


<b>Department of Community Colleges and Workforce Development</b>	Number: 589-30.10
	Effective Date: 04/03/08
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SUBJECT: Workforce Investment Act Title IB Waiver Request Approval	Approved: 

**Purpose:** Procedure for requesting any of the three Workforce Investment Act (WIA) Title IB waivers listed below, approved by the US Department of Labor (USDOL) January 31, 2008 through June 2009.

**References:** Department of Labor, Waiver Approval Letter, January 31, 2008  
WIA Section 189  
WIA Section 134(a) (3)(A)(iv)(I)  
WIA Section 129(c)(1)(A)  
20 CFR 664.510  
WIA Section 181(e)  
TEGL 13-07

**Policy:** Under the authority granted at Section 189 of the WIA, and approval from the USDOL, the following three waivers can be requested from the Department of Community Colleges and Workforce Development and approved by the Commissioner. Involvement in the waiver project is open to all Local Workforce Investment Boards and is voluntary. To participate the following requirements must be met:

- 1. WIA Section 134(a)(3) limits the provision of incumbent worker training to the 15% Statewide Activities fund. This waiver permits LWIBs to use up to 50% of their adult and dislocated worker funds to conduct incumbent worker training.**

Upon approval of the waiver request, the State is delegating authority to the LWIB to use the portion of formula funds for incumbent worker training programs under the provision of the 15% Statewide Activities.

Incumbent workers must be currently employed and be referred to training by their employer. Incumbent workers who receive training paid with funds designated under this waiver authority are not required to meet the WIA adult, dislocated worker, or youth eligibility criteria.

#### Waiver Approval Requirements

LWIBs choosing to apply for the use of the waiver must submit a request to CCWD to modify their Local Unifying Plan and Contract. The provided Attachment C-Waiver must be approved by the LWIB. LWIB approval must document, with meeting minutes, where at least one labor board representative was present to approve the shift in funds. The modification request must be approved by the Commissioner of CCWD.

#### Financial Reporting Requirements

The Federal Reporting Requirements (FSRs) remain unchanged under this waiver. Separate fund/cost centers must be created as subsets of the currently reported cost categories which track and report obligations and expenditures. Projects must be reported quarterly using the guidelines and instructions found in the procedures section of this policy using the special project identifier provided.

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Allowable costs must be reasonable and necessary for the allowable activities.  
Allowable costs include:

- Curriculum development
- Tuition and school fees
- Books
- Training materials and supplies
- Pre and post testing
- Vocational Counseling
- In-house (i.e., employee of the firm) instructor costs
- Vendor/contractor trainer costs
- Travel expenses of trainers and trainees
- Training facility costs (off-site)
- Training facility costs (on-site)
- Cost for the use of firm's equipment during training
- Fees for technical or professional certifications
- Refresher courses for occupational certifications.

Prohibited costs include wages of trainees while in training, fringe benefits of trainees while in training, and equipment purchases. Although not prohibited, costs associated with supportive services are discouraged. Generally, since incumbent workers are employed, the need for supportive services underwritten with funds from this waiver authority is expected to be minimal.

#### Participant Reporting

Participant information must be reported using the Workforce Investment Act Standardized Record Data (WIASRD) requirements and using the special project identifier. Specific data elements that must be tracked include:

- 100 unique participant identifier
- 103 zip code of residence
- 106 date of birth
- 107 gender
- 108 disability
- 109 category of disability
- 110 ethnicity
- 111 -115 race
- 116 veteran
- 121 employment status at participation
- 309 individuals served with statewide incumbent worker funds
- 433 date entered training
- 434 type of training
- 436 training completed
- 437 date completed training
- 613 -619 wage record information
- 620 type of recognized credential

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No hard copy participant files are necessary for state monitoring purposes. The state will review back-up documents to determine that expenditures were appropriate and the performance outcomes achieved.

