

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210



JUN 18 2009

The Honorable Donald L. Carcieri
Governor of Rhode Island
State Capitol
Providence, Rhode Island 02903

Dear Governor Carcieri:

As part of Rhode Island's request for an extension of the State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, the State requested an extension of its waivers of statutory and regulatory requirements under WIA (copy enclosed). We are pleased to be able to respond positively to your request to extend the State's waivers into Program Year (PY) 2009. This action is taken under the Secretary's authority at WIA section 189(i) to waive certain requirements of WIA title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act.

Unless otherwise specified, the Employment and Training Administration (ETA) temporarily approves the requested waivers for PY 2009, until such time as ETA provides notice of our determination upon review of the State Plan modification required to be submitted by June 30, 2009, under Training and Employment Guidance Letter (TEGL) No. 14-08 to address changes in economic conditions and the utilization of funds provided by the American Recovery and Reinvestment Act of 2009. As outlined in TEGL No. 14-08, states seeking approval of their waivers for the remainder of PY 2009 must submit a waiver plan for each waiver as part of the State Plan modification. Upon approval of the modified PY 2009 State Plan, the waivers approved with the modified Plan will take effect and the waivers extended in this letter will terminate.

The State also submitted a request for a new waiver (copy enclosed). The State's request for a new waiver is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c). The disposition of the State's submission of a new waiver request is outlined below.

Extension of Waivers

Requested Waiver: Extension of the waiver to permit the use of Individual Training Accounts for older and out-of-school youth program participants.

The State is requesting an extension of the waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older and out-of-school youth program participants. The State is granted an extension of this waiver through June 30,

2010. Under this waiver, the State can use ITAs for older and out-of-school youth program participants. The State should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

Requested Waiver: Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The State is requesting an extension of the waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530. The State is granted an extension of this waiver through June 30, 2010. Under the waiver, the State is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the State to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

Requested Waiver: Extension of the waiver of the State workforce investment board membership requirements at WIA Section 111(b).

The State wishes to continue operating with streamlined State workforce investment board. The State is granted a waiver extension of the State board membership requirements at WIA Section 111(b). The State is granted an extension of this waiver into PY 2009. The State will continue to meet the requirement for a business majority and a business chairperson, described in WIA Sections 111(b)(3) and 111(c), respectively.

Requested Waiver: Waiver of the requirement at WIA Section 123 that providers of youth program elements be selected on a competitive basis.

The State is requesting an extension of the waiver of the requirement to competitively select providers of all 10 youth program elements. The State is granted an extension for this waiver into PY 2009. The waiver allows for the direct provision of these services by One Stop Career Centers or partner agencies. The state will apply the waiver to local areas on a case-by-case basis and monitor the use of the waiver. In utilizing this waiver, the State and local areas must still meet Office of Management and Budget requirements (codified in 29 CFR Parts 95.40-95.48 and 97.36) and all state and local procurement laws and policies.

To take advantage of the waiver, a local area must continue to document that there are no viable youth providers or that all current providers are underperforming. This condition applies to all of the youth program elements, except follow-up and supportive services. Because follow-up and supportive services are similar to WIA youth framework services, the waiver permits local areas to provide these services directly without meeting this condition.

New Waiver Request

Requested Waiver: Waiver of the required 50 percent employer match for customized training at WIA Section 101(8)(C).

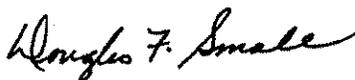
The State is requesting a waiver of the required 50 percent employer match for customized training to permit the use of a sliding scale for the employer match based on the size of the business. The State is granted this waiver through June 30, 2010. Under the waiver, the following sliding scale is permitted: 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 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent match) continue to apply. Rhode Island may use a scale such as described in the State's waiver plan that considers multiple characteristics of the customized training program in setting the level of employer match, so long as the scale utilized is consistent with the sliding scale described above.

ETA is increasing the size of the business that qualifies for a lower match under the waiver, from 100 employees to 250 employees, given the current state of the economy and the recognition that customized training may be an important strategy for economic recovery. At the end of PY 2009, ETA will reassess the appropriate business size that qualifies for a lower match under the waiver.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, we encourage the State to address the impact this waiver has had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions, please do not hesitate to call me at (202) 693-2700, or contact your State's Federal Project Officer in the Regional Office.

