



STATE OF ARIZONA

State Plan Modification

WORKFORCE INVESTMENT ACT AND WAGNER-PEYSER ACT

Modified For the Period of

July 1, 2009 to June 30, 2010

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TABLE OF CONTENTS

SECTION I	Context, Vision, and Strategy	3
	A. Economic and Labor Market Context	3
	B. State Vision and Priorities	10
	C. Overarching State Strategies	13
	D. Service Delivery Strategies, Support for Training	14
SECTION II	Service Delivery	18
	A. State Governance and Collaboration	18
	B. Reemployment Services, and Wagner-Peyser Act Services	19
	C. Adult and Dislocated Worker Services	23
	D. Youth Services	27
	E. Veterans' Priority of Service	29
	F. Service Delivery to Targeted Populations	33
SECTION III	Operations	36
	A. Transparency and Public Comment	36
	B. Increasing Services for Universal Access	37
	C. Local Planning Process	38
	D. Procurement	39
	E. Technical Assistance	39
	F. Monitoring and Oversight	40
	G. Accountability and Performance	40
ATTACHMENT	A. State of Arizona Waiver Plan	
	B. WIA and WP Final Performance Goals	
	C. Program Administration Designees	

Section I

Context, Vision, and Strategy

A. Economic and Labor Market Context

Question IV in PY 2009 Stand-Alone Planning Guidance: Provide a detailed analysis of the state's economy, the labor pool, and the labor market context. (§112(b)(4))

Arizona's economy continues to weaken. Job losses mount with a projected 146,000 positions to be lost in 2009. This projection is 10 times more than projected in December 2008. Arizona is expected to lose about 5.6 percent of its jobs this year. Prior forecasts in October 2008 projected job loss in 2009 at 13,500 or 0.5 percent. The projection missed the mark and has become gloomier because of unexpected shocks to the economy over the past year.

About 75 percent of the job losses this year and next are expected to be in three areas: construction; trade, transportation and utilities (retail); and professional services (temp/seasonal workers). The government sector traditionally grows every year but is projected to lose 1.4 percent of its workers this year and 0.2 percent next year. The state's budget deficit has been a contributing factor to this job loss and as the budget is developed there could be even more loss of jobs through this year and next.

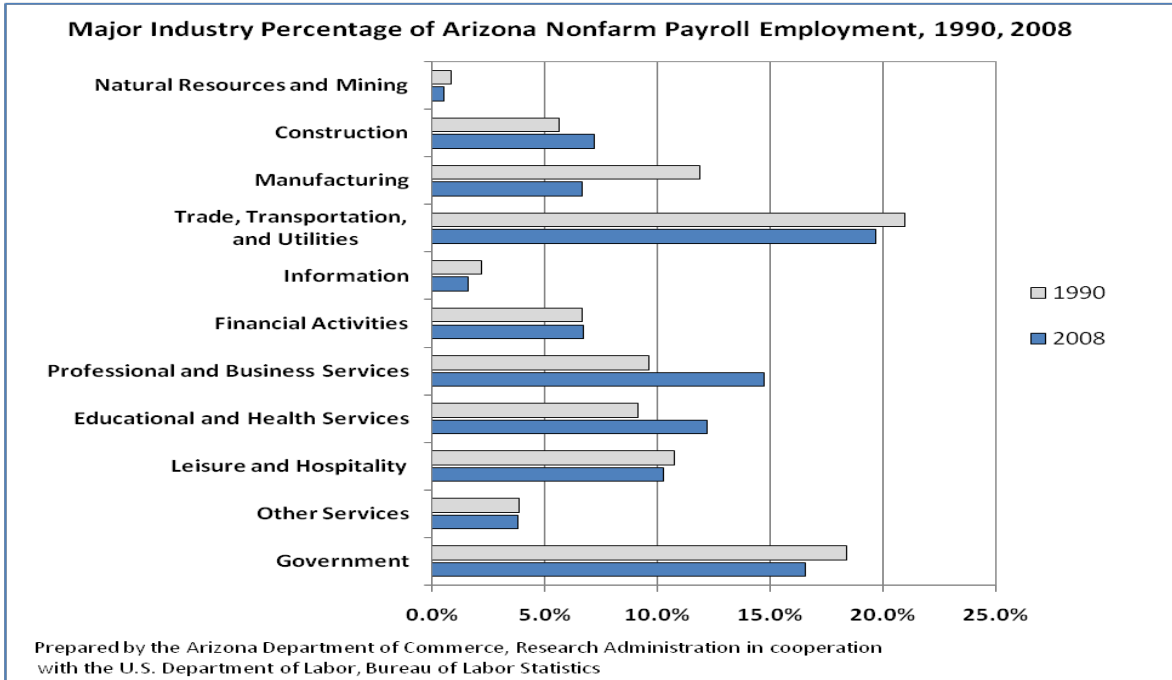
What is the current makeup of the State's economic base by industry?

Arizona's base industries are basically the same as documented in the 2007-2009 WIA State Plan. The most important base industries are two high-technology manufacturing activities: computers and electronics (mostly semiconductors) and aerospace. Tourism, mining, agriculture, and administrative support (such as call centers) are other important industries that import monies into the Arizona economy. Arizona's main local-serving industry sectors include a variety of service-producing industries and the construction industry. These base industries and local-serving industries make up the state's current economic base.

In terms of total employment, Arizona's industry base continued to become more service oriented (85.6 percent in 2008). Chart I shows how the major industry distribution in Arizona has changed since 1990. Professional and business services grew from 9.5 percent of industry employment in 1990 to 14.7 percent, the largest share increase. Educational and health services grew its share of employment by 3.1 percent. Manufacturing comprised about 12 percent of Arizona nonfarm employment in 1990, it now accounts for slightly less than 7 percent.

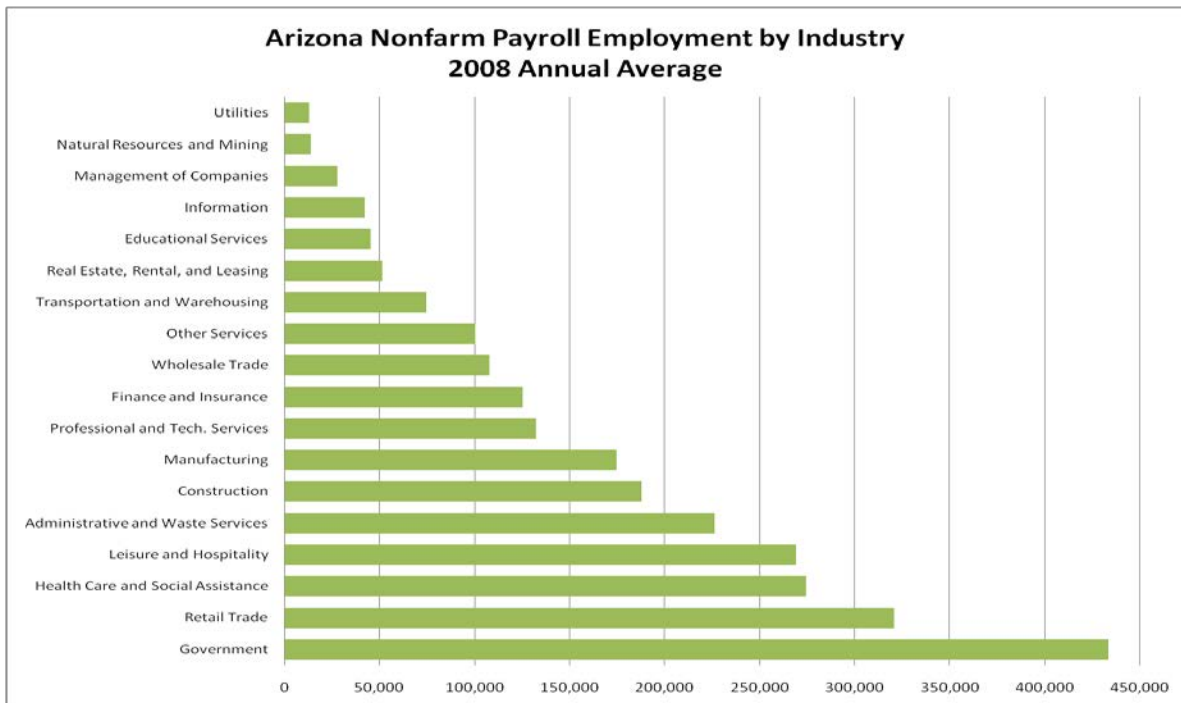
Construction employment in Arizona increased its share of industry employment, from 5.7 to 7.2 percent, over the 18 year period. However, that increase is down from 2006 when construction was responsible for 9.1 percent of nonfarm jobs. The government's share of employment has dropped 1.8 percent.

Chart I



The average annual nonfarm payroll employment by industry is shown in Chart II below.

Chart II



Prepared by the Arizona Department of Commerce, Research Administration in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics

What industries and occupations are projected to grow and/or decline in the short term and over the next decade?

On April 30, 2009, the Research Administration of the Arizona Department of Commerce projected a loss of nonfarm jobs for the 2009 to 2010 forecast time period with a decrease of 167,800 jobs, or a loss of 6.4 percent. For 2009, total forecast losses are more than 146,000 jobs, or 5.6 percent, and in 2010, the pace of employment reductions are projected to slow to 0.9 percent, or a loss of 21,600 jobs.

A slight recovery is projected to begin in late 2009 and early 2010 because of lower prices for key consumer items such as energy, food, and housing. As lending markets start to thaw, a greater amount of credit is forecast to begin flowing through the state as a result of recent monetary actions of the U.S. Treasury and Federal Reserve. The economic stimulus efforts of the federal government are expected to bolster income and employment.

