

STATE OF COLORADO WAIVER PLAN
FOR WORKFORCE INVESTMENT ACT PROGRAMS
Revised January 2013

The Colorado Department of Labor and Employment (CDLE), the state administrative entity for the Workforce Investment Act (WIA), is submitting one new waiver, plus requesting the extension of 9 current waivers of the legal requirements under the Workforce Investment Act. This waiver plan addresses the requirements of TEGL 26-09 (WIA Waiver Policy and Waiver Decisions for PY2009 and 2010) and TEGL 9-11 (Revised FY12 Funding Levels and Clarification of the Level of the Governor's Reserve), with new and extended waivers intended for implementation through June 30, 2013.

Should the waiver requests be granted, CDLE will be able to ensure the timely and effective implementation and expenditure of all grant funds in support of individuals and business during this period of slowed economic recovery. This will also provide greater flexibility and encourage increased innovation to drive system transformation through regional sector strategies that create talent pipelines to meet business needs.

This waiver request follows the format identified in WIA Section 189(i)(4)(B) (29 USCA Section 2939(i)(4)(B)) and WIA Final Regulations at 20 CFR Section 661.420(c).

A. REQUEST FOR APPROVAL OF ONE NEW WAIVER FOR PY12

Workforce Investment Act Waiver Request Template

Required Statewide Activities

Date: Revised January 16, 2013

State: Colorado

Agency: Colorado Department of Labor and Employment

Statutory and/or regulatory requirements to be waived

- Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) requiring the conduct of evaluations of workforce investment activities for adults, dislocated workers, and youth.
- Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.
- Waiver of 20 CFR 665.200(b)(3) requiring dissemination of training provider performance and cost information.

Actions undertaken to remove state or local barriers

There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

The reduction to five percent in the WIA allotment for Program Year 2011 and PY2012 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of evaluations, incentive grants to local areas, and dissemination of training provider performance and cost information. The state's reduced funds are being used to cover the following required activities:

1. operating fiscal and management accountability information systems (WIA Section 134(a)(2)(B)(vi) and 20 C.F.R. 665.200(b)(1)),
2. submitting required reports (WIA Section 136(f)),
3. disseminating the list of eligible training providers for adults and dislocated workers (WIA Section 134(a)(2)(B)(i) and 20 C.F.R. 665.200 (b)(1)), and youth activities (20 C.F.R. 665.200(b)(4)),
4. providing technical assistance to poor performing local areas (WIA Section 134(a)(2)(B)(iv) and 20 C.F.R 665.200(f)), and
5. assisting in the establishment and operation of one-stop delivery systems described in subsection (c). (WIA Section 134(a)(2)(B)(v), and 20 C.F.R 665.200(g-h))

Our goals in seeking this waiver are to ensure that

- the state may prioritize the use of Governor’s Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system
- the system continues to meet or exceed the Common Measures performance outcomes through maximization of the reduced resources
- fiscal and program integrity are maintained through utilization of the remaining Governor’s Reserve to support the five required activities listed above

Financial Analysis

The five required statewide activities are listed above in order of priority for use of the Governor’s Reserve funds. The costs of these activities are being covered by the WIA 5% set aside, cost savings being achieved through technology solutions such as Smart Forms and Adobe Connect meetings, plus reduction in staff costs as a result of not back filling vacancies. These strategies are sufficient to allow coverage of the five required activities, but not the three being waived (evaluations, performance incentive grants, and dissemination of ETPL performance and cost data). The waived activities would require approximately \$1.06 million of additional funds, formerly charged to the WIA 10% set aside that are no longer available. Elimination of the waived activities would have little to no impact on current workforce system services to WIA participants. Rather, impacts are expected to the ability of the state’s workforce system to develop new and innovative service strategies and evaluate their effectiveness.

