

**U.S. Department of Labor**

Assistant Secretary for  
Employment and Training  
Washington, D.C. 20210



**JUN 27 2011**

The Honorable Christopher Christie  
Governor of New Jersey  
State Capitol  
Trenton, New Jersey 08625

Dear Governor Christie:

This letter provides approval of (1) an extension for Program Year (PY) 2011 of those portions of New Jersey's Unified State Plan that relate to Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act (W-P) and (2) an extension of WIA waivers for PY 2011. This letter also responds to New Jersey's request for a new waiver.

Training and Employment Guidance Letter (TEGL) No. 17-10, issued on December 30, 2010, provides guidance for states to secure approval of their WIA/W-P State Plans and waivers for PY 2011, and included the option to receive an extension of the existing State Plan and waivers for an additional year without submitting a formal request.

Extension of State Plan

New Jersey's existing State Plan will expire on June 30, 2011. This letter constitutes a written determination under WIA Section 112 (29 USC 2822), and WIA Section 501 (20 USC 9271) which pertains to State Unified Plans, that the Employment and Training Administration (ETA) is extending the approval of those portions of the New Jersey Unified State Plan that relate to Title I of the WIA and the Wagner-Peyser Act for Program Year 2011, July 1, 2011 through June 30, 2012. The State has already received its formula allotment for the WIA Youth program for PY 2011. The State is eligible to receive WIA formula allotments for Adult and Dislocated Worker programs and W-P initial base program allotments under the PY 2011 annual funding agreement for WIA and the PY 2011/Fiscal Year 2012 annual funding agreement for W-P.

Unified Plan Partner Programs

New Jersey's Unified State Plan includes the Vocational Rehabilitation Program (VR), Adult Education and Family Literacy Programs (AEFL), Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and Veterans' Programs. In accordance with WIA Section 501 (20 USC 9271), the Departments of Education (for both VR and AEFL), Health and Human Services, and Agriculture, and the Veterans' Employment and Training Service (VETS) have the authority to deem complete or approve those portions of the Unified State Plan relating to their respective programs. We have advised these Federal agencies that ETA is extending the approval of those portions of the New Jersey Unified State Plan that relate to Title I of WIA and the Wagner-Peyser Act, and provided their offices with a copy of this letter.

VETS concurs with ETA's extension of the approval of the WIA/W-P portions of the New Jersey Unified State Plan. VETS also notes that the Jobs for Veterans' State Grant (JVSG) Plans approved by VETS through a separate application process for Fiscal Years (FY) 2010-2014 are considered to be incorporated into your Unified State Plan by reference only. Therefore, your Unified Plan needs to refer to the FY 2010-2014 JVSG Plan, indicating that approval by VETS of the grant modification for the period beginning October 1, 2011 is pending.

The New Jersey Unified Plan also includes Trade Act Programs (TAA), the Senior Community Service Employment Program (SCSEP), and the Unemployment Insurance (UI) Program. ETA exercises administrative authority over these programs, and those portions of the New Jersey Unified State Plan that relate to SCSEP, TAA, and UI Programs are approved through June 30, 2012. Please note that New Jersey is still required to submit the State Quality Services Plan for UI.

#### WIA Title I Performance Levels

New Jersey has decided to extend its existing PY 2010 WIA and W-P performance goals for PY 2011. ETA has incorporated these performance goals, identified as PY 2011 performance goals, into the Regional and National Office copies of the State Plan. Please include these PY 2011 goals in the State's official copy of the State Plan.

#### WIA Title I Waivers

As part of the State's extension of the WIA/W-P State Plan, and as described in TEGL 17-10, the State requested extensions of New Jersey's PY 2010 waivers of statutory and regulatory requirements under WIA for PY 2011. The State also submitted a request for a new waiver (copy enclosed). The State's request for a new waiver is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c). The disposition of the State's waiver extensions, as well as its submission of a new waiver request, is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act. Unless otherwise indicated, all waiver approvals that follow apply to WIA formula funds.

#### Extension of Waivers

##### Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State was previously granted a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted an extension of this waiver through June 30, 2012. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs.

Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The State was previously granted a waiver that allows the State to replace the 17 performance measures under WIA Section 136(b) with the common measures. The State is granted an extension of this waiver through June 30, 2012.

This waiver permits the State to negotiate and report WIA outcomes against the common performance measures only, rather than the performance measures described at WIA Section 136(b). The State will no longer negotiate and report to ETA on the following WIA measures: WIA adult and dislocated worker credential rates; participant and employer customer satisfaction; older youth measures; and younger youth measures. 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. The State will use the three youth common performance measures to negotiate goals and report outcomes for the WIA Youth program. Workforce Investment Act Standardized Record Data system (WIASRD) item 619, Type of Recognized Credential, should be completed for each individual as appropriate, regardless of this waiver to report on common performance measure outcomes only.

Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State was previously granted a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. The State is granted an extension of this waiver through June 30, 2012. Under the waiver, 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 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide customized training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The State was previously granted a waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530. The State is granted an extension of this waiver through June 30, 2012. Under the waiver, the State is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the State to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The State was previously granted a waiver to permit local areas to conduct allowable statewide activities as defined under WIA Section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The State is granted an extension of this waiver through June 30, 2012. Under this waiver, the State is permitted to allow local areas to use up to 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training only as part of a layoff aversion strategy. Use of Adult funds must be restricted to serving lower income adults under this waiver. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA Section 134(d), and the State is required to report performance outcomes for any individual served under this waiver in the WIASRD, field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

Waiver of the WIA regulations at 20 CFR 666.100 to exempt the state from including credential attainment outcomes for participants enrolled in on-the-job training in the credential performance measure calculations.

The State was previously granted a waiver to exempt it from including credential attainment outcomes in the credential performance measure calculations for participants enrolled in on-the-job training. The State is granted an extension of this waiver through June 30, 2012. The State must continue to report outcomes in the WIASRD for participants enrolled in on-the-job training.

Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State was previously granted a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is granted an extension of this waiver through June 30, 2012. 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 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide on-the-job training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The State was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The State is granted an extension of this waiver through June 30, 2012. Under this waiver, the State can use ITAs for older youth and out-of-school youth program participants. The State must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The State should ensure that funds used for ITAs are tracked and that the ITA is reflected in the individual service strategies for these youth.

New Waiver Request

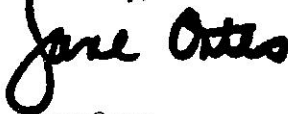
Waiver of WIA Section 123 that requires that providers of Youth program elements be selected on a competitive basis.

The State is requesting a waiver of the requirement for competitive procurement of service providers for three of the ten youth program elements: supportive services, follow-up services, and work experience. The State is granted this waiver through June 30, 2012. Under this waiver, the State is permitted to allow its One-Stop Career Centers or partner agencies to directly provide youth program elements. In utilizing this waiver, the State and local areas must still meet Office of Management and Budget requirements (codified in 29 CFR 95.40-95.48 and 97.36) and all state and local procurement laws and policies.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as described in TEGL No. 09-10, the State should address the impact these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to working together as you implement your Unified State Plan for PY 2011. If you have any questions related to the issues discussed above, please contact Thomas Dalton, the Federal Project Officer for New Jersey, at either (617) 788-0113 or [Dalton.Thomas@dol.gov](mailto:Dalton.Thomas@dol.gov).

Sincerely,



Jane Oates  
Assistant Secretary

Enclosure

cc: Holly O'Brien, Regional Administrator, ETA Boston Regional Office  
Dr. Brenda Dann-Messier, Assistant Secretary for Vocational and Adult Education, U.S.  
Department of Education  
Robert M. Shelbourne, Director, Division of State TANF Policy,  
U. S. Department of Health and Human Services  
Lynnae Rutledge, Commissioner, Rehabilitation Services Administration, U.S.  
Department of Education  
Jackie Windfeldt, Program Analyst, Food and Nutrition Service,  
U. S. Department of Agriculture  
Gordon Burke, Director of the Office of Operations, Grants and Transition Programs,  
Veterans' Employment and Training Service  
Thomas Dalton, Federal Project Officer for New Jersey