Educational and health services are projected to have the only job increases, of any major industry group, with a gain of 9,800 jobs to 2010. Despite projected employment losses in all other major industry groups, sector growth is forecast in aerospace (manufacturing), heavy and civil engineering (construction), insurance (financial activities), and federal government.

The Arizona Department of Commerce’s April 30, 2009 short-term industry forecast, is shown in the table below:

Arizona Industry Employment	Average Annual Percent Change		
	2008(a)	2009(b)	2010(b)
Manufacturing	-4.0%	-5.5%	-1.9%
Natural Resources/Mining	17.4%	-14.6%	-2.8%
Construction	-16.5%	-21.4%	-2.0%
Trade, Transportation & Utilities	-2.4%	-7.5%	-1.9%
Information	-0.4%	-2.2%	-0.9%
Financial Activities	-4.2%	-3.3%	-1.1%
Professional & Business Services	-4.4%	-8.0%	-1.8%
Education & Health Services	4.6%	1.6%	1.5%
Leisure & Hospitality	-1.5%	-4.2%	-0.7%
Other Services	1.1%	-4.5%	1.1%
Government	3.0%	-1.4%	-0.2%

a) Historical, AZ Dept of Commerce, in cooperation with U.S. Dept of Labor

b) Forecast, AZ Dept of Commerce, Research Administration

While the Arizona economy has been fast to recover from past recessions, it is suspected that the current recovery will be gradual. According to long-term industry employment projections (Chart III) from the Arizona Department of Commerce, Research Administration, the greatest job growth from 2006-2016 will be in service-producing industries. Goods-producing industries are expected to have a slight loss in the 10 year period. Education and health services are forecast to increase total employment by more than 30 percent. Manufacturing will lose almost 4 percent in the same forecast period.

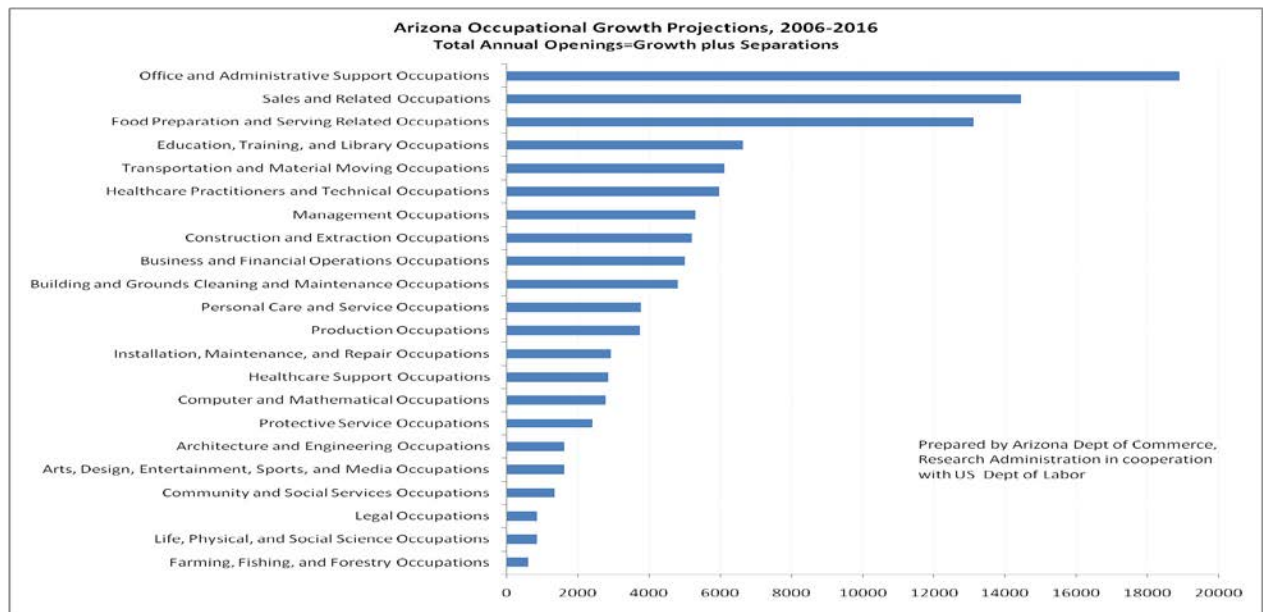
Chart III

Industry Title	Estimated Employment 2006	Projected Employment 2016	Employment Change	% Change	Annual rate of change
Total Employment, All Jobs	2,885,072	3,323,530	438,458	15.2%	1.5%
Total Self-Employed & Unpaid					
Family Workers	235,748	250,690	14,942	6.3%	0.6%
Goods-Producing	464,496	463,402	(1,094)	-0.2%	0.0%
Natural Resources (include agric and Mining)	37,878	38,564	686	1.8%	0.2%
Construction	239,646	244,931	5,285	2.2%	0.2%
Manufacturing	186,972	179,907	(7,065)	-3.8%	-0.4%
Services-Providing	2,175,953	2,601,628	425,675	19.6%	2.0%
Trade, Transportation, and Utilities	513,221	600,993	87,772	17.1%	1.7%
Information	44,880	46,579	1,699	3.8%	0.4%
Financial Activities	183,715	211,028	27,313	14.9%	1.5%
Professional and Business Services	394,438	489,180	94,742	24.0%	2.4%
Education and Health Services (private and government)	473,000	619,150	146,150	30.9%	3.1%
Leisure and Hospitality	265,957	302,077	36,120	13.6%	1.4%
Other Services	92,677	106,388	13,711	14.8%	1.5%
Government, non education, non hospital	208,065	226,233	18,168	8.7%	0.9%

In terms of the number of jobs created, office and administrative support occupations are projected to be the occupation group with the most numerous jobs added in Arizona from 2006-2016 (Chart IV). Food preparation and serving, and sales and related occupations are projected to have more than 10,000 openings annually, to 2016. Education, training, and library occupations come in with an annual growth of around 6,600. Healthcare and healthcare support combine to have more than 8,800 annual openings during the next 10 years. Construction and extraction occupations are projected to grow, but at less than half the rate forecast for 2005-2015. No major occupational group is projected to experience employment declines over the next decade.

Three occupational groups, farming, fishing and forestry; life, physical and social scientists; and legal occupations will grow at less than 1,000 jobs annually.

Chart IV



While long-term economic trends have generally shown favorable job growth in Arizona, short-term dynamics have occasionally shown that our economy, like that of the nation, is comprised of a workforce in transition. Cyclical and seasonal forces have shown Arizona's economy is not immune to employment fluctuations and labor supply imbalances. The current economic downturn has resulted in Arizona's economy losing 230,400 jobs since the beginning of the national recession: December 2007 to March 2009. Arizona's nonfarm employment is at 2005 levels. Manufacturing is at 1993 levels with 166,400 employed in March 2009. Construction at 143,000 (March 2009) is at 1998 employment levels, having experienced 19 consecutive months of losses. Only educational and health services has resisted the current recessionary pressures.

In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? In what numbers?

One of the few growing industries in 2008 was the health services industry. Health care occupations are projected to be some of the fastest growing occupations over the next decade. There is current demand for registered nurses, physician assistants, medical assistants, and physical therapists which is projected to continue as population growth and the aging of the 'baby boomers' continues. Education and health services and professional and business services industries will continue to have the bulk of the demand for skilled workers as noted below.

Research Administration's 10-Year High Growth Occupational Employment Projections (500 or more jobs):

Arizona High Growth Occupations 2006-2016 Occupation Title	10 Year Change	
	Number	Percent
Graduate Teaching Assistants	2,317	69.4%
Health Specialties Teachers, Postsecondary	1,074	63.8%
Veterinary Technologists and Technicians	1,058	62.5%
Pharmacy Technicians	3,150	57.3%
Audio and Video Equipment Technicians	659	52.6%
Network Systems and Data Communications Analysts	2,195	52.5%
Dental Hygienists	1,815	50.1%
Vocational Education Teachers, Postsecondary	1,104	49.9%
Personal and Home Care Aides	5,404	49.8%
Health Educators	498	49.6%
Computer Science Teachers, Postsecondary	668	49.5%
Home Health Aides	6,122	48.2%
Dental Assistants	3,007	47.7%
English Language and Literature Teachers, Postsecondary	543	47.6%
Postsecondary Teachers, All Other	1,392	47.2%
Veterinarians	527	45.6%
Education Administrators, Postsecondary	1,121	45.1%
Social and Human Service Assistants	1,566	44.9%
Pharmacists	1,892	43.9%
Self-Enrichment Education Teachers	1,048	43.8%

What are the skill needs for the available, critical and projected jobs?

There is general agreement that skills required for the 21st Century workforce include basic employability skills and occupation specific skills. Of these skill sets, transferable skills are the skills, knowledge and abilities or life experiences that a person can take from one position to another. These “portable” skills provide concrete evidence to an employer of the readiness and qualification of a job seeker.

Studies indicate that basic employment skills reflect minimum reading, writing and math knowledge (8th grade level), basic computer skills and good verbal communication skills. The personal qualities sought by employers reflect life (soft) skills such as showing up on time, performing tasks as directed, dressing appropriately, and having the understanding of a good work ethic.

Employability skills are often considered more important than technical and knowledge skills and are important to an employer in relation to customer service and peer interaction. While employers prefer hiring people who are trained and ready to work, they are usually willing to provide specialized, job-specific training skills necessary for the job.

What is the current and projected demographics of the available labor pool (including the incumbent workforce) both now and over the next decade?