PY2012 Governor’s Set Aside 5%	\$1,944,024
Amount of Carry Over Funds from Prior Years	\$ 249,853
Total Available	\$2,193,877
Estimated Cost of All Required Activities and State Admin Functions	\$3,082,227
Estimated Costs of Discretionary Activities	\$ 177,933
Total Estimated Costs	\$3,260,160
Shortfall to cover all PY 2012 Required Activities	\$1,066,283
Estimated cost of each waiver activity:	
1. Evaluations	\$ 125,000
2. Performance Incentive Grants	\$ 861,283
3. ETPL Performance/Cost Information	\$ 80,000

Individuals impacted by the waiver

This waiver will provide the state agency with more flexibility in directing the Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system. This will ensure that all customers and target groups will continue to receive quality services (e.g. there will be no direct impacts to WIA participant services) and encourage the state's training providers to continue usage of the Eligible Training Provider List.

Process for monitoring progress in implementation

The State will monitor progress and ensure accountability for Federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system currently in place.

Notice to Affected Local Boards and Public Comment

The waiver, along with the state plan, will be reviewed by the Colorado Workforce Development Council. Then it will be published for a period of 30 days on the public web sites maintained by the Colorado Department of Labor and Employment and the Colorado Workforce Development Council, allowing for public comment on its content and potential impact. In addition, a copy of the waiver will be available for public inspection at CDLE offices, and electronic copies of the waiver will be sent via e-mail to local Boards and workforce centers. Comments received will be provided with submission of the state and waiver plans.

United States Department of Labor, Employment and Training Administration
WIA/W-P Waiver Request Form
Last updated 8-19-2011
OMB Number 1205-0398

B. WAIVERS APPROVED DECEMBER 2012 FOR PY12 THROUGH PY16

1. Use of Dislocated Worker 25% Funds for Incumbent Worker Training

Statutory Provisions to be Waiver: Section 134(a)(2) that directs states to use Dislocated Worker 25% funds for rapid response activities and additional assistance to local regions needing to address mass layoffs or plant closures

This waiver would allow the state to use up to 20% of Dislocated Worker 25% funds for incumbent worker training as part of layoff aversion strategies, per Section 134(a)(3) of the Act. All training under this waiver would be restricted to skill attainment activities, with reporting of performance outcomes in the WIASRD for any incumbent workers served as a result of the waiver. Under 20 CFR 665.220, the State has developed a policy for Rapid Response incumbent worker training that establishes general guidelines for:

- Worker eligibility for incumbent worker training
- Criteria for identifying how the potential for layoff aversion and the eligible employers would be determined
- Requirements for determining how, besides averting layoff, the skills attained contribute either to the maintenance of employment or increase in employment security for workers

With the extension of the waiver, the state may provide 20% of the Dislocated Worker 25% funds to local regions to establish incumbent worker-layoff aversion initiatives that complement their local sectors-based training strategies. Regions will be tasked with establishing local policies that address the bulleted items above, and will be allowed to customize and more narrowly define the guidelines to meet the needs of local industry sectors or clusters. Once local policies are approved and in place, regions will submit plans for use of the funds, which will be required to contain locally determined performance goals for the Common Measures retention and average wage measures. In addition, the plans will contain training completion goals and goals that demonstrate employer outcomes such as increased productivity or revenue potential. Information obtained from the layoff aversion initiatives will be collected for potential submission of best practices that can be shared with other states through the e-colorado.org knowledge management portal and USDOL's Workforce 3One website.

The activities described above have a direct relationship to the Overarching State Strategies, excerpted below from the PY11 State Plan. In particular, the activities support sectors strategies and an increase in training opportunities, both addressing the needs of workers impacted by the economic downturn. These strategies have been incorporated in the Governor Hickenlooper's Colorado Blueprint and the current Colorado Workforce Development Council strategic plan.

Overarching State Strategies

Question V.B. What strategies are in place to address the national strategic direction discussed in [Section 4] of this guidance, the Governor's priorities, and the workforce development issues identified through the analysis of the State's economy and labor market? (§112(b)(4)(D) and 112(a).)

