United States Department of Labor, Employment and Training Administration: WIA/W-P Waiver Request

Form

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Subject: Transfer Authority
Date: April 26, 2013

**State:** Commonwealth of Pennsylvania

Agency: PA Department of Labor and Industry (L&I)

# **Statutory and/or regulatory requirements to be waived:**

The Commonwealth of Pennsylvania is requesting a waiver of WIA Section 133(b)(4) and 20 CFR 667.140 which states that a local board may, upon approval by the Governor, transfer not more than 20 percent of the funds allocated to the local area for a fiscal year between Adult and Dislocated Worker employment and training activities.

This waiver request will allow local workforce investment boards to transfer up to 50 percent of a program year allocation for Adult funds and up to 50 percent of a program year allocation for Dislocated Worker funds between the two funding streams. This authority will provide the local boards with greater flexibility when responding to changes in their local labor markets and will help ensure that the WIA funds allocated to each local area are being utilized in a way that maximizes customer service, including training for employed workers and for other demand-driven needs of the business community. Pennsylvania was previously granted this waiver.

This waiver aligns with Pennsylvania's State Integrated Workforce Plan 2012 – 2017, which states: "The commonwealth will cultivate a demand-driven workforce to provide employers with the resources they need to compete and grow, such as ..... a highly-skilled workforce trained for high-priority and in-demand occupations." Allowing the commonwealth to transfer up to 50 percent between WIA Adult and WIA Dislocated Worker funds will help all of the local areas supply skilled workers demanded by the employer community while maintaining the majority of funding in its appropriate category to achieve the overarching goals of the Workforce Investment Act.

In addition, page eight of the State Plan outlines goals to be accomplished by the workforce system. Goal A states: "Develop a competitive workforce by building upon existing workforce development programs and strategies to ensure our workforce has the employability and occupational skill and education necessary to meet the current and future needs of employers." The commonwealth believes that allowing more transferability between Adult and Dislocated Worker funds will increase the local areas' ability to provide skill training to more participants, thus providing more opportunity to add "employability and occupational skills."

## Actions undertaken to remove state or local barriers:

There are no state or local barriers.

## Goals of the waiver and expected programmatic outcomes if waiver is granted:

The anticipated goal is increased flexibility for the local areas in allocating and expending Adult and Dislocated Worker funds. Such increased flexibility will allow greater responsiveness to deal with worker dislocations.

This flexibility will also enable local areas to better serve the needs of their customers and will heighten their ability to respond to changes in the local labor market, particularly to the growing employer demand for training which can be funded at the local level only with WIA Adult funds.

As the state continues to move out of the grips of the economic downturn, the number of dislocated workers has declined. However, the number of WIA-eligible adults continues to stress the ability of current funding to meet the needs of the eligible population. Approval of this waiver provides the necessary flexibility for the state to adjust funding streams to meet a specific demand. Allowing the state to adapt funding as necessary will result in better service to our customers and bring expanded employment and advancement opportunities.

# **Individuals impacted by the waiver:**

This request was developed as a result of concerns expressed by local areas and demand from business partners. The state relies heavily on input from local areas in making major policy decisions. The problems with the 20 percent limitation on fund transfers between Adult and Dislocated Worker funding streams were discussed with local areas to gain input on the issues and the benefits of being granted this waiver.

Eligible adults, dislocated workers and business customers will benefit from the waiver. Local workforce investment boards will benefit from the ability to move substantial funds to the areas of greatest need and ensure optimum service to the general population of that workforce area.

### **Process for monitoring implementation of the waiver:**

The Department of Labor and Industry, Pennsylvania Workforce Investment Board and the Bureau of Workforce Development Partnership will monitor all transfer of funds by the local areas. Due the past granting of this waiver, the state has in place processes to ensure that requested fund transfers are in compliance with the waiver and to monitor the proper expenditure of funds for each funding stream.

This examination will be accomplished through monthly fiscal management system monitoring conducted by the Department of Labor & Industry, which is able to identify any variations in spending patterns that may be cause for concern. The commonwealth establishes separate account coding to track transfers between the programs. These transfers are then included in the ETA 9130 quarterly financial report.

### **Notice to affected local boards:**

The proposed waiver request has been posted to the commonwealth's official website for 30 days. Concurrently, notification of the posting has been emailed to the commonwealth's 22 local board chairs; executive directors have been copied.

Public comment:
The proposed waiver request has been posted to the commonwealth's official website for 30 days. Any comments or concerns collected due to the posting, along with the commonwealth's review of the public comments received, has been submitted with the plan.