According to the Bureau of Census:

QuickFacts	Arizona	USA
Population, 2008 estimate	6,500,180	304,059,724
Population, percent change, April 1, 2000 to July 1, 2008	27%	8%
Population, 2000	5,130,632	281,421,906
Population, percent change, 1990 to 2000	40%	13%
Persons under 5 years old, percent, 2000	8%	7%
Persons under 18 years old, percent, 2000	27%	26%
Persons 65 years old and over, percent, 2000	13%	12%
Female persons, percent, 2000	50%	51%
Persons of Hispanic or Latino origin, percent, 2000	25%	13%
Housing units, 2007	2,667,502	127,901,934
Homeownership rate, 2000	68%	66%
Housing units in multi-unit structures, percent, 2000	22%	26%
Median value of owner-occupied housing units, 2000	121,300	119,600
Households, 2000	1,901,327	105,480,101

According to the above Census Bureau QuickFacts table, between 2000 and 2008, Arizona showed considerable population growth as compared to the nation. Most of this population growth occurred because people came to Arizona for a job. As a result of the current recession, population growth is expected to slow in 2009 and 2010 compared to the growth rate from recent years.

Based on an analysis of both the projected demand for skills and the available and projected labor pool, what skill gaps is the state experiencing today and what skill gaps are projected over the next decade?

In order to identify the demand for skills and education, the Arizona Governor's P-20 Council (www.azgovernor.gov/P20/) commissioned a comprehensive demand and feasibility study that examined the capacity of Arizona's higher education system. The study, conducted by the National Center for Higher Education Management Systems (NCHEMS), included a comprehensive review of post-secondary options for degrees and certificates from Arizona institutions, including community colleges, public and private colleges, and universities.

Some of the major conclusions of the NCHEMS study were:

- Younger adults are much less likely to have attained a college degree than older members of the workforce; those about to leave the workforce are more highly educated than recent entrants to the workforce.
- The large projected population growth in the state will be concentrated in subpopulations that have historically not completed college at high rates. If Arizona is not successful in changing historical patterns, the downward intergenerational trends will continue.
- Arizona is heavily dependent on educated in-migrants to fill jobs in its economy.

Workforce supply and demand estimates show that the occupations with the greatest needs will be in a limited number of areas—health care professions, teacher education, and some of the science, technology, engineering, and math (STEM) areas. While there is some variation, regional analyses show that these needs (especially health and education) will be felt in all parts of the state. In the rural areas, the major employers are in the hospitality, retail, construction, and natural resources and mining industries. Some of the high skilled occupation groups in these areas include, auto mechanics/diesel mechanics, welding/constructions trades, power plant operation/maintenance, hospitality management, criminal justice/police science, maintenance mechanics and forest management.

What workforce development issue has the state prioritized as being most critical to its economic health and growth?

The changing U.S. and global economic environment is shifting the competitive landscape so that Arizona's driving industries of the past may not be sufficient to maintain its economic well being going forward. The long-term analysis of the economy and the labor market reflect that Arizona will continue to have job growth in sales and related areas, food preparation and service, and construction and healthcare. However, the Governor's vision is to focus more of its workforce resources on training and pathways to jobs that support the knowledge-based economy.

This analysis points out that Arizona will need to work on the following issues to meet its vision of a knowledge-based economy.

- Encourage regional approaches to economic and workforce development to build on common strengths and leverage resources more effectively.

- Further develop a comprehensive and high performing workforce investment system, including fully integrated local One-Stop Career Centers that become an informational centerpiece for business services and individual training and education opportunities.
- Advance individual opportunity through training and education, ensure a well-trained, productive and flexible workforce that meets the needs of business to compete in a rapidly changing, global environment.
- Create stronger pathways into post-secondary opportunities by aligning workforce skill needs with educational standards, improve high school graduation rates and readiness, and ensure easy transitions and clear occupational paths within secondary and post-secondary learning institutions.
- Diversify Arizona’s economic base by providing incentives for investment in technology, research and development with an emphasis on base or export-oriented business.
- Leverage resources through partnerships with educational institutions, community organizations, governments and private sector industry.
- Enhance Arizona’s P-12 education system with support and input from business and industry.
- Strengthen the workforce information delivery system and training to guide strategic planning and service delivery.

B. State Vision and Priorities

Question I.C. What is the Governor’s vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§112(a) and (b)(4))

Arizona is focused on creating a continuum of learning necessary to develop the skills of a quality workforce which will compete in the global marketplace of the 21st Century. Governor’s Councils and their stakeholders work together to ensure Arizona’s resources are aligned to create a continuum of education and training opportunities that meet workforce demands. To this end, Governor Brewer has directed Arizona’s workforce development system to focus the use of the American Recovery and Reinvestment Act (ARRA) funds on the areas of energy and “green jobs,” and weatherization. She is further directing the use of the funds toward the growing sectors of Information Technology (IT) and Healthcare.

Under the leadership of Governor Brewer, the Arizona One-Stop system is committed to an expedient implementation of the American Recovery and Reinvestment Act of 2009 (ARRA). Governor Brewer understands how ARRA funds can be integrated into transformational efforts to achieve an invigorated, more innovative public workforce system capable of helping to enable future economic growth and advancing a shared prosperity for all Arizonans. The additional funding provided to support the workforce system, will increase employment and training services and play a vital role in Arizona’s recovery by assisting workers who are facing unprecedented challenges. With a stronger, more comprehensive One-Stop system the low-income, displaced and under-skilled adults and disconnected youth will find increased services and training opportunities in a more invigorated, more innovative public workforce

system capable of meeting their needs to quickly gain education and workforce skills. These adult education, job training, postsecondary education, registered apprenticeship career advancement activities and supportive services will be fully aligned with economic and community development strategies, so as to meet the skill needs of existing and emerging regional employers and high-growth occupations such as renewable energy, broadband and telecommunications, health care, advanced manufacturing and other high-demand industry sectors indentified by local areas. To achieve this vision of a strong and vital workforce system, stakeholders at every level must continue to develop and refine innovative service delivery strategies in the context of regional economies with comprehensive approaches to workforce development and regional growth.

Question I.E. What is the Governor’s vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training, including youth most in need of assistance, such as out-of-school youth, homeless youth, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, migrant and seasonal farm worker youth, youth with disabilities, and other youth at risk? (§112(b)(18)(A))

Governor Brewer supports the vision of the ARRA in ensuring every youth has the opportunity for developing and achieving career goals through education and workforce training. The Governor recognizes the need to reconnect disconnected youth through multiple pathways to education and training that will enable them to enter and advance in the workforce; local workforce boards, youth councils, state and area partners that are integrating and coordinating efforts to deliver services that assist youth in need, and youth with barriers.

Arizona will align with the visions and goals set forth in the ARRA with funds being used to create summer employment opportunities for youth. Local Workforce Investment Boards (LWIBs) are encouraged to use these funds expeditiously and wisely by utilizing as much of these funds as possible to operate expanded summer youth employment opportunities during the summer of 2009. Local areas will provide as many youth as possible with summer employment opportunities and work experiences while ensuring these work experiences and other activities are of high quality. Work experience will be the core component of the summer youth employment programs providing structure to impart measureable communication, interpersonal, decision-making, and learning skills. The activities and work readiness goals for summer employment set forth will be age appropriate and designed to encourage participants to take responsibility for their learning, to understand and manage their career options, and to develop social skills and maturity levels that will help them interact positively with others. Additionally, participating worksites have the ability to introduce and reinforce the rigors, demands, and rewards associated with holding a job and efforts will be made to match worksites with participants’ interests and goals. Pre-apprenticeship and registered apprenticeship programs will be included as an effective way of training youth and will be considered a valuable component of youth summer employment opportunities.

In collaboration with a number of key players in the state, incorporating green work experiences will mean increased job opportunities for young people in the fields of solar, geothermal, wind power design, and green construction industries exposing youth work experiences that equip them with the appropriate “green” knowledge preparing them to compete in a “green” economy. Mapping “green” educational and career pathways in both the short term and long term will

provide youth opportunities to align their skills with those needed to compete in a global economy.

With the expanded age range to 24 under the ARRA, the state most certainly will experience an increased volume of veterans. Veterans age 21 to 24 have a particularly high incidence of unemployment immediately upon discharge. The state, as mandated by law, is committed to provide priority of service to veterans and eligible spouses.

Arizona will be focused on the neediest youth. Services will focus on the youth most in need including: out-of-school youth and those at risk of dropping out, youth in and aging out of foster care, youth offenders and those at risk of court involvement, homeless and runaway youth, children of incarcerated parents, migrant youth, Native American youth, and youth with disabilities.

Question II. Identify the Governor's key workforce investment system priorities for the state's workforce investment system and how each will lead to actualizing the Governor's vision for workforce and economic development. (§111(d) and 112(a))

Governor Brewer recognizes that Arizona faces a number of challenges to its future economic competitiveness as a result of the shifting priorities necessitated by the economic downturn. Areas of focus for economic recovery must also be reconciled between demographics and the new economic realities. The Governor's key workforce investment priorities are to create new ways of engaging business through collaborative public/private partnerships that leverage resources and promote innovation and use of technology. The Arizona workforce system will operate in evolving and new partnerships that will complement and leverage the resources brought about by the ARRA. These partnerships must capitalize on the synergistic power of teamwork and collaboration and raise awareness about the state's looming challenges in workforce and economic development and education, and provide the leadership required to pursue an innovation-driven strategy for producing talent to strengthen Arizona's economic competitiveness. It is through the combined intellect and knowledge of today's workforce leaders that the invigorating power of innovation, creativity and imagination provide the vitality needed to compete in the global economy and to maintain the state's standing as an economic power.