- *How adults and dislocated workers, including low-income adults, who need to acquire new skills will have increased access to education and training opportunities.*

One of the Governor’s priorities is to ensure that Colorado has expanded access to education and training opportunities that will address the needs of workers impacted by the economic downturn, and expand talent development for business sectors that will need skilled workers as the economy recovers.

- *How the state will address a dual-customer approach, meeting the skill needs of existing and emerging employers and high-growth occupations as well as the needs of under-skilled adults;*

Colorado has taken the next step in implementing its long term sector strategy approach to system transformation by extending and awarding new statewide sector grants to focus the workforce regions on the key industries that drive their local and regional economies and provide the spark for increasing economic vitality. The LWIBs will convene local decision makers and respond to the legitimate recruitment and retention issues of these industries. Successful completion of sector planning activities will result in implementation grants that are expected to focus on Career Pathways strategies aligned with those of the Colorado Community College System, and designed to address the skill upgrade needs of low-skilled adults. Sectors-based strategies serve as the platform for all discretionary initiatives funded by the Colorado Workforce Development Council, as well as those that will be funded with Dislocated Worker 25% dollars.

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved by the Waiver:

- Increase the development of program strategies that reflect the USDOL goal of system innovation
- Assist the business community with the avoidance of down-sizing and business closures
- Increase worker skill attainment to impact potential business expansion. This would allow the “creation” of new jobs through promotions, resulting in open positions that could be filled by entry level job seekers.

Individuals Impacted by the Waiver:

- Incumbent workers in danger of layoff, who are in need of skills upgrade training
- Businesses that need assistance to avoid worker layoffs and possible facility closures
- Local boards that need greater flexibility to promote transformation of the system through innovative program models

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado's network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide databases. Should this waiver request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

Specifically, Colorado has issued Program Guidance Letter #11-06-WIA: WIA Waiver Policy that contains the following waiver oversight process:

E. Waiver Monitoring and Accountability:

In TEGE 26-09, USDOL stated its intent to enhance its oversight and monitoring of waivers to determine what impacts waivers have on performance outcomes, gain insight into how states are using waivers, and to ensure that the integrity of the waiver guidelines are maintained. To address the same areas, CDLE will be adding the monitoring of waivers to its quarterly and annual monitoring processes in order to track how waivers have changed the activities of the local areas and directly or indirectly affected local area performance, and to insure compliance with waiver guidelines. CDLE will utilize the following mechanisms to track and monitor the use of waivers in each region:

- Local annual plans that include narratives on intended usage of waivers
- Expenditure Authorizations for WIA and Wagner-Peyser formula programs that issue funding related to waivers and contain specific waiver plans and performance goals
- Local policies related to waivers
- Quarterly reports for waiver-related projects and initiatives
- Activity and performance/common measures reports

Process for Notice of Local Boards and Opportunity to Comment: The waiver, along with the state plan, will be reviewed by the Colorado Workforce Development Council in late July, 2012. Then it will be published for a period of 30 days from August 10 to September 10, 2012, on the public web sites maintained by the Colorado Department of Labor and Employment and the Colorado Workforce Development Council, allowing for public comment on its content and potential impact. In addition, a copy of the waiver will be available for public inspection at CDLE offices, and electronic copies of the waiver will be sent via e-mail to local Boards and workforce centers. Comments received will be provided with submission of the state and waiver plans in September 2012.

2. Replacement of WIA Performance Measures with the Common Measures Waiver

Statutory Provisions to be Waived: Section 136(b), which defines the current WIA Title I performance measures.

This waiver allows the State to replace the existing 17 measures (15 core and 2 customer satisfaction) with the Common Measures delineated in TEG 17-05. Beginning with Program Year 2006, the State of Colorado has operated under the nine (9) common measures: Adult Entered Employment, Adult Retention, Adult Average Earnings, Dislocated Worker Entered Employment, Dislocated Worker Retention, Dislocated Worker Average Earnings, Youth Placement in Employment or Education, Youth Attainment of a Degree or Certificate, and Youth Literacy and Numeracy Gains.

