



JUN 12 2018

The Honorable Henry McMaster  
Governor of South Carolina  
1205 Pendleton Street  
Columbia, South Carolina 29201

Dear Governor McMaster:

Thank you for your waiver request 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 March 31, 2018 (copy enclosed). This letter provides the Employment and Training Administration's (ETA) official response to the State's request, and memorializes that South Carolina will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by South Carolina 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: The State is requesting a waiver of the required collection and reporting of performance-related data on all students participating in training programs listed on the state's Eligible Training Provider List (ETPL), as outlined in WIOA Sections 116 and 122.**

The State's request to waive the requirement to collect and report performance data on all students participating in training programs on the State's ETPL 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 South Carolina 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. While the Department recognizes the importance of informing consumer choice through the provision of quality data on training outcomes, it also recognizes 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. Therefore, ETA approves this waiver for Program Years 2018 and 2019 (July 1, 2018 – June 30, 2020).

ETA is available for further discussion and to provide technical assistance to the State to support achieving its goals. Also, the Department 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 Laharty  
Deputy Assistant Secretary

Enclosure

cc:

Emily Farr, Director, South Carolina Department of Labor, Licensing and Regulation  
Les Range, Atlanta Regional Administrator, Employment and Training Administration  
Linda Lundy, Federal Project Officer, Employment and Training Administration

# WIOA State Plan 2018 Modification Waiver Request

## The State of South Carolina

The Eligible Training Provider List (ETPL) federal requirements are creating a hardship for many training providers, including the technical colleges, resulting in a decreased number of providers adding their programs to the ETPL. Many training providers do not have existing staff to perform the data gathering processes required to submit program information and performance data and cannot justify hiring additional staff. The proposed regulations and related performance measures requiring providers to include an “all students” cohort also interfere with FERPA laws, and providers do not currently have students complete a waiver for data gathering purposes. These issues are leading to South Carolina having a less than robust list of training providers. DEW has a workforce support team that is providing individualized technical assistance to training providers in an effort to reduce hardships related to collecting provider and program data. At this time, a waiver does not appear to be required; however, South Carolina would like to reserve the right to make a future waiver request should the need be identified.  
— current narrative, written by Nina Staggers on 03/29/16 at 6:45 PM.

The State of South Carolina seeks approval of the following statutory and regulatory waiver in accordance with the Secretary’s waiver authority outlined in Section 189(i)(3)(A) of the Workforce Innovation and Opportunity Act(WIOA) and 20 CFR and 679.600. This waiver request will assist South Carolina to further develop its workforce while continuing to focus on innovative strategies for a demand-driven workforce.

### Waiver from the Eligible Training Provider data collection and reporting requirements

South Carolina is seeking a waiver from the requirements outlined in the WIOA at Sections 116 and 122, and at 20 CFR 677.230 and 20 CFR 680.400 thru 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).

### Actions taken to remove barriers

Subsequent to the passage of WIOA in 2014, South Carolina has been working diligently to implement the law’s Eligible Training Provider (ETP) provisions. In November, 2016, DEW launched its new ETPL, Palmetto Academic Training hub (PATH). PATH provides an improved and enhanced customer experience compared to the state’s previous ETPL. Policy guidelines defining the ETP processes and procedures were available at that time, and Memoranda of Agreement were issued to all current and new training providers to outline the data collection and submittal requirements.

In order to ease data sharing burdens and provide a robust data source, South Carolina workforce development and education partners have been working to create a mechanism for a data warehouse for not only training providers, but all state agencies and other entities to submit and utilize data. Through the Coordinating Council for Workforce Development (a legislated council whose mission is to catalogue all workforce resources, minimize duplication, and make

recommendations to the Legislature on workforce system improvements), a multi-agency data workgroup convened to make recommendations for legislation requiring student and other data be shared as allowable by governing entities. To date, no legislative action has been taken.

Finally, the state is working to leverage existing systems to assist with meeting the WIOA ETP performance reporting requirements.

Despite these efforts, the state 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 utilizing ITAs.

Ensuring fairness in the process of determining training provider eligibility.

Reducing the burden on training providers to submit performance information to the state which may not be readily accessible to the provider.

Much of the performance information collected by training providers is self-reported through surveys, etc. There is no way to verify the accuracy of self-reported, inconsistently collected performance data.

Training providers do not currently have a method to match students with data sources to calculate outcomes, so they are required to send student data through PATH to be matched with wage records. This is not only a reporting burden on training providers, but in many cases, sensitive information such as social security numbers, demographic information, etc. needed for performance reporting is never even collected from students.

Training providers contend that to collect and submit information on all students is too big a burden. Thus, many providers choose not to be on the ETPL or to severely cut the number of programs. Several public technical colleges have removed credit programs from the ETPL because of the reporting burden. As a result, consumer choice will be limited.

Goals, outcomes, and benefits related to this waiver request include:

More numerous and varied training offerings for individuals utilizing ITAs via the public workforce system (greater consumer choice).

More training providers may lead to lower cost and more robust demand-driven training options.

Greater utilization of the ETPL by individuals pursuing training in South Carolina related to jobs that are in-demand by employers now and in the future.

Stronger partnerships and relationships between training providers and the public workforce system.

Time to build on and utilize those stronger relationships to find a data collection and performance solution that is equitable and effective for all partner and provider needs.

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver.

#### Individuals Impacted by the Waiver

Individuals who access training services in South Carolina via ITAs, DEW staff, AJCs, subcontracted service provider staff, and training providers will benefit from this waiver.

#### Monitoring and Implementation

Annual WIOA on-site reviews will include an evaluation of how waivers are impacting local programs to ensure programmatic goals and outcomes are being met.

#### Notice to Local Boards and Public Comment

State staff involved with the administration of the ETPL and performance reporting will periodically examine the appropriateness and the effectiveness of this waiver. This strategy ensures that the goals described above, as well as those outlined in the State's Unified Plan, are consistent with established objectives of the WIOA and federal and state regulations.

In accordance with the WIOA Regulations at 20 CFR 676.135, South Carolina 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. As such, the premise of South Carolina's waiver request is currently outlined in our Unified State Plan which is on our website and has been made public for comment.

A copy of this waiver request was provided to local workforce development boards and staff. Any timely comment received will be forwarded to the USDOL and included in the modification to the state's Unified Plan. Further, the impact of this waiver on the state's performance will be addressed in the state's WIOA Annual Report.