Through these partnerships, Arizona's workforce leaders will work with businesses to identify needed skill sets for high-growth/high-demand occupations, today and in the future. The ARRA funding will enable a transformation of the public employment and training effort into a demand-driven, business-led, modern and efficient workforce system. Collaborative initiatives will actively engage businesses and the economic development community to create valid labor market information that is accurate, timely, and immediately applicable in the recruitment, retention, and training efforts of the state industry sectors and the system's education training partners. To strengthen and sustain Arizona's economic competitiveness, the partners will work to ensure that the state's education and workforce investment systems impart the necessary knowledge, skills, competencies, and credentials to generate workers who can be productive in the 21st Century workplace, in numbers sufficient to meet employer demand in the global economy.

Comprehensive One-Stop Career Centers anchor the workforce development system in their local communities. The potential for creating an environment that attracts business and job

seekers for workforce services is strong. Recognizing this important role, Arizona is investing more resources to the development of a broad range of services that can be delivered through local One-Stop Career Centers. By developing this broad menu of services, a quality One-Stop Career Center has the capability of serving a wider range of customers - from the professional to the lower-skilled entry-level worker - from the small business to the large corporation.

C. 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))

Governor Brewer fully recognizes that advancing her economic development agenda requires directing resources to meet the talent needs of business. This requires coordinating Arizona's education, workforce, and economic development resources to address life-long learning and post-secondary education strategies, keeping and attracting high wage jobs and diversifying the economy. Under Governor Brewer's leadership, Arizona continues to work with local and state leadership to ensure an integrated approach to workforce and economic development is occurring. Arizona's overarching workforce strategies encompass the leveraging of ARRA funds through targeting services to meet the changing needs of workers and employers.

Infused with both ARRA and regular WIA formula funding, Arizona is poised to launch an ambitious new workforce system designed to support the development and use of technology to train workers for high-demand/high-wage industries statewide. ARRA funding will enable the development of a more effective, responsive and innovative One-Stop service delivery system increasing services and training for workers in need.

Arizona's strategies in utilizing the ARRA funding will focus on strengthening the relations of local businesses by supporting small businesses through the incumbent worker program. The strategies will not only keep jobs in local areas, but will assist the skills of workers in gaining momentum for new and better paying jobs. The involvement of the business community in the development of the workforce is vital. Assisting small businesses will communicate the intent of the state towards the local community. It will also build confidence that trained workers can be supplied.

The state will continue to promote partnerships with community colleges, labor organizations, registered apprenticeship programs, civic groups, and community organizations to align workforce development strategies for regional development and prosperity. Education at every level will closely align with jobs and industries important to local and regional economies. The outcomes will be achieved by using innovative technology and state-of-the-art practices to expand and strengthen the capacity of the entire workforce system creating the pipeline for increased access to education and training opportunities for adults, dislocated workers and low-income adults needing to acquire new skills.

The priorities of the One-Stop system are consistent with the national vision of a demand-driven system that is focused on more efficient use of employment and training funds and preparing Arizona's human resources to meet the demands of the state's growing businesses. Governor Brewer's goals of encouraging economic development, improving customer service,

and providing greater access to services and facilitating the transition from school to work are aligned with the goals of the ARRA. These goals will be attained by facilitating communication between state agencies and integrating programs and facilities where and when possible.

By monitoring the demand skills needed for emerging occupations, Arizona will align training programs to prepare Arizona's workforce to compete in the global economy. The integration of information and knowledge will result in the automatic analysis of job needs and worker skills. This results in more effective and efficient partnerships to satisfy Arizona's economic challenges.

D. Service Delivery Strategies, Support for Training

Question IX.G. Describe innovative service delivery strategies the state has or is planning to undertake to maximize resources, increase service levels, improve service quality, achieve better integration, or meet other key state goals. (§112(b)(17)(A))

▪ ***Increase services to workers in need.***

The increase in funding through the ARRA will allow the Local Workforce Investment Areas (LWIAs), the business community, and educational partners to collaborate in the development of meaningful customized training opportunities for incumbent workers that will allow employers to introduce new technology or new products within their businesses. Employees will have the opportunity to learn new skills allowing for increased wage opportunities that will lead to self-sufficiency. Smaller local areas were not able to participate in this type of training due to the small amount of WIA formula funding received in their local area. ARRA will allow for increased partnerships in local strategic planning by assisting employers with their existing workforce needs, as well as lay-off aversion strategies. The state is seeking a waiver that will allow the use of up to 100 percent of Rapid Response funding to increase the flexibility of local areas to use WIA Formula and ARRA funds to conduct statewide activities, including incumbent worker training. The expanded use of customized training, incumbent worker training, and other business-based training models will support job creation and increased earnings in high-wage, high-skill occupations.

As part of Arizona's One-Stop Chartering process, LWIAs are encouraged to expand business hours so that employed customers are able to access One-Stop Career Center services before or after work. The chartering guidelines allow for flexibility of local area One-Stop business hours beyond regular office hours.

▪ ***Support the full range of One-Stop Career Center customers.***

The State of Arizona, along with local workforce boards, are continuously working to improve the One-Stop system by providing access to a comprehensive menu of workforce development, education, economic and community development information, and services. Local boards are working to ensure access to employment and training services for diverse population groups by identifying and eliminating barriers to participation. Communication and outreach activities are being developed to improve workforce information to guide education, business, and career decisions.

Local Workforce Investment Boards (LWIBs) across the state, through already developed partnerships with local educational institutions, economic development foundations, and community-based organizations, are conducting meetings to strategize ways to meet the

needs of youth, dislocated workers, and adults in their communities. Their task is to align workforce activities, support services, and educational needs with industry needs in the local area. These partnerships have also allowed some local areas the opportunity to provide classes in basic skills remediation, English as a second language, and occupational skills within the One-Stop Career Center. Local collaboration will allow for the planning and development of training needed to employ targeted populations in jobs in line with high-growth/high-wage industries and occupations.

The Governor's Council on Workforce Policy (GCWP) has provided funds to local areas for business services outreach for the last three years. These funds primarily allowed the local areas to create an outreach position for a Business Services Officer whose primary responsibility was to provide marketing of the One-Stop system and outreach to the business community. The Council fully supports business services outreach to promote One-Stop Career Center services, partner programs and the identification/development of new services that will fully support the business community. Business Services Officers provide that connection to the One-Stop system that is vital for employers needing assistance with recruitment and training.

▪ ***Ensure education and training delivered through the workforce system***

Arizona will begin to work with local areas on developing a “career pathways” model that will align basic education, workforce development, and higher education. Building a career pathway is a process of adapting existing programs and services and adding new ones that will enable individuals to advance to successively higher levels of education and employment in the target sectors. Where it is most effective, the career pathways process will help to transform Arizona's LWIAs into productive partnerships providing for better collaboration. The process strengthens cooperation between WIA partners in ways that improve individual and collective capacities to respond to the needs of local residents and employers.

Community colleges will play a huge role in the development of “career pathways” projects. The “career pathways” approach will help community colleges better align their various mission areas of workforce development, academic credentialing and transfer preparation and remediation. Students entering into adult literacy or college remedial coursework are better able to advance to and succeed in college-level programs, and all students can more readily earn post-secondary credentials and make progress toward a career. Pathways commonly feature community colleges working in partnership with other WIA partners within the One-Stop system.

Local area Comprehensive One-Stop Career Centers, through a comprehensive “career pathways” model, will have the ability to provide “wrap-around” support services that will include access to:

1. Career assessment and counseling;
2. Case management;
3. Child care;
4. Financial aid; and
5. Job placement.

- ***Strategically use youth, dislocated worker and adult statewide funds to quickly deliver innovative services.***

LWIBs have already met with partners in their local areas and have begun to strategize ways to utilize ARRA funds in a manner that will deeply impact the needs of their communities. LWIBs have developed some unique innovative services that are reflective of their local area. Input from local areas includes the following:

- Holding Summer Youth Career Exploration and Internship Programs;
 - Promoting Career Expo Events;
 - Supporting customized training for new alternative energy programs;
 - Creating a Jobs 2009 Local Task Force supported by the city and county;
 - Promoting the hiring of dislocated workers into positions created through stimulus funding;
 - Creating Dislocated Worker Centers within the One-Stop Career Center;
 - Creating fast-track training modules for ARRA customers;
 - Increasing occupational training for local area industry specific needs; and
 - Developing of an accelerated Vocational English-as-a-Second Language course.
- ***Provide targeted work experiences in order to prepare individuals for job opportunities.***
LWIBs have the ability to use contacts developed through members that serve on the local board to provide quality job opportunities, work experience, on-the-job training, and summer work experiences for youth in high growth/high wage industries in the local area. Employers serving on the local boards can provide pathways to quality work experience opportunities through memberships in other local organizations such as the Chamber of Commerce, Economic Development foundations, United Way, public sector, and community colleges. Collaboration through these types of partnerships will allow LWIB members to create and enhance viable work experiences targeted toward high growth/high wage employment and local level top industry clusters.

Expanding work-based learning opportunities through expanded business-education-workforce partnerships will be a key goal of each local area in order to meet the growing needs of the business community and at the same time providing quality work experience to participants preparing to enter the labor market.

- ***Align workforce activities with education strategies.***
LWIBs will be collaborating with local businesses to create opportunities and encourage greater participation of business in the design and delivery of workforce and education services. The ARRA emphasizes the flexibility of the LWIBs to award contracts to institutions of higher education or other eligible training providers with the intent of training multiple individuals in high-demand occupations. Local area partnerships will drive the increased shift to on-the-job and customized training, and other more employer-directed training programs that will ensure appropriate skill-set attainment to match the need of the employers. The need to draw on the expertise of community colleges and training providers to assist with the needs of the employer will introduce and strengthen service delivery strategies, increase partners around the table, and develop quality training programs significant to the area.