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended as appropriate to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved by the Waiver:

- Provides for a simplified and streamlined measurement system, which is not only more cost effective, but is more transparent to our business partners and service providers.
- Provides for making the system more demand-driven, governed by business-led workforce investment boards. The existing 17 measures are difficult for staff to manage and board members to understand and successfully monitor
- Provides for more integrated management of the Wagner-Peyser, Veterans, and Trade Act Programs, which have already gone to the Common Measures
- Will allow redirection of resources to increased training opportunities and regional workforce strategies by reducing paperwork and labor costs associated with duplicative performance data collection.

Individuals Impacted by the Waiver: This waiver will benefit local Boards, One-Stop Centers, employers, customers, and service providers. The following are expected to be additional impacts of the proposed waiver:

- Program participants will benefit because local Boards will have added flexibility and resources to design programs based on regional needs and priorities.
- Businesses will benefit from regional strategies and greater integration of programs

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado's network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide databases. Should this waiver

request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

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3. Waiver to Use Local Funds for Statewide Activities

Statutory Provisions to be Waived: Title I, Subtitle B, Chapter 45, §134(d) regarding use of funds for employment and training activities, as well as implementing regulations found at 20 CFR §663.145.

This waiver allows local workforce development boards (Boards) in Colorado to use funds allocated to them under WIA §§ 157, 158, 132 and 133 in the same manner and fashion as Statewide Activity funds under WIA §§ 159 and 134 and implementing regulations found at 20 CFR §667.130. These funds are known as Local Activity Funds. CDLE understands that in order to receive approval for extension of this waiver, the limit on the amount of funds that are set aside is not to exceed 20% of the Dislocated Worker funds allocated to each local region. In addition, CDLE is aware that should this waiver be extended:

- WIA eligibility and the Common Measures cannot be waived for any local funds set aside for statewide activities; and performance outcomes must be reported through the WIASRD
- No local formula adult or youth funds may be set aside
- All funds set aside for statewide activities must be used for incumbent worker training related to documented layoff aversion strategies
- All funds must be spent on skill attainment activities

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended as appropriate to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved

- Increase the development of program strategies that reflect the USDOL goal of system innovation and focus on the dual customer strategy
- Increase the development of strategies to assist the business community with avoidance of layoffs and business closures

Individuals Impacted by the Waiver

- Incumbent workers in danger of layoff, who are in need of skills upgrade training
- Businesses that need assistance to avoid worker layoffs and possible business closures
- Local boards that need greater flexibility to promote transformation of the system through innovative program models

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado's network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide databases. Should this waiver

request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

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4. Waiver of the Limitation on Transfer of Funds Between the Adult and Dislocated Worker Programs

Statutory Provisions to be Waived: WIA Section 133(b)(4) (29 USCA Section 2963(b)(4)) and WIA Final Regulations at 20 CFR Section 667.140, providing that with the approval of the governor, Local Workforce Investment Boards (LWIBs) may transfer up to 20% of a program year allocation for adult employment and training activities, and up to 20% of a program year allocation for dislocated worker employment and training activities between the two programs.

Colorado's original waiver request, to increase the 20% transfer limit to 40%, was further expanded to allow a 100% transfer of funds between the Adult and Dislocated Worker programs, provided the State continued to meet or exceed performance standards for both programs. CDLE is now operating under the waiver that does not allow the transfer to exceed **50%** of the local allocation for either the regular Adult or Dislocated Worker program, and is requesting extension of this waiver authority.