Sincerely,



Douglas F. Small
Deputy Assistant Secretary

Enclosure

cc: Bert Camarata, Federal Project Officer for Rhode Island, ETA Boston Regional Office



State of Rhode Island and Providence Plantations

State House
Providence, Rhode Island 02903-1196
401-222-2080

Donald L. Carcieri
Governor

April 13, 2009

Division of Workforce System Support
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, NW, Room S-4231
Washington, DC 20210
ATTN: Janet Sten

Dear Ms. Sten:

Rhode Island's Strategic State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act will expire on June 30, 2009. In accordance with Training and Employment Guidance Letter (TEGL) No. 14-08, Rhode Island is requesting that the U.S. Department of Labor extend the life of the existing Rhode Island WIA/Wagner-Peyser Act State Plan into PY 2009.

As indicated in TEGL No. 14-08, states have the option of continuing to use the goals negotiated for PY 2008 or negotiate new goals for PY 2009. Rhode Island has considered the current and anticipated economic climate as well as prior performance outcomes and has enclosed its proposed levels of performance for PY 2009. Additionally, in accordance with TEGL No. 7-08 issued December 11, 2008 and reiterated in TEGL No. 14-08, Rhode Island is requesting our current waivers be extended. An abbreviated summary of each waiver is enclosed.

Also enclosed is a new customized training waiver request that adheres to the format identified in WIA Section 189(i)(4)(B) and WIA Final Regulations at 20 CFR Section 661.420(c). This new waiver uses a cost benefit ratio rating scale to determine the percentage of employer match for customized training rather than have the match be based solely on the size of the company. Through this approach, the employer match would range from a minimum of 10% to a maximum of 50% and would be determined by assigning numeric values to a set of characteristics (e.g., hiring commitments based on company size, hourly wage at employment, and the length of training). This would take into consideration not only company size, but other factors that demonstrate a firm's commitment to developing their workforce. It is anticipated this will achieve increased participation in customized training programs by Rhode Island's smaller companies in particular.

Ms. Janet Sten
April 13, 2009
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The WIA regulations at 20 CFR 661.230(d) provide that modifications to the State Plan are subject to the same public review and comment requirements that apply to the development of the original plan. Therefore, the State Plan and associated documents were made available for public comment and review beginning on February 4, 2009 and concluded one day after the public hearing held on March 5, 2009.

If you need additional information or have any questions, please contact Sandra Powell, Director of the RI Department of Labor & Training and WIA Liaison at 401-462-8875 or spowell@dltr.ri.gov.

Sincerely,



Donald L. Carcieri
Governor

Enclosures

Cc: Holly O'Brien
Acting Regional Administrator

**RHODE ISLAND'S ABBREVIATED
WAIVER REQUESTS FOR PY09**

For the one-year extension of the WIA State Plan through June 30, 2010, Rhode Island is also requesting an extension of the waivers previously granted. In accordance with TEGL 7-08, those waivers are summarized below along with a brief rationale for the extension including performance outcomes achieved by the implementation of the waiver.

Waiver #1: To permit the use of Individual Training Accounts (ITAs) for older and out of school youth program participants.

Rationale: This waiver allows for the appropriate use of ITAs for youth participants, based on a valid needs assessment of interest, skills and aptitudes.

Performance Outcomes: This waiver has resulted in more flexibility for local boards in delivering services based on the individual needs of participants as intended under WIA. It has also increased the opportunity for youth to receive credentials.

Waiver #2: To extend the period of initial eligibility for training providers on the State's Eligible Training Provider List.

Rationale: This waiver allows for training providers to participate in the program without having to release information that may impinge on the privacy of their students.

Performance Outcomes: This waiver has resulted in increased customer choice. The number of programs currently on the list is more than double the number in PY04.

Waiver #3: To waive the membership requirements of the State Workforce Investment Board.

Rationale: This waiver allows for the state to continue operating with a streamlined State Workforce Investment Board. The SWIB is composed of the thirteen (13) members of the Human Resource Investment Council plus four (4) additional members appointed by the Governor. It does meet the WIA requirement for a business majority and a business chairperson.

Performance Outcomes: This waiver has resulted in an active, influential and involved board due to its smaller size.

Waiver #4: To waive the required 50 percent employer match for customized training to permit a match based on a sliding scale.

Rationale: This waiver allows for a sliding scale reimbursement to encourage employers to participate in this WIA activity since the 50% match had historically been a deterrent.

Performance Outcomes: This program has been redesigned and will be re-deployed shortly. The anticipated performance outcome is greater employer participation and satisfaction.

Waiver #5: To waive the requirement to competitively select providers of the ten youth program elements.

Rationale: This waiver ensures the availability of all youth program elements despite a limited pool of willing providers. It also reduces the expense and the administrative burden.

Performance Outcomes: This waiver has generated a much larger pool of leveraged funds which, in turn, has driven down the cost of providing the WIA services allowing more youth to be served.