Section II Service Delivery

A. State Governance and Collaboration

Question III.A.2. Describe how the agencies involved in the workforce investment system interrelate on workforce, economic development, and education issues and the respective lines of authority. (§112(b)(8)(A))

The State Interagency Team, which consists of key staff from the Arizona Department of Commerce (DOC), the Arizona Department of Economic Security (DES), the Arizona Department of Education (DOE), as well as the Governor's staff and key partner representatives, play a pivotal role in identifying and developing the operational strategies for creating a comprehensive and integrated workforce system. The Interagency Team works together to establish the agendas for the GCWP and its committees, guides the interagency state departments and the local areas in implementing the policies set by Governor Brewer and the GCWP, and implements a One-Stop system that achieves the standards set by the Governor and the GCWP. The Team's primary role is to ensure that the direction of the state agencies are aligned at the state level, that conflicts or gaps in services and programs are addressed, policies of the GCWP are implemented, and the mission of fully integrating the workforce system is achieved.

Members from the Interagency Team will be reviewing Local Workforce Investment Area Plan modifications outlining the use of ARRA funding and the coordination efforts with other recipients of stimulus funding to ensure that opportunities for employment and training will increase as a result of collaborative efforts. As part of the modification process local areas are being asked to provide detailed information on their efforts to collaborate with other recipients. The Interagency Team will be monitoring local area responses to ensure cross-agency collaboration is occurring statewide.

DES facilitated initial coordination efforts between the Arizona Department of Transportation (ADOT) and LWIAs targeted to implement transportation projects with the funding received through the ARRA. LWIAs will work with their local ADOT representatives to coordinate recruitment and training needs to fill open positions for these projects. LWIAs have also been encouraged to contact their community action programs to assist with recruitment and training as well for weatherization projects as a result of funding through ARRA.

Question III.C.1. Describe the steps the state will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in Section 112(b)(8)(A) of WIA, at both the state and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and agencies eliminate any existing state-level barriers to coordination? (§111(d)(2) and 112(b)(8)(A))

The State Interagency Team provides guidance to the state departments and the local areas with respect to the implementation of the One-Stop system. The team ensures that the direction of these state agencies are aligned at the state level, resolves conflicts or gaps in services and programs and carries on the mission of the Governor.

The GCWP hosts the One-Stop Partner Dialogues prior to each State Workforce Investment Board meeting allowing local areas and partners the opportunity to address any issues or concerns directly to the State Board through this committee. A GCWP member chairs the dialogue and acts as a liaison to the State Board. GCWP members also sit on LWIBs and report to the GCWP on issues specific to geographic regions. Local area directors are encouraged to participate on all GCWP committees to ensure local representation.

During the month of April 2009, a WIA Technical Assistance Conference was conducted that included staff from Wagner-Peyser, Reemployment Services, Unemployment Insurance, and local area WIA staff. U.S. Department of Labor (USDOL) Region staff presented valuable insight on provisions of the ARRA as well as information on Veteran's Priority of Service. Training session topics included:

- Engaging Youth and Youth Performance Measures;
- Reemployment Services;
- Labor Market Information (LMI);
- Data Validation;
- Fiscal Responsibilities; and
- Making Case Management Work for You.

B. Reemployment Services and Wagner-Peyser Act Services

Question IX.C.4.b. Describe the reemployment services the state provides to Unemployment Insurance claimants and the worker profiling services provided to claimants identified as most likely to exhaust their Unemployment Insurance benefits in accordance with Section 3(c)(3) of the Wagner-Peyser Act. (§112(b)(17)(A)(iv))

▪ ***The Governor's vision for Reemployment Services (RES).***

Governor Brewer's vision calls for a Statewide Workforce System working across areas where there are similar cultures and resources. This workforce system is supported by fully integrated local One-Stop Career Centers, focused on maximizing access to programs for individuals and businesses. This system is built on shared resources not limited by political boundaries, which allows for Arizona's workforce system to effectively and efficiently deliver a talent development system which will contribute to the competitiveness of the state. Further, plans include utilizing stimulus funds received from the Act to create jobs, to protect our most vulnerable, and grow Arizona's future; but also, do so without further increasing the state budget deficit.

All claimants who report as scheduled for Orientation to Reemployment Services via the Worker Profiling Reemployment Services (WPRS) program, receive five mandatory core services:

- Assessment of skills, interests, abilities, and supportive service needs;
- Registration in the Virtual One-Stop (VOS) System;

- Labor market information;
- Job search and placement assistance; and
- Development of an employability plan.

In addition to core services provided by WPRS, RES is available to participants identified through the AIRSNet profiling system which may include, but are not limited to:

- Career counseling;
- Job vacancy listings;
- Information on necessary job skills;
- Information and referral to support systems;
- Job seeker workshops;
- Job fairs;
- Job development;
- Resume preparation;
- Testing;
- Case management; and
- Training.

RES services will focus on providing case management, career plan development, training, and follow-up services for job seekers who present more significant barriers to employment and have a greater probability of exhausting Unemployment Insurance (UI) benefits. RES case management will focus on providing meaningful opportunities and quality case management to individuals most affected by the economic downturn. Services will be client centered and tailored to the individual.

▪ ***RES coordination with other services provided at the One-Stop Career Center.***

One-Stop Career Centers will have the ability to ensure a seamless transition between Reemployment Services and One-Stop core, intensive, and training services. The state's policy is to respond quickly to provide needed services to affected workers. RES will be co-located within One-Stop Career Centers in order to be readily available to the greatest number of participants possible.

RES participation will be coordinated with the UI program to increase the number of participants served. Registration for UI via telephone and internet and enrollment into WIA/Wagner-Peyser services via the VOS computer system, expedites the process.

Participants who do not readily re-enter employment through the services provided by Wagner-Peyser services will be identified through the use of the AIRSNet profiling program to receive more intensive services through the RES program.

- ***Quick identification of UI claimants and RES provided as early as possible.***
Registration with Employment Service is required - this registration process is completely automated and has been incorporated into the UI Benefits online initial claim application. In addition to Employment Service registration, VOS offers a full range of features and services to assist claimant's employment needs, researching the job market, analyzing career interests, etc. The VOS system also maintains claimant's job-seeking information, such as career searches and occupations, in an easy-to-use file folder structure. This eliminates the need to conduct repeated searches for the same information, saving claimants time and effort.

Upon receipt of UI benefits, claimants are automatically subject to review by the AIRSNet profiling program. AIRSNet utilizes a statistical model and selection process to identify individuals with a greater probability to exhaust UI benefits prior to returning to the workforce.

- ***Services provided under RES.***
All claimants who report as scheduled for orientation to RES via the WPRS program, receive:
 - Assessment of skills, interests, abilities, and supportive service needs;
 - Registration in the VOS System;
 - Labor market information;
 - Staff assisted job search and placement assistance;
 - Development of an employability plan;
 - Career counseling;
 - Information on transferrable job skills;
 - Information and referral to support systems;
 - Job search workshops;
 - Job fair opportunities;
 - Job development;
 - Resume preparation and critique;
 - Case management; and
 - Referrals for training when applicable.

The state will be seeking to increase the numbers of claimants in training by leveraging community resources as well as developing new partnerships for training opportunities. Arizona will be looking for ways to integrate less skilled workers into training to support newly emerging high-growth industries. Some of these industries include biosciences, sustainable energy, advanced manufacturing, and communications/information technology. Connections to green jobs and apprenticeship programs are also receiving priority consideration.

- ***Specific population among UI claimants targeted for Recovery Act funds for RES.***
RES will target UI claimants likely to exhaust benefits. Claimants will be selected via a statistical model based on claimant information entered at the time of the initial claim. The automated process utilizes the AIRSNet profiling system to identify participants likely to exhaust benefits prior to the return to employment. On a weekly basis, Employment Service offices schedule claimants for RES Orientation.
- ***Integration of information technology into its RES program to better identify and serve UI claimants, including the percentage of funds that will be used.***
Enhancements to the AIRSNet profiling system are currently underway. The Department's Management Information Systems (MIS) unit is currently reviewing profiling software to make improvements and upgrades to the system to better identify those individuals most impacted by the economic downturn.

Arizona is currently researching options related to the purchase of software and technology to enhance assessment capabilities. Systems being considered include the TORQ software package by Workforce Associates, Inc.

- ***Any labor market information tools that will be funded and integrated into RES.***
Arizona currently utilizes O*Net Online occupational information network for up-to-date labor market information from the U.S. Dept. of Labor. The Arizona Workforce Informer website is also available through the Arizona Department of Commerce for more localized information. Both of these resources provide a no cost resource for labor market information to RES staff.

Question IX.C.1.b. Describe how the state will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act includes: (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service, and is accessible and available to all customers at the local level.

- ***Ensure that jobs generated through the Recovery Act are accessible and available to all customers.***
The Wagner-Peyser Employment Service is an integral part of the Arizona Workforce Connection (AWC) employment information system. Employment Service focuses on providing a variety of employment related services including but not limited to:
 1. Job search assistance;
 2. Job referral and placement assistance for job seekers;
 3. Re-employment service to unemployment insurance claimants; and
 4. Recruitment service to employers with job openings.

