



OCT 29 2007

The Honorable Mike Beebe
Governor of Arkansas
State Capitol
Room 250
Little Rock, Arkansas 72201

Dear Governor Beebe:

It is with pleasure that I respond to the State of Arkansas' request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2007, through June 30, 2009, the State submitted eleven waiver requests. The requests are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appear to meet the standard for approval at 20 CFR 661.420(e), with the exception of four requests. The following is the disposition of the State's waiver submission (copy enclosed).

Requested Waiver 1: Extension of the waiver to permit the use of Individual Training Accounts (ITAs) for older and out-of-school youth program participants.

We are granting an extension of the waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510, through June 30, 2009. The State should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

Requested Waiver 2: Extension of the waiver to extend the time period of initial eligibility at 20 CFR 663.350.

The State indicates that a waiver extension is needed to retain approved eligible providers and provide quality customer choice for individuals seeking training. We are granting an extension of the waiver through June 30, 2009. Under this waiver, the State will be able to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

Requested Waiver 3: Extension of the waiver of the funds transfer limitation at WIA Section 133(b)(4).

The request for funds transferability is consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act – the consolidation of the WIA Adult, WIA Dislocated Worker, and Wagner-Peyser Act (Employment Service) funding streams. The State is granted a waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2009. The waiver allows the State to approve local area requests to transfer up to 40 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

Requested Waiver 4: Extension of the waiver to permit the use of up to 10 percent of local formula funds for adults and dislocated workers for incumbent worker training.

We are approving an extension of the waiver of the language at WIA Section 134(b) that limits the authority to provide the activities identified in WIA Section 134 to the State. This waiver permits local areas to request the use of up to 10 percent of local area WIA Adult and Dislocated Worker formula funds to provide incumbent worker training. These funds must be tracked by funding stream. Further, the State is required to report performance outcomes for any incumbent workers served under this waiver in the Workforce Investment Act Standardized Record Data (WIASRD).

Requested Waiver 5: Extension of the waiver of the requirement that local programs provide each of the ten youth program elements at WIA section 129(c)(2) as options available to youth participants.

The State is requesting an extension of its approved waiver. The waiver allows local areas the flexibility to provide those program elements that are essential to skill development and educational strategies needed to prepare the neediest youth to enter the knowledge-based economy. The waiver extension is approved through June 30, 2009.

Requested Waiver 6: Extension of the waiver of 20 CFR 664.450(b) under WIA section 129(c)(2)(I) that requires all youth participants to receive some form of follow-up services for a minimum duration of 12 months.

This waiver was initially granted in response to the 2005 hurricanes. Additional information is needed to determine if the request meets the standard for approval at 20 CFR 661.420(e). ETA's Dallas Regional Office is working with your State workforce agency staff to get clarification on the continuing need for this waiver. Once we receive this information, we will review the request using the established waiver procedures and respond to the State accordingly.

Requested Waiver 7: Extension of the waiver to permit the State to exclude individuals affected by the 2005 hurricanes from the calculation of performance measures under certain conditions.

This waiver was initially granted in response to the 2005 hurricanes. Additional information is needed to determine if the request meets the standard for approval at 20 CFR 661.420(e). ETA's Dallas Regional Office is working with your State workforce agency staff to get clarification on the continuing need for this waiver. Once we receive this information, we will review the request using the established waiver procedures and respond to the State accordingly.

Requested Waiver 8: Extension of the waiver of the required 50 percent employer match for customized training.

We are approving an extension of the waiver of the required 50 percent employer match for customized training at WIA Section 101(8)(C) to permit a match based on a sliding scale, through June 30, 2009. 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 51-100 employees. For employers with more than 100 employees, the current statutory requirements continue to apply.

Requested Waiver 9: Extension of the waiver of the requirement at WIA Section 123 that eligible providers of youth activities be identified on a competitive basis.

This waiver was initially granted in response to the 2005 hurricanes. Additional information is needed to determine if the request meets the standard for approval at 20 CFR 661.420(e). ETA's Dallas Regional Office is working with your State workforce agency staff to get clarification on the continuing need for this waiver. Once we receive this information, we will review the request using the established waiver procedures and respond to the State accordingly.

Requested Waiver 10: Extension of the waiver to permit local areas to request the use of up to 100 percent of local area formula allocation funds to provide statewide activities to hurricane-affected individuals.

This waiver was initially granted in response to the 2005 hurricanes. Additional information is needed to determine that the request meets the standard for approval at 20 CFR 661.420(e). ETA's Dallas Regional Office is working with your State workforce agency staff to get clarification on the continuing need for this waiver. Once we receive this information, we will review the request using the established waiver procedures and respond to the State accordingly.

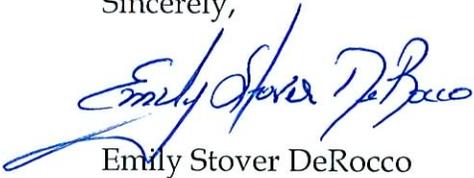
Requested Waiver 11: Waiver of WIA Section 101(31)(B) to permit the State to reimburse the employer for the costs of providing on-the-job training on a graduated scale based on the size of the business.

We are granting an extension of the waiver of WIA Section 101(31)(B) to permit the State to reimburse the employer on a graduated scale based on the size of the business. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with more than 50 but fewer than 100 employees. For employers with 100 or more employees, the current statutory requirements will continue to apply. The waiver is granted through June 30, 2009.

The granted waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and constitute a modification of the State's approved Strategic Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved Strategic Plan.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in blue ink that reads "Emily Stover DeRocco". The signature is fluid and cursive, with a long horizontal stroke at the end.

Emily Stover DeRocco

Enclosure