emphasized spending goal program funds towards direct training and support of businesses and participants, positively impacting the achievement of performance goals. This is regularly monitored to ensure that direct participant funding does not drop below 50% of the funds.

The single statewide structure has strengthened administrative oversight and accountability processes. Prior to this change, administrative deficiencies resulted in substantial disallowed costs for Idaho's largest Workforce Investment Area. The strengthened administrative structure, under the waiver, has assisted Idaho to avoid future disallowed costs and will continue to do so, thus further enabling the redirection of funds from service provider and administration to direct participant training and support.

Originally this waiver was announced to the general public as part of the PY05 plan review process which included a process for soliciting review and comment during a three-week period and reviewed by the state's Workforce Development Council, which included comments from the existing Local Workforce Investment Boards and their staff.

Any comments received will be forwarded to the USDOL and included as a modification to the state's Combined Plan. The impact of this waiver on the state's performance will be addressed in the state's WIOA Annual Report.

The waiver outcomes will be collected and reported in the State's WIOA Annual Report.

(7) The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.

REQUIRED EVALUATIONS OF WORKFORCE INVESTMENT ACTIVITIES

(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;

The state of Idaho respectfully requests a waiver of the following two sections of the Workforce Innovation and Opportunity Act concerning required activities funded by Governor's Reserve funds: completion of evaluations on workforce investment activities for adults, dislocated workers, and youth (WIOA Section 134 (a)(2)(B)(vi)), WIOA Section 129(b)(1)(A).) This request is specific to the requirements outlined in WIOA 116(e)(2)and(3).

The Combined WIOA State Plan indicates that it will use the statutory performance measures to evaluate the effectiveness of the programs. These measures, as well as regular continuous improvement processes, should provide sufficient information to determine the effectiveness of the workforce delivery system.

The State will fully cooperate with evaluations and research projects initiated by the Departments of Labor and Education. However, the State lacks the capacity to procure or develop for itself the rigorous statistical and analytical evaluations expected in the statute. Small, dispersed populations such as Idaho's are especially expensive to study. Disproportionately large sample sizes are required to achieve statistically significant results. The State's resources would be better directed toward service delivery and continuous improvement, while conceding evaluation expertise to federal coordination.

(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

No state statutory or regulatory barriers exist at this time.

(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;

Although congressional action increased the percentage of Governor's Reserve funding for states to 15 percent in PY16, Idaho's base funding has decreased \$842 thousand from PY 2016 to PY 2017. The total amount available for the Governor's Reserve in PY 2017 is \$1,083,263, down from \$1,209,695 in PY 2016. Consequently, funding has become severely limited while the costs of operating the state's workforce development/One-Stop system and the other mandatory WIOA activities continue to rise, further restricting Idaho's ability to effectively fund and carry-out all of the required statewide workforce investment activities. The current funding level for this program year and anticipated funding levels for future program years are insufficient to cover the costs of conducting evaluations.

With this waiver, Governor's Reserve funding will be used to enhance those primary and basic functions of the system. The state's reduced funds are being used for the following required activities:

- Submitting required reports
- Disseminating and making available the state's list of WIOA Eligible Training Providers;
- Carrying out statewide Rapid Response activities;
- Providing technical assistance to workforce areas;
- Assisting in the establishment and operation of the state's One-Stop delivery system;
- Operating fiscal and management accountability information systems; and
- Carrying out monitoring and oversight of employment and training activities

The state's goal in seeking this waiver is to ensure that the state prioritize the use of the

Governor's Reserve funds for the required WIOA activities deemed most essential to the basic functions of the state's workforce development system.

(4) Describes how the waiver will align with the Department's policy priorities, such as:

(A) supporting employer engagement; (B) connecting education and training strategies;

(C) supporting work-based learning; (D) improving job and career results, and

(E) other guidance issued by the Department.

Traditionally, the State has used state funds to ensure that it conducts activities that are required within Section 134 of WIOA. Governor's Reserve funds have also been used to support local programs and initiatives that increase the availability and quality of services provided to WIOA participants. With the reduction of the state's overall WIOA Title 1B allocation and the subsequent reduction in the Governor's Reserve Funds, the state has prioritized usage of these funds to: 1) ensure that the state remains compliant with required WIOA administrative functions; 2) maintain activities necessary for federal reporting through the management information systems for the programs in Idaho's workforce development system; and 3) promote and expand the services available through the 25 American Job Centers to business and individuals throughout the state. (5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment; and

The ability to maintain, rather than reduce, the current levels of service is important and extremely valuable. This waiver will provide the state with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce development system and ensure current service levels are maintained.

It is not anticipated that this waiver will impact any services provided to WIOA participants. Further, the state is committed to conducting these activities should the estimates contained within this document not bear out, or in the case that coming congressional budget action increases funding to the state.

(6) Describes the processes used to:

(A) Monitor the progress in implementing the waiver; (B) Provide notice to any local board affected by the waiver; (C) Provide any local board affected by the waiver an opportunity to comment on the request; (D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver. (E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.

Idaho had previously requested and were granted waivers for evaluations under the Workforce Investment Act.

The Idaho Department of Labor has and will continue to monitor the implementation and impact of the waiver and progress toward expected outcomes. State oversight and evaluation will make effective use of these means to identify obstacles and address them.

Any comments received will be forwarded to the USDOL and included as a modification to the state's Combined Plan. The impact of this waiver on the state's performance will be addressed in the state's WIOA Annual Report.

The waiver outcomes, in the form of performance goals and standards, will be reported in the State's WIOA Annual Report.

(7) The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.