Depending on the needs of the labor market and other additional related services such as job seeker assessment of skill levels, abilities and aptitudes, career guidance when appropriate, job search workshops and referral to training that may be available, services are delivered by one of three approaches:

1. Self-service;
2. Facilitated self-help service; and
3. Staff-assisted service delivery approaches.

Employment service, which is provided through the One-Stop system, offers comprehensive and collaborative service to employers and job seekers. Services include pre-employment workshops, job search assistance, resume and application preparation, career assessments, labor market information, job fairs, referrals to training, and referrals for available jobs. As a cornerstone of the Wagner-Peyser Act, universal access is given to customers who can obtain these services in person, or through Arizona's VOS system. With additional ARRA funding, Arizona will be able to develop further partnerships and enhance collaborative efforts to better serve a wider base of UI claimants.

VOS, an Internet-based workforce development system, allows for business customers to post available jobs. As jobs that are generated through the ARRA are identified, they will be listed in the VOS system to allow customers universal access to these positions. VOS also allows job seekers to register for available job openings, develop resumes, and begin the eligibility process for WIA services, as well as supports the dual customer approach through universal access to both business partners and the public. The VOS system coordinates activities to avoid duplication by providing modules for common intake, case management, common data collection, and reporting. Individuals requiring training or support services are referred to the WIA Program for further assistance.

C. Adult and Dislocated Worker Services

Question IX.C.1.a. Describe state strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2).

The AWC is committed to coordinating a comprehensive approach to workforce development by ensuring universal access for adults and dislocated workers. The AWC consists of the GCWP, 14 LWIAs along with their respective LWIBs, 22 Comprehensive One-Stop Career Centers, and 39 satellite offices. The AWC has increased its outreach over the last couple of years by adding 20 satellite offices statewide providing opportunities to businesses, adults and dislocated workers throughout the state and within local communities.

Arizona's goal is to provide the best possible service to business and job-seeker customers alike with access to quality local level services. Customers are directed to the website www.arizonaworkforceconnection.com/ which acts as a portal to the VOS system that functions as Arizona's Workforce Development and Labor Exchange internet based system. VOS provides access to adult and dislocated workers wherever and whenever access is needed by providing a comprehensive statewide management information system for WIA Title IB and Wagner-Peyser programs.

Each One-Stop partner must make available the appropriate core services at comprehensive centers throughout the state and provide information to satellite sites in remote locations of each

LWIA. Recognizing that Arizona serves diverse and dispersed populations, it is important to develop multiple access points while at the same time ensuring quality services.

The Department of Commerce conducted a statewide webinar in 2008, providing information on outreach to faith and community-based organizations (FBCOs) to promote partnership development for access points throughout local areas as part of the state's strategy for providing enhanced universal access of services.

The City of Phoenix, Maricopa County, and Gila/Pinal counties, have become part of the Access Points model promoted by the Department of Labor in an effort to create access to services and employment opportunities for people in need. FBCOs offer community credibility and central locations within local communities and are able and eager partners in providing their communities with access to opportunity. Memorandums of Understanding (MOU) are developed with the Access Points site provider along with the provision of training to the staff assisting customers seeking assistance.

Small LWIAs that have been heavily impacted by lay-offs have the option of requesting temporary technical assistance from the state for computer equipment and staff to assist with quick and efficient accessibility to services for dislocated workers in their area.

The State of Arizona privatized the TANF Work Program in 2007. Two contactors were awarded contracts for provision of the Jobs Program, Arbor E&T, and Maximus. Outreach to the providers is on-going with some local areas having contractor staff on-site in the One-Stop Career Centers to ensure access to services available through the One-Stop system.

Local area plan modifications will also include new strategies for outreach to the targeted groups as defined in the ARRA, as well as enhanced services and training to meet the needs of these individuals. Local area efforts to enhance universal access through targeted outreach efforts will be assessed and defined in the local plan modification.

Question IX.C.1.c. Describe how the state will integrate resources provided under the Wagner-Peyser Act and WIA Title I for adults and dislocated workers, as well as resources provided by required One-Stop partner programs, to deliver core services. (§112(b)(17)(a)(i))

Arizona has carried out its commitment to capitalize on all workforce related resources to ensure an integrated and efficient workforce system is in place throughout the state. At the direction of the GCWP, the State Interagency Team has completed a plan to co-locate Employment Service staff statewide with their One-Stop partners. Co-location and integration efforts are on-going and will allow the appearance of a "seamless" operation to One-Stop users, employers, and job-seekers statewide.

Existing co-location sites provide the full array of core services as required under the Wagner/Peyser Act and WIA Title I. Services include placement assistance, vocational counseling, unemployment insurance information, job development, employer outreach and labor market information. Core services are provided to all, whether entering a center where

co-location exists or where co-location has not occurred. A referral process to the appropriate partner is in place to ensure provision of service to adults and dislocated workers.

State level staff, along with LWIA Directors, are conducting on-going discussions to plan and strategize the use of ARRA funds. Some directors report capacity issues due to the increased number of applicants seeking services as well as alignment issues with other agency programs. LWIA Directors are also discussing issues they are experiencing with their local boards and local elected officials to try and resolve the problems they are facing for provision of services and outreach.

Another avenue for area directors to discuss strategies for One-Stop services and integration is the Arizona Association of Workforce Directors (AAWD). This group is a statewide collaboration of LWIA Directors that meet on a quarterly basis to discuss, plan, collaborate, and coordinate on issues faced across the state.

Question IX.C.3.a. Describe the Governor's vision for increasing training access and opportunities for individuals including the investment of WIA Title I funds and the leveraging of other funds and resources. (§112(b)(17)(a)(i))

To meet Arizona's current needs, Governor Brewer's vision is to utilize all resources that are available to provide a comprehensive system of educational, training and employment services throughout the state as quickly as possible. Arizona's task, given the economic downturn, is to respond expeditiously to the needs of the business community as well as addressing the needs of the unemployed and underemployed.

LWIBs have the opportunity to utilize their strong board partnerships to begin to facilitate larger scale training in high-demand occupations during the development of implementation strategies for ARRA funds in their local areas. The flexibility encouraged in Training and Employment Guidance Letter (TEGL) 14-08 has provided the tool needed to quickly design training that will fulfill employer's needs and assist educational institutions experiencing budget shortfalls. Local areas have already begun to meet with their community colleges, training providers, economic development, and business community to strategize on the effective, efficient use of ARRA funding. Contracts will be designed and put in place that will directly impact the use and timely spending of ARRA funding.

The state has taken steps to ensure that other funds and resources are being utilized to serve the people of Arizona. The increase in funding to RES will greatly enhance the ability of the state to provide much needed relief to unemployed workers seeking employment. Arizona is taking an active approach to ensuring that UI claimants are served through RES by opening specialized units that will link claimants to One-Stop services and begin employment plans as quickly as possible.

LWIBs are encouraged to reach out to other ARRA recipients in their local areas, many of whom have a direct tie to the local workforce board as they begin to implement strategies for recovery in their communities. Connection to these entities will assist with the design of training needs for ARRA recipients as well tying the use of the funds effectively and efficiently together.

The Dislocated Worker Program is required to co-enroll with Trade Adjustment Act (TAA) funding when a TAA employer has been identified. TAA Counselors and Dislocated Worker Program staff work together to design a common employment plan for provision of services with one program taking the lead on case management activities.

The state is also seeking a waiver that will allow local areas to better utilize Rapid Response funding from both WIA Formula and ARRA funds that will greatly impact the LWIA's ability to enhance incumbent worker and customized training for the business community.

Question IX.A.5. What models/templates/approaches does the state recommend and/or mandate for service delivery in the One-Stop Career Centers? For example, do all have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every One-Stop Career Center? Are all required to have a resource center that is open to anyone? (§112(b)(2) and 111(d)(2))

▪ ***One-Stop Center uniform service delivery to business customers.***

While there is no uniform delivery of service to business customers, each local area outlines what business services are provided in the local strategic plan. As a result of the ARRA, the local plan modification calls for a description of how the LWIBs will be coordinating with the business community in order to assist with planning and development of training needs specific to the area. Some of the strategies planned include:

- Lunch/learn meetings with employers;
- Employer focus groups;
- Summer youth worksite development;
- Increased employer visitation;
- Expand One-Stop business services to identify “green jobs” in the local area;
- Promote On-the-Job Training, apprenticeship, customized and incumbent worker training; and
- Work with educators and employers to close the skills gap.

▪ ***Common individual assessment process utilized in the One-Stop Centers.***

The sequence of service to facilitate individual access falls mainly on each local area's method of operation. Because operational plans are locally driven based on need, staffing levels, and area to serve, local areas plan and implement what is needed to ensure all individuals in need have access to services. Local areas submitted an assessment process that was approved by the state for use in their delivery of services.

▪ ***Approaches to ensure funds are targeted to those most in need.***

LWIAs, through their local boards, will be coordinating with local community and faith based organizations to identify those most in need, such as, low-income, public assistance recipients, disconnected youth, and persons with disabilities, etc. Coordination with state and local government offices will also assist with the identification of these individuals requiring

One-Stop services. This may include local forums, community-based meetings, town halls, and public meetings.

The local area plan modification process will require a detailed description of how the LWIA plans to ensure funds are directed to serve those most in need, including low-income, public assistance recipients, and persons with disabilities.

- ***Streamlining the sequence of service to facilitate individual access to services/training.***
All Arizona Comprehensive One-Stop Career Centers have a resource room that is open to all customers and includes use of a copy machine, fax, and other equipment necessary for job search/career development. VOS is the internet access online tool used to facilitate customer choice of services. Each local Comprehensive One-Stop Career Center is locally driven by the needs of the local labor market, demand for skills in the community, training and educational opportunities, and local support services.