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended as appropriate to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved by the Waiver: The increased flexibility and control to transfer funds between the Adult and Dislocated Worker programs resulting from the current waiver, has allowed local regions to further customize service delivery, maximize use of limited funds, and redirect resources where demand for services is greatest. In particular, this waiver has allowed local regions the flexibility to serve a greater number of low income adults when the unemployment rate was low and layoffs were limited. Conversely, during the last 12 months, when the economic downturn has resulted in increased layoffs, the transfer authority has allowed regions to redirect resources to serve the increasing numbers of dislocated workers. As the current economic swings continue, such flexibility will be critical to the rapid deployment of strategies to address worker and employer needs. Should this waiver extension be granted, Colorado would expect the goals and outcomes described above to apply for the next program year and continue providing significant benefit to local and regional economies.

Individuals Impacted by the Waiver: This waiver will benefit local Boards, One-Stop Centers, employers, customers, and service providers. The following further describes impacts of the proposed waiver:

- Program participants will benefit because local Boards will have added flexibility to design programs based on local needs and priorities.
- More customers will have access to employment and training services that are part of Colorado's sector strategies initiative
- Employers will receive additional services to address their needs for a skilled workforce

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado's network of One-Stop centers. On a

monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide databases. Should this waiver request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

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5. Youth Program Element Procurement Waiver

Statutory Provisions to be Waived: WIA section 153 requirements to competitively select providers of youth program elements which applies to section 159(c)(2)(D),(G), and (I); and 20 CFR 664.410(a)(4), (7), and (9)

This waiver allows elimination of the competitive selection of providers for the following youth program elements:

- Paid and unpaid work experience, including internships and job shadowing
- Supportive services
- Follow-up services for not less than 12 months after the completion of participation

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended as appropriate to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved by the Waiver: The greater flexibility resulting from this waiver has allowed workforce centers to improve the continuity of services to youth, implement a more cost-effective and integrated service delivery system, and develop stronger ties with work experience/internship host agencies and employers. In the same manner, this waiver promoted the rapid implementation of the summer youth jobs and year round youth programs mandated by the American Recovery and Reinvestment Act of 2009. Extension of this waiver will allow Colorado to continue achieving efficiencies in the delivery of all youth services; keep the administrative costs of competitive procurement processes at a minimal level; and direct more funds to program activities that lead toward performance improvement.

Individuals Impacted by the Waiver

- Local boards needing to minimize administrative costs and redirect those funds to additional program activities that assist youth participants and lead to performance improvement
- Older, out-of-school, low-income and disconnected youth, who have demonstrated the need for additional youth program services
- Community organizations seeking to partner with workforce boards to meet the needs of disconnected youth populations that their current resources alone cannot address

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado's network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide databases. Should this waiver request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

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6. Waiver of Limits on Employer Match for Customized Training

Statutory Provisions to be Waived: WIA Section 101(8) (29 USCA Section 2801(8)), which defines customized training and requires employers to pay not less than 50% of the cost of training.

Colorado is proposing a sliding scale for employer match that will range from 0 to 50 percent, based on criteria developed by the State and local workforce regions and an assessment of a particular business' need for assistance with economic competitiveness in the current economic downturn. Allowing businesses and industry to apply a sliding scale to their match dollars will increase employer participation in WIA customized training and address the primary reason for their limited participation in customized training during this economic downturn. CDLE will issue policy guidance, with input from the local workforce investment regions, regarding implementation of the sliding scale, which will adhere to the principles of training workers in high-demand, higher skill, and higher wage occupations.

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended as appropriate to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved by This Waiver

- Maximize the flexibility needed to ensure speedy implementation of formula programs and discretionary grants
- Increase business usage of the workforce system
- Provide greater incentives for employers to retain and retrain current employees to avoid layoffs; and to create new jobs
- Create additional opportunities for unemployed and underemployed workers to speed their return to full-time employment
- Promote partnerships with training providers to create industry responsive training programs

Individuals Impacted by the Waiver

- Unemployed and underemployed workers who do not have transferrable or marketable skills
- Incumbent workers in danger of layoff due to business downtown or need for updated skill sets
- Businesses needing to retain current workers, and/or hire additional workers to sustain their productivity, who do not have the resources to do so
- Local boards needing greater flexibility for timely implementation of economic stimulus funding programs and initiatives
- Training providers needing additional resources to build capacity to respond to industry needs

