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State of Wisconsin
Department of Workforce Development
Jim Doyle, Governor
Roberta Gassman, Secretary

February 3, 2009

Mr. Douglas F. Small, Deputy Assistant Secretary
U.S. Department of Labor
Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, DC 20210

Mr. Byron Zuidema, Regional Administrator
U.S. Department of Labor
Employment and Training Administration
230 South Dearborn Street, 6th Floor
Chicago, IL 60604

Dear Mr. Small and Mr. Zuidema:

Thank you for your November 26, 2008, letter in response to Wisconsin's five Workforce Investment Act (WIA) waiver requests. We are pleased with your approval of four of the waivers and accept the conditions that you have attached for program year 2008.

To summarize, those are:

1. Waiver to report only common performance measures approved. The state will use the three adult common performance measures to negotiate goals and report outcomes for the WIA Adult and WIA Dislocated Worker Programs, and the three youth common performance measures to negotiate goals and report outcomes for the WIA Youth Program.
2. Waiver to transfer funds up to 100% between the Adult and DW local formula funds approved. The state may approve the Workforce Development Board's (WDB) requests to transfer their formula allocation funds to address specific geographic, demographic, and industry needs for service delivery flexibility.
3. Waiver to use up to 10% of local formula funds to provide statewide employment and training activities, including incumbent worker training, approved. The waiver to have individuals funded by the 10% be excluded from performance measures was not approved. The use of local funds to address the skill upgrade needs of job seekers, develop exemplary program activities, and expand local service delivery options within the 10% will still need to be tracked by funding stream. Individuals served in this targeted window are required to be reported in performance outcomes including those defined as "incumbent workers."
4. Waiver regarding the competitive procurement process for youth providers has a qualified approval. The waiver is specifically approved only for rural areas and on a case-by-case state review of documented justification from the local area. The state is to provide "on-going oversight and onsite monitoring" of the WDBs that have a state-approved waiver.
5. Waiver regarding the use of unspent formula allocation funds. The USDOL requested clarification of this request prior to approval. In re-examining this request, the Department of Workforce Development is clarifying that it proposes to implement a fund recapture and redistribution process based on expenditures rather than obligations.

If a WDB expends less than 80% of the funds allocated to them for youth, adult or dislocated worker programs by the end of the first program year for which the funds have been allocated, reallocation will occur.

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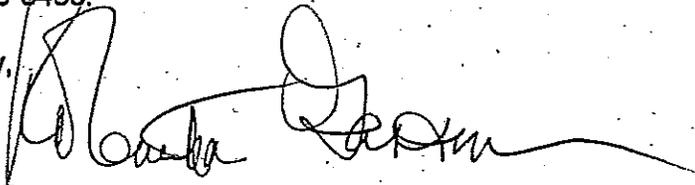
The recapture amount will be equal to any unexpended amount greater than 20% of the amount allocated to the WDB for youth, adult or dislocated worker programs. Funds not fully expended after the end of the two-year grant period will be deobligated.

The Division of Employment and Training will redistribute recaptured amounts as additional WIA grants to local boards that have expended at least 90% of their funds during the first year grant period and are likely to be able to expend the additional funds by the end of the third year of the grant. The division allows grantees 60 days to close their grants. The recapture process will occur after this 60-day period.

I hope this information provides you with the information needed to move forward with implementation of the full waiver package.

If you have any questions regarding the information provided, please call Ron Danowski at (608) 266-3485.

Sincerely,



Roberta Gassman
Secretary.

Best to you
Many thanks