D. Youth Services

Question IX.E.1. Describe the state’s strategy for providing comprehensive, integrated services to eligible youth, including those most in need. (§112(b)(18))

- ***Anticipated program design for the WIA Youth funds.***
Program design will vary from one local area to another as each board is locally driven and services provided are based on availability in the area. Given the flexibility allowed in the (TEGL) #14-08, local areas will take into consideration the needs of each youth participant by identifying age-appropriate goals and activities upon completion of assessment appropriate for each individual.
- ***Use of Recovery Act funds to fund only a 2009 summer youth program.***
The state is encouraging LWIBs to utilize the majority of ARRA youth funds during the 2009 summer youth program. LWIBs are meeting with program staff and sub-contractors to provide guidance and requirements as deemed appropriate with regard to implementation of ARRA summer youth activities.
- ***Delivery of summer youth opportunities.***
The State of Arizona allocates funding to 14 Local Workforce Investment Areas (LWIAs). Each local area has the responsibility for determining which program elements they want to provide with ARRA funds as encouraged in TEGL #14-08. All local areas are tasked with ensuring that summer employment opportunities will be of high quality and when possible provide opportunities in “green” educational and career pathways.
- ***Types of worksites that will be developed for summer employment.***
Worksites will include a mix of public and private sector work experiences. This will include quality local area specific work opportunities in:
 - Manufacturing;
 - Construction;
 - Utilities;

- Transit;
 - Healthcare;
 - Hospitality;
 - Neighborhood Development;
 - Senior Center Recreation;
 - Green Demonstration Project;
 - Hands-on Mural Project;
 - Bio-Science; and
 - Aerospace.
- ***State policy for developing the mix of classroom versus worksite time.***
The state allows for local area planning flexibility for classroom versus worksite time for summer employment opportunities. TEG #14-08 emphasizes local flexibility with regard to the use of ARRA funds as LWIAs begin to strengthen their summer programs with the increase in funding. Local areas will be required to provide their strategy for classroom versus worksite time in their local plan modification.
 - ***Policies or strategies that the state is implementing for out-of-school youth.***
The state is requesting a waiver that will extend work experience only for out-of-school youth ages 18-24, for a period of six months (October 2009 to March 2010) upon completion of the regular summer youth program. Approval of this waiver will encourage continued engagement of a group of youth who are disconnected from education and the workforce. Upon successful completion of the extended work experience activity youth can make a smooth transition from summer employment opportunities to a more comprehensive array of education and training services provided under WIA youth or adult programs.

Because out-of-school youth are a challenging population to recruit, engage, and case manage, local areas are looking hard at different strategies that will allow for successful engagement of this population.

1. Strategies to Recruit Out-of-School Youth

- Marketing youth-focused outreach materials;
- Developing youth-based informational websites; and
- Presentation by One-Stop Career Center staff to youth and their families in traditional and nontraditional places, such as convenience stores, laundromats, and youth centers.

2. Strategies to Target Services to Out-of-School Youth

- Focusing on strategies to retain those out-of-school youth engaged in required education/skills training activities;
- Improving accessibility to One-Stop Career Center services for out-of-school youth by:
 - a. Consideration of establishing convenient and extended hours for youth;
 - b. Conducting out-of-school youth forums and focus groups;
 - c. Presentations by One-Stop Career Center staff in places frequented by out-of-school youth; and
 - d. Providing separate youth oriented areas, where possible, in One-Stop Career Centers to include information regarding youth services and youth-specific materials.

3. Strategies to Retain Out-of-School Youth

- Recruiting employers to serve as guest speakers at events/activities, providing youth with information about their companies, their industry, expectations, and hiring practices; and
 - The state will provide LWIA staff and youth service providers training and guidance on how to better serve out-of-school youth.
- ***Anticipated number of youth to be served with Recovery Act funds and number of summer employment opportunities created with Recovery Act funds.***

Local plan modifications will provide information with regard to planned strategies for use of funds designated for use during summer employment activities for out-of-school youth. Local areas will have the flexibility to connect academic/occupational learning to summer employment opportunities as they take advantage of the flexibility provided by the ARRA. Local areas are still in the process of identifying summer employment opportunities and worksites. This information will be provided in the response to the local plan modification.

Anticipated Number of Youth Served with ARRA funding – 4,500

E. Veteran's Priority of Service

Question IX.C.5.b. What policies and strategies does the state have in place to ensure that, pursuant to the Jobs for Veterans Act (P.L. 107-288) (38 USC 4215), priority of service is provided to veterans (and certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the Department of Labor?

▪ ***Description of changes to state policies for priority of service.***

1. State policy ensuring that covered persons are identified at point of entry.

The state initiated a workgroup that consists of staff from WIA, Employment Service, Employment Service Veteran's Representative, and ETA/DOL Veteran's Representative. The workgroup was tasked with the review and implementation of 20 CFR Part 1010, Priority of Service for Covered Persons; Final Rule issued December 19, 2008. State policy will be developed by the members of the group that have worked on the plan to implement the required changes. Strategies developed by the workgroup include:

- A pamphlet which will be made available in the One-Stop Career Center and Employment Service facilities to veterans and covered persons that will provide information on veteran's services and locations throughout the state;
- Signage that will assist with identifying veterans and covered persons at the point of entry;
- Changes to the home page of the VOS system that will provide information to veterans and covered persons when accessing the system during self-registration, whether at program operators' sites or remote locations;
- Training for partners in the One-Stop Career Centers and Employment Service facilities; and
- Guidance for the LWIBs to ensure that local plans include the implementation of priority of service in the local One-Stop Career Centers and service delivery by workforce preparation/training providers.

2. State policies ensure that covered persons are aware of:

a. Their entitlement to priority of service:

Arizona's One-Stop partners and Employment Administration, as directed by the Jobs for Veterans Act 2002 (Public Law 107-288) and the United States Department of Labor, Employment and Training Administration's (ETA) Training, 20 CFR Part 1010, Priority of Service for Covered Persons; Final Rule and Employment Guidance Letter (TEGL) #5-03, which require the implementation of priority of service for veterans in all United States Department of Labor job training programs, will develop signage and informational pamphlets to inform covered persons of priority of service. These policies will also include staff training, staff awareness, and implementation of policies to ensure compliance as directed by 20 CFR Part 1010, Priority of Service for Covered Persons.

b. The full array of employment, training, and placement services available under priority of service:

Public Law 107-28 and 20 CFR Part 1010, Priority of Service for Covered Persons; Final Rule defines Priority of Service in respect to any qualified job-training programs: "a covered person (Paragraph II, E) shall be given priority over non-veterans for the

receipt of employment, training, and placement services provided under that program, notwithstanding any other provision in law.” Priority services include, but are not limited to:

- Registration;
- Intensive services by DVOP/LVER staff;
- Testing;
- Vocational guidance;
- Referral to employment services;
- Job search workshops;
- Referral to job training;
- Referral to job openings;
- Job development;
- Training; and
- Case management.

In addition, Arizona’s One-Stop partners and Employment Administration in accordance with Public Law 107-288, Section 2(a) of the Act 38 U.S.C. 4215(a) and 20 CFR Part 1010 Final Rule which create a **priority of service** for veterans (and some spouses) “who otherwise meet the eligibility requirements for participation” in all United States department of Labor funded job training programs, will ensure priority of service to veterans as defined in Training and Employment Guidance Letter (TEGL) #05-03, “affected programs” include, but are not limited to:

- Workforce Investment Act Adult and Dislocated Worker formula-funded program;
- Wagner-Peyser Employment Service;
- Trade Act Programs;
- National Emergency Grants;
- Senior Community Service Employment Programs (SCSEP);
- Migrant and Seasonal Farm Worker (MSFW) Program;
- Indian and Native American Program;
- H-1B Technical Skills Training Grants;
- Job Corps;
- Workforce Investment Act Demonstration Projects;
- Youth Opportunity Grants;

- Workforce Investment Act Youth formula-funded programs;
- Labor Market Information Formula Grants;
- DOL funded pilot programs;
- Research and development; and
- Career One-Stop Electronic Tools and other Internet-based self-service tools operated by the United States Department of Labor grantees.

c. Any applicable eligibility requirements for those programs and/or services.

Arizona's One-Stop partners and Employment Administration in accordance with Public Law 107-288 which states, "The Secretary of Labor will determine if covered persons are receiving priority of service by the representation of Veterans in such programs, and whether the representation of Veterans in such programs is in proportion to the incidence of representation of Veterans in the labor market" and 20 CFR Part 1010 Final Rule which define covered persons as:

- **Veteran** means a person who served in active military, or air service, and who was discharged or released wherefrom under conditions other than dishonorable, as specified in 38 U.S.C 101(2).
- **Eligible Spouse** means the spouse of any of the following:
 1. Any veteran that died of a service connected disability;
 2. Any member of the armed forces service on active duty who, at the time of application for the priority, is listed as one or more of the following categories and has been so listed a total of more than 90 days:
 - Missing In Action;
 - Captured in line of duty by a hostile force; or
 - Forcibly detained or interned in the line of duty by a foreign government.
 3. Any veteran who has a total disability resulting from a service-connected disability, as evaluated by the V.A.;
 4. Any veteran who died of a disability as indicated in number three above; and
 5. The priority of service does not change the intended function of a Program.

Covered persons must meet all statutory eligibility and program requirements for participation in order to receive priority for a program or service.