**State of Rhode Island
Workforce Investment Act
Waiver Request
CUSTOMIZED TRAINING:
50% OF COST OF TRAINING EMPLOYER MATCH**

The Rhode Island Department of Labor and Training, the state operational entity for the Workforce Investment Act (WIA), is requesting a waiver to change the required 50% employer match to a match based on a sliding scale. Through this approach, the employer match would range from a minimum of 10% to a maximum of 50%. The match would be based on a particular business or industry's cost/benefit ratio of contributing to a match amount to receive skilled employees and the transferability of skills to be attained by the proposed employees.

This waiver request adheres to the format identified in WIA Section 189(i)(4)(B) and WIA Final Regulations at 20 CFR Section 661.420(c).

1. Statutory Requirements to be Waived:

WIA Section 101(8) and WIA Final Regulations at 20 CFR Section 663.715 defines customized training and requires employers to pay not less than 50% of the cost of training.

2. Goals of the Waiver and Expected Programmatic Outcomes:

Customized training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers. However, the current 50% percent employer match requirement limits the ability to market customized training programs to local employers. Local employers too often conclude that the 50% match requirement creates costs that outweigh the benefits of participating in a WIA customized training program.

The proposed sliding scale for the employer match will create the necessary flexibility for employers to provide the required match at a rate that more appropriately represents a particular business' or industry's cost benefit ratio of contributing to a match amount to receive skilled employees. Allowing businesses and industries to apply the sliding scale to determine the match amount will increase employer participation in WIA customized training programs at the local level. The sliding scale will answer employers' primary reason for not participating in the customized training. Boards will increase their participation rates for skilled job seekers that received training and found employment. Employers will benefit by having a labor pool with the marketable skills they require.

Proposed Employer Match Sliding Scale:

The proposed employer match sliding scale, which is attached, will range from 10 to 50 percent, based on the following characteristics of the customized training program:

- the number of employees to be hired;
- the company size;
- the hourly wage at employment and
- the length of the training

The State Workforce Investment Board is committed to ensuring that participants in customized training programs acquire skills to meet workplace requirements for long term employment and work toward sustaining employment in high-skill, high wage occupational areas. Therefore, it was decided through discussions with state and local board members and staff to determine the percentage of the match by assigning values to characteristics of the training plan (rather than basing it solely on the size of the company). In this way, the State would be better positioned to reach the goal of training workers in high growth / high demand jobs and encourage employers to provide longer term training resulting in higher paying jobs, even in this period of extremely high unemployment and financial uncertainty.

3. State Statutory Barriers:

There are no existing state statutory or regulatory barriers to implementation of this waiver request.

4. Description of the Individuals Impacted by the Waiver:

The waiver will positively affect all of the State's WIA customers, employers and job seekers.

5. Description of the Process to Monitor Waiver Progress:

The State Workforce Investment Office of the Rhode Department of Labor and Training will monitor customized training programs as part of its annual WIA local program monitoring. The State will also evaluate the LWIB's monitoring process as part of each local area's sub-recipient contract monitoring responsibilities.

6. Opportunity to Comment on the Waiver Request:

This request was developed at the request of local areas. As with all major workforce policies and procedures, the State has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request. This waiver request will be published on the State Workforce Investment Office (SWIO) Website at <http://www.DLT.RI.Gov/WIO>. A copy of the waiver request will be sent directly to local area boards.

7. Public Comment on the Waiver Request:

As noted in item six above, we will publish the waiver request at <http://www.DLT.RI.Gov/WIO> which is the State web site. Copies of this waiver request will be forwarded to the local workforce areas.

**Customized Training Program
Company Cost Benefit Ratio Rating Scale**

Program Elements:	Rating Scores / Qualifiers			Totals
	3	2	1	
Number of Commitment to Hire: (based on company size)	21% or more	11-20%	Up to 10%	
*Company Size: (# of employees in RI)	Up to 25 employees	26 to 100 employees	More than 100 employees	
Hourly Wage at Employment:	Over \$11.10 Plus employer-supported Health Care Benefits	\$7.40 hr - 11.10 Plus employer-supported Health Care Benefits	\$7.40 hr - 11.10 (100%-150% of minimum wage)	
Length of Training:	More than 100 hours	61-100 hours	60 hours or less	
Total Score:				

Match Requirement Table:

Total Score	Match Requirement
11-12	10%
9-10	20%
7-8	30%
5-6	40%
4	50%

***Company Size for Customized Training Programs with a Consortium of Companies:**
 To encourage partnerships among employers with common employment needs, Customized Training programs developed with a consortium of companies (two or more participating companies) will receive a rating score of 3 (three) for the Company Size element.