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Scott Walker, Governor
Reginald J. Newson, Secretary

April 5, 2012

Assistant Secretary Jane Oates
Attention: Heather Fleck
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue NW, Rooms S-4209
Washington, D.C. 20210

Dear Ms. Oates:

This communication is in response to TEGL 21-11 and the U.S. Department of Labor's (DOL) Integrated Workforce Investment Act-Wagner Peyser Planning Guidance that provides States the opportunity to develop the Plan which coincides with other overarching State strategic planning efforts, and implementation of new State initiatives. Wisconsin is requesting a temporary extension date of its current Workforce Investment Act-Wagner Peyser State Plan (WIAWP) into program year (PY) 2012.

The State is also requesting an extension into PY 2012 of the following currently approved waivers:

- Common performance measures, WIA Section 136(b).
- Extending the period of initial eligibility of training providers, 20 CFR § 663.530.
- Increasing the employer reimbursement for on-the-job training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(31)(B).
- Reducing the 50% employer match for customized training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(8)(C).
- Transferring authority up to 50% between the Adult and Dislocated Worker funding streams allocated to a local area, WIA Section 133(b)(4).
- Using up to 10% of local Adult funds and up to 10% of local Dislocated Worker funds for incumbent worker training only as part of a lay-off aversion strategy serving only low-income/economically disadvantaged adults, along with other conditions such as training restricted to skill attainment activities, WIA Section 134.

Finally, the State is requesting that its PY 2011 negotiated/re-negotiated performance goals be extended into PY 2012. We understand that the PY 2012 performance goals negotiations may commence upon the PY 2012 Integrated Plan submittal, and when finalized, the goals will apply to the full PY 2012 from June 1, 2012, through June 30, 2013, performance period. Attached is the State's currently approved performance goals.

The State will submit its Integrated WIAWP Five-Year State Plan along with all waiver requests and proposed performance goals on September 14, 2012, for PY 2012-13. Approval of the extension will allow the State the necessary time to involve multiple partners in this important strategic planning opportunity.

The supporting justifications are discussed in more detail below for your consideration of this request.

As you know, Governor Scott Walker has been in office a little over one year, and while great strides have been made to improve the workforce system during that time, substantial details still need to be addressed. The Governor unveiled the first phase of his "Wisconsin Working" plan in January 2012 for job creation and economic growth. A number of policy changes and agency collaboration efforts are addressed in the Plan to ensure job seekers connect with current job needs, while building the skills necessary for family-supporting jobs. In order to improve workforce training, Governor Walker is also creating the College and Workforce Readiness Council comprised of representatives from small business, the workforce partners, State Department of Public Instruction, Cabinet Secretaries and top officials from public and private universities and technical colleges. The Council's ultimate goal via multiple partner involvement is to provide employers with needed skilled workers and, at the same time, ensure workers' access to affordable and timely career and training programs. These new initiatives will require staff resources for expedient implementation and intense collaborative efforts among workforce, education and business partners. Allowing Wisconsin additional time to work with the numerous partners throughout the State will not only provide a more strategic approach, but will also result in solidified efforts to bring the Governor's initiatives to fruition.

Also critical to the Governor's initiatives, is the Governor's Council on Workforce Investment's (CWI) new industry-driven sector subcommittees that met this January for the first time, with very specific charges being overseen by the Executive Committee. A new Youth Subcommittee was also formed and charged to advise the CWI and the Department of Workforce Development (DWD) on youth employment and program issues, including: improving program performance, rebranding manufacturing to students, reviewing and recommending best practices to improve youth outcomes, and sharing findings with the Workforce Development Boards (WDB) and the Wisconsin Technical College System. The next Council meeting is being scheduled for July when we could address overarching workforce strategies, infrastructure and service delivery improvements for the WIAWP State Plan.

The Legislature has also introduced a number of workforce bills that will impact service delivery strategies in the State Plan. For example, in early March, the Governor signed into law the "Wisconsin Worker Wins" bill that will help place Unemployment Insurance recipients directly into the workplace for on-the-job training. It allows Wisconsinites receiving unemployment insurance benefits to take part-time training with employers potentially looking for full-time employment.

DWD, with the responsibility of the WIAWP Plan development, and the hub for collaborative efforts with all workforce partners, has recently issued their strategic plan with the goals as follows:

- Connect Jobseekers to Jobs (250,000 by 2015).
- Support the development of a highly skilled labor force in Wisconsin.
- Achieve Unemployment Insurance solvency and increase program integrity.
- Deliver DWD services more efficiently, and increase transparency and accountability.

In addition, the following high priority DWD efforts will require additional time to complete during this spring and summer:

- Finalize a robust nine-month long process with the WDB WIA local plans that includes extensive compliance reviews based on the DOL's Comprehensive Review;
- Finalize and implement a DOL-approved State Performance Improvement Plan;
- Satisfy all findings for closure of DOL's Comprehensive Review;
- Provide technical assistance to the WDBs for youth performance failures, and work with DOL on performance improvement for the one State performance failure;
- Ramp-up the infrastructure to improve the participant's initial contact, reemployment service and job service activities; and
- Upgrade JobCenterofWisconsin, the State's electronic workforce portal.

Attention: Heather Fleck

Approving our request to submit the Integrated WIA/WP State Plan in mid-September will allow the additional time necessary to submit a Plan that has fully addressed past challenges and highlights improvements made along with future plans to build on successes. The additional time will also allow for greater involvement of all of our partners to ensure a meaningful state plan process.

With regard to establishing performance goals, we are currently engaged in the performance regression analysis. We will use this new regression-based process for establishing program targets with the WDBs. The proposed high-level timeline is:

April-May	WDB performance negotiations
July	Strategic planning, CWI development of the plan, local plan modifications and partner plan engagement
July	
August 6	30-day public review and comment of draft plan
September 14	Submittal to DOL followed by State performance negotiations

We appreciate DOL's flexibility so there is confluence with the State's efforts and federal WIA requirements. We look forward to working in partnership as we develop Wisconsin's next five-year Integrated WAI/WP State Plan.

Sincerely,



Reggie Newson
WIA Title 1 Signatory Official
Secretary, Department of Workforce Development

cc: Lisa Boyd, Administrator, Department of Workforce Development
Byron Zuidema, Regional Administrator, U.S. Department of Labor/ETA

Wisconsin 2011- 2012 State Performance Goals
Workforce Investment Act Common Measures for
Adult, Youth, Dislocated Worker and Employment Service

Performance Measures	Goals
Adult	
Adult Entered Employment	72
Adult Retention	84
Adult Average Earnings	\$9,800
Dislocated Worker (DW)	
DW Entered Employment	84
DW Retention	93
DW Average Earnings	\$14,400
Youth	
Youth Placement in Employment or Education	72
Youth Attainment of a Degree or Certificate	75
Literacy and Numeracy Gains	30
Employment Service (ES)	
ES Entered Employment	61
ES Retention	84
ES Average Earnings	\$12,500