**Procedure:**      Waiver Request

Before implementation of the waiver authority, LWIBs must obtain written approval from CCWD. The LWIB must forward a local plan modification and include the following information for review and approval by CCWD:

- a. A narrative discussion of the industry sector(s) that will be targeted for incumbent worker training.
- b. Identification of any projects that will use this authority for incumbent worker training projects.
- c. Description of the services to be provided.
- d. The percentage and amounts (up to 50%) of adult and dislocated worker formula allocations that will be re-designated as incumbent worker training program funds.
- e. Assurance that all WIA-required services will continue to be provided to adults and dislocated workers using the LWIBs formula allocation.
- f. Assurance that the LWIB will continue to meet its performance and expenditure benchmarks for adults and dislocated worker formula allocations.
- g. Assurances that any projects are in compliance with all federal and state policies.
- h. Proposals must include:
  - Number of program participants to be served and a revised Attachment C-Waiver specific to the “Innovative Incumbent Worker Program (WIA Section 134(a)(3)(A)(iv)(I));
  - Number of program participants who complete training;
  - Type of training provided;
  - Duration of training provided;
  - Number of program participants who received a credential or certificate;
  - Program participant’s wage gain at completion of training and six months after completion; and
  - Number of participants whose job classification changed; or skills were upgraded.
- i. A copy of the LWIB meeting minutes which included labor representation.

Waiver Request Submission

A complete waiver request must be submitted to CCWD and include all supporting documentation. CCWD will review the modification request and, when appropriate, approve and process the modification to the Local Unifying Plan and Contract.

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**2. Title 20 CFR 664.510 prohibits the use of Individual Training Accounts (ITAs) for youth unless they are found eligible for and co-enrolled in either the adult or dislocated worker program.**

To receive an ITA, if assessment determines an ITA to be the appropriate strategy, older youth would no longer be required to be eligible for and co-enrolled with adult or dislocated worker programs. The cost of the older youth services may be charged to the youth program.

Only training programs listed on the Eligible Training Provider list may be selected for these ITA's.

An older youth is an eligible youth, age 19 through 21. For purposes of this waiver, the older youth must have a secondary school diploma or its equivalent, or be unemployed or underemployed.

In Oregon, an Individual Training Account (ITA) is defined as training costs paid with WIA Title I B funds and should be recorded as such in the Management Information System (MIS).

**Procedure:** Waiver Request

Before implementation of the waiver authority, LWIBs must obtain written approval from CCWD. The LWIB must forward a local plan modification and include the following information for review and approval by CCWD:

1. Letter of support from your Local Workforce Investment Board endorse by your youth council;
2. Number of youth planned to be served (Attachment C – Waiver);
3. Assure that using ITAs will be based upon the development of an objective assessment and individual service plan as outlined in WIA Section 129)(c)(1)(A).
4. Assurance that the youth has been sufficiently assessed and not deficient in basic skills, and prepared for a successful ITA.

Note: At the end of the Program Year, you are required to report the outcomes specific to youth who received the ITA. During the State monitoring visit, the State will select youth ITA files for review to ensure there are appropriate levels of assessment documentation in the files to justify the use of ITAs for youth.

Waiver Request Submission

A complete waiver request must be submitted to CCWD and include all supporting documentation. CCWD will review the modification request, and when appropriate, approve and process the modification to the Local Unifying Plan and Contract.

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**3. WIA Section 181(e) of the WIA, Limitation on use of funds – prohibits the use of WIA Title I funds for “economic development” activities. These funds may not be used to support activities such as infrastructure development or business financing.**

The LWIB must assure that funds are used only for economic development activities that have a direct tie to workforce development and human capital solutions, such as work related to identifying skill requirements of business and developing industry-recognized competency models. Allowable activities include, but are not limited to:

- identifying skill requirements of business;
- developing industry-recognized competency models; and
- developing joint innovation strategies.

A waiver is not needed to conduct additional activities allowable under the Act. Please refer to the Training and Employment Guidance Letter (TEGL) 13-07, issued December 11, 2007 for detailed guidance on the interpretation of sections of the WIA related to the use of funds for workforce development activities in support of economic development.