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates

results for job seekers and employers accessing Colorado's network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide databases. Should this waiver request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

Specifically, Colorado has issued Program Guidance Letter #11-06-WIA: WIA Waiver Policy that contains the following waiver oversight process:

E. Waiver Monitoring and Accountability:

In TEGL 26-09, USDOL stated its intent to enhance its oversight and monitoring of waivers to determine what impacts waivers have on performance outcomes, gain insight into how states are using waivers, and to ensure that the integrity of the waiver guidelines are maintained. To address the same areas, CDLE will be adding the monitoring of waivers to its quarterly and annual monitoring processes in order to track how waivers have changed the activities of the local areas and directly or indirectly affected local area performance, and to insure compliance with waiver guidelines. CDLE will utilize the following mechanisms to track and monitor the use of waivers in each region:

- Local annual plans that include narratives on intended usage of waivers
- Expenditure Authorizations for WIA and Wagner-Peyser formula programs that issue funding related to waivers and contain specific waiver plans and performance goals
- Local policies related to waivers
- Quarterly reports for waiver-related projects and initiatives
- Activity and performance/common measures reports

Process for Notice of Local Boards and Opportunity to Comment: The waiver, along with the state plan, will be reviewed by the Colorado Workforce Development Council in late July, 2012. Then it will be published for a period of 30 days from August 10 to September 10, 2012, on the public web sites maintained by the Colorado Department of Labor and Employment and the Colorado Workforce Development Council, allowing for public comment on its content and potential impact. In addition, a copy of the waiver will be available for public inspection at CDLE offices, and electronic copies of the waiver will be sent via e-mail to local Boards and workforce centers. Comments received will be provided with submission of the state and waiver plans in September 2012.

7. Waiver of Limits on Employer Reimbursement for On-the-Job Training

Statutory Provisions to be Waived: WIA Section 101(31)(B) provides reimbursement to the employer for On-the-Job Training (OJT) of up to 50 percent of the wage rate of the participant, and for the extraordinary costs of providing for the training and additional supervision related to the training.

Colorado is proposing a sliding scale of reimbursement to the employer of up to 90% of the wage rate and extraordinary costs defined by the law, based on the following criteria:

- Up to 90%: Employers with 50 or fewer employees
- Up to 75%: Employers with 51-250 employees
- Up to 50%: Employers with more than 250 employees

Allowing businesses and industry to be reimbursed on a sliding scale will increase employer participation in WIA On-the Job Training and address the primary reason for their limited participation in OJT during this economic downturn. CDLE will issue policy guidance, with input from the local workforce investment regions, regarding implementation of the sliding scale, which will adhere to the principles of training workers in high-demand, higher skill, and higher wage occupations.

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended as appropriate to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved by This Waiver

- Maximize the flexibility needed to ensure speedy implementation of formula and discretionary grants
- Increase business usage of the workforce system
- Provide greater incentives for employers to retain and retrain current employees to avoid layoffs; and to create new jobs
- Create additional opportunities for new workers, and for unemployed and underemployed workers to speed their return to full-time employment
- Reduce the length of time for a UI claim, and reduce the need for usage of other public assistance benefits

Individuals Impacted by the Waiver

- Unemployed and underemployed workers who do not have transferrable or marketable skills
- Individuals entering the workforce for the first time
- Hard-to-serve low-income youth who are unable to compete for limited job openings
- Businesses needing to retain current workers, and/or hire additional workers to sustain their productivity, who do not have the resources to do so
- Local boards needing greater flexibility for timely implementation of economic stimulus funding programs and initiatives

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado's network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide databases. Should this waiver request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

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8. ETPL Initial Eligibility Time Limit Waiver

Statutory Provisions to be Waived: WIA Section 122(c)(5) and Title 20 CFR 663.530 dealing with the time limit for initial eligibility that is part of the Eligible Training Provider List (ETPL) requirements. Colorado is proposing to extend the period of initial ETPL eligibility for all training programs currently in their initial eligibility period and those approved for initial eligibility by June 30, 2013. WIA regulations allow an initial eligibility period that does not exceed 18 months, and can be extended up to six additional months in the limited circumstance of subsequent performance data not being available.

a. Application of Waiver to All Training Programs: Reporting of subsequent eligibility on all students has continued to be problematic for community colleges and many of the private vocational training providers. In some instances providers have elected not to participate in the ETPL because the data cannot be provided, thus limiting customer choice, particularly in rural areas. Expanding training options is a critical part of all workforce programs and requires flexibility not allowed under the current law and regulations.

b. Application of Waiver to E-Learning Programs: In the case of e-learning, a new and growing segment of post secondary education, schools are experiencing even greater difficulty in meeting the ETPL subsequent eligibility reporting requirements. To increase the number of e-learning opportunities for all WIA customers, CDLE is requesting up to a 24-month period of initial eligibility for all e-learning programs, given that WIA formula funds may be utilized in addition to discretionary grant funds for the costs of e-learning ITAs.

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended as appropriate to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved by the Waiver

- Maximize the flexibility needed to ensure speedy implementation of all formula and discretionary grants
- Increase training opportunities for unemployed and incumbent workers, as well as hard-to-serve youth and adults, particularly in rural areas that have limited access to classroom training programs
- Encourage development of just-in-time e-learning programs by training providers to support sector strategies in high-growth industries
- Increase efficiencies in performance reporting

Individuals Impacted by the Waiver

- Rural WIA participants with limited access to classroom training opportunities
- Hard-to-serve youth and adults who need the flexibility of e-learning options that allow self-paced learning

- Businesses requiring the development of just-in-time training programs to meet their needs for trained workers
- Unemployed, underemployed, and incumbent workers that need 24/7 access to training opportunities so that they can continue to earn wages while in training
- Local boards that need greater flexibility for timely implementation of economic stimulus funding programs and initiatives

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado’s network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE’s statewide databases. Should this waiver request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

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9. Limitations on Use of Eligible Training Provider System for Older and Out-of-School Youth Waiver

Statutory Provisions to be Waived: WIA 20CFR 664.510 prohibiting use of Individual Training Accounts (ITAs) for older and out-of-school youth.

Colorado is proposing that local workforce regions have the option to offer customer choice regarding training providers and use the same training awards process for older and out-of-school youth as is currently in place for adults and dislocated workers. For this to happen at the present time, regions must co-enroll these individuals in the WIA Adult program, which requires additional documentation and reporting requirements, and may involve two different case managers, depending on the size and staffing of the one-stop center.

State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are currently in compliance with Federal guidelines. However, upon notification of approval of this waiver request, CDLE policies will be amended as appropriate to comply with the terms of the waiver.

Goals and Programmatic Outcomes to be Achieved by the Waiver

- Improve youth services through increased customer choice and access to training
- Eliminate duplicate training award processes, documentation and reporting requirements and insure equitability of training services for adults and youth 18 and over
- Provide local boards more flexibility in securing training service providers and reduce administrative requirements for maintaining lists of eligible providers of youth services
- Promote better utilization of training service providers in rural areas

Individuals Impacted by the Waiver

- Hard-to-serve older and out-of-school youth who need easier and increased access to training opportunities
- Low-income, unemployed and underemployed Adults, who have increased need for WIA services and resources that are currently redirected to co-enrolled youth
- Rural youth WIA participants with limited access to classroom training opportunities
- Businesses in growth industries that need trained workers
- Local boards that need greater flexibility for timely implementation of economic stimulus funding programs and initiatives

Process Used to Monitor Progress in Implementing the Waivers: CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado's network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide databases. Should this waiver request be granted, CDLE will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

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