In addition, a covered person under PL 107-288 is defined as:

- **Veteran as defined by U.S.C. Title 38:**
 1. Served on active duty for more than 180 days and was discharged with other than a dishonorable discharge;
 2. Was discharged (regardless of length of service) because of a service-connected disability; or
 3. Was a member of a Guard or Reserve Unit, called to active duty during a war (regardless of the length of time served) or in an operation where a campaign badge was authorized and was discharged with other than a dishonorable discharge.
- **Spouse of any of the following individuals:**
 1. A veteran who died of a service-connected disability;
 2. Any member of the armed forces listed as missing for more than ninety days;
 3. Any member of the armed forces forcibly detained by a foreign government or power for more than ninety days; or
 4. Any veteran who died while a disability so evaluated was in existence.

To extend priority of service for veterans in all United States Department of Labor funded job training programs, LWIBs will have, as part of their local plans, veteran's priority of service procedures that will apply to all of the One-Stop partners as directed by the Jobs for Veterans Act 2002 (Public Law 107-288) and the United States Department of Labor, Employment and Training Administration's (ETA) Training, 20 CFR Part 1010, Priority of Service for Covered Persons; Final Rule and (TEGL) #05-03. LWIBs must ensure that priority is given to veterans and certain spouses in all employment and training programs administered by the Department of Labor. In general, this guidance holds that individuals meeting the eligibility criteria outlined will be afforded priority over individuals who are not veterans. Additionally, the guidance indicates that veterans' priority must be applied consistent with programmatic eligibility standards and other priorities mandated by the statute. One-Stop Career Centers, in coordination with the Arizona Department of Economic Security, will ensure that a veteran representative is available to meet with customers in the One-Stops.

F. Service Delivery to Targeted Populations

Question IX.C.4.a. Describe the state's strategies to ensure that the full range of employment and training programs and services delivered through the state's One-Stop delivery system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals, migrant and seasonal farm workers, women, minorities, individuals training for nontraditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, limited English proficiency individuals, and people with disabilities). (§112(b)(17)(A)(iv))

- ***Strategy used to implement priority of service for low-income individuals and recipients of public assistance.***

Eligibility for training services is determined by the criteria established by WIA Section 134. Funds for adults and dislocated workers are used to provide training services to those unemployed individuals who are unable to obtain employment through core services and who have been determined to be in need of more intensive services in order to obtain employment; or to those individuals who are employed, but are determined to be in need of intensive and/or training services to obtain or retain employment that allows for self-sufficiency.

Workforce Information Memos #12-01 and #12-01 Change 1, available at <http://www.azdes.gov/wia/infomemos> clarifies if adult funds are limited then priority must be given to recipients of public assistance and other low-income individuals. In addition, via the local plan, each LWIB describes a “most-in-need” policy which outlines the use of adult funds for the three tiers of service. Each area is required to address:

- How low-income adults and public assistance recipients will be given priority in determining eligibility for intensive services using WIA adult funds;
- How services for special populations will not be duplicated in a One-Stop system of delivery (such as older workers, public assistance recipients, and other individuals with multiple barriers to employment); and
- How older workers, displaced homemakers, individuals with multiple barriers, veterans, and individuals with disabilities will be served within the One-Stop system.

The state has ensured that the priority of service will be re-examined in each local area as part of the local area plan modification process. LWIBs have been asked in the planning document to outline what will be done to ensure that changes are made in outreach to the target populations and strategies to ensure that they are served. The Interagency Team will be reviewing and approving plans for those local areas that have implemented enhanced outreach and provision of services to those most in need in the targeted populations.

In recent years, Reemployment Services has been an unfunded and unmanned program. With ARRA funds, Arizona intends to re-establish a dedicated RES Unit as part of its strategy to ensure priority of service for target populations such as low-income individuals and recipients of public assistance. This unit will be able to focus solely on those individuals who have presented greater barriers and service needs than can be addressed by Wagner-Peyser program and Employment Service alone. The Reemployment Unit will allow the state to target harder to serve claimants with a greater likelihood of UI benefit exhaustion quickly and effectively.

- ***Use of Wagner-Peyser resources to support individuals with disabilities.***

In accordance with 29 CFR Part 37, Sections 37.7, 37.8, and 37.9, the needs of persons with a wide range of disabilities in preparing for, obtaining, and maintaining employment will be

met within the Workforce Investment System, especially within the One-Stop Career Centers. The needs will be met, in part, by:

- Ensuring that the One-Stop Career Centers are physically, attitudinally, and environmentally accessible for persons with disabilities.
- Making training materials, labor market information, and other print material available in alternative formats such Braille, large print, or electronic means as requested by the individual.
- All One-Stop Career Centers will be equipped with TTY or TTD devices and staff will be trained in its use. Staff will be familiar with telephonic relay service for the deaf and will have sign language interpreters on call.
- All local and state WIA staff and One-Stop partners will participate in a disability awareness training sponsored by the Arizona Rehabilitation Services Administration.
- Ensure that programs and services are accessible to persons with disabilities through the use of assistive technology, each One-Stop Career Center will have, at a minimum, a computer available to customers containing common accessibility devices such as JAWS, Zoom Text, enable sticky keys, modified keyboards, and other input devices. Staff will be trained on the maintenance and operation of available assistive technology devices.
- Developing coordinated projects with WIA partners to improve the employability, employment and career advancements of persons with disabilities through the integration of persons with disabilities as One-Stop staff, reasonable accommodation in all training programs within the One-Stop system and assuring accessibility through the Virtual One-Stop system (VOS).
- Institutionalization of the Disability Navigator program, through the DOL Disability Navigator grant and partnership agreements between Arizona Rehabilitation Services Administration and LWIBs. Each comprehensive One-Stop Career Center will have at least one Disability Navigator to assist persons with disabilities to access One-Stop services.

Arizona has identified three targeted locations throughout the state for placement of the newly reformed Reemployment Units: Mesa, Tucson, and Casa Grande based on highest levels of need for these services. Each unit will be housed in the One-Stop Career Center and have the services of a Navigator in the center.

Section III Operations

A. Transparency and Public Comment

Instruction from Section II of the State Planning Guidance Plan Development Process: Include a description of the process the state used to make the Plan available to the public and the outcome of the state's review of the resulting public comments. (§111(g) and 112(b)(9))

▪ ***State efforts to promote transparency.***

Governor Brewer has provided a website that is dedicated to providing information solely on the American Recovery and Reinvestment Act of 2009 for the people of Arizona. The site is intended to be Arizona's one-stop shop for information on stimulus funding. Because the stimulus initiative is in its early stages, and federal agencies are still determining rules and regulations, the site does not provide the entire spectrum of information that will be provided in the months to follow.

Future capabilities being considered for inclusion on the site are:

- Break down of all stimulus funds released to Arizona;
- Press releases on Arizona's stimulus package;
- Federal ARRA press releases;
- Interactive search services associated with stimulus data; and
- Interactive applications for grants.

Governor Brewer encourages every Arizonan to access the website in order to participate in the monitoring, allocation and use of Arizona's received stimulus funds and to keep track of how ARRA will serve Arizona citizens and its impact on future growth and success.

▪ ***Process used to make the Plan modification available to the public and the outcome.***

The State Plan modification will be posted on the Arizona Department of Economic Security website to ensure full public access to the Plan. As part of the public comment portion of the planning process the Plan will also be made available to:

- Governor's Council on Workforce Policy;
- Local Workforce Investment Boards; and
- Community Colleges.

The State Plan modification was made available for public comment for a period of 10 days beginning on May 27, 2009 and ending on June 5, 2009. Comments received were reviewed and considered for incorporation into the plan. Public comments will be made available on the DES website where the plan was posted.

B. Increasing Services for Universal Access

Question VI.C. What state policies are in place to promote universal access and consistency of service statewide? (§112(b)(2))

The State of Arizona has opted to re-establish a Reemployment Service Unit to work in conjunction with the Arizona Workforce Connection One-Stop Career Centers to provide intensive services to its unemployed and underemployed citizens. Through the use of the AIRSNet profiling system, claimants in danger of exhausting UI benefits prior to finding new employment will be quickly identified and offered services. By adding to the availability of services already in existence in the One-Stop Career Centers, an increased number of customers affected by adverse economic conditions will be able to be served.

Strategies have already been implemented to quickly and efficiently identify qualified staff to fill the positions from existing candidates within the Department. By redistributing existing workloads and duties, upper level and middle management candidates have already been identified and placed into positions. Field staff is being recruited from existing Employment Service staff with a desire to move into the Reemployment Unit. These transitions allow staff who already has a familiarity with the programs and One-Stop Career Center procedures, to apply their expertise in a new way. This will also alleviate the need for extensive new hire training and allow the program to expeditiously begin serving customers.

The Department is also actively recruiting placements from the staff most recently affected by lay-offs due to the downturn in the economy. This recruitment will benefit Employment Service by adding staff that have familiarity with state employment as well as garnering positive placements from the Unemployment Program. These methods will effectively expedite the hiring process by recruiting individuals which are known to already possess minimum qualifications and work habits to meet the department's needs.

An aggressive management training program from Dynamic Works is being provided to management staff to ensure a consistency of service statewide. All management staff is seasoned with a familiarity of programmatic policy and procedure, therefore capable of providing input to the unit immediately.

Universal access is achieved through availability of VOS, an Internet-based workforce development system allowing for business customers to post available jobs. VOS also allows job seekers to register for available job openings, develop resumes, and begin the eligibility process for WIA service. The VOS system coordinates activities to avoid duplication by providing modules for common intake, case management, common data collection, and reporting.

By utilizing seasoned staff and enhancing current technology, the state is confident that the goals of spending these funds expeditiously yet conscientiously can be met while supporting the Governor's vision of serving the vulnerable population without increasing the state budget deficit.

C. Local Planning Process

Question VIII.D. Describe the state-mandated requirements for local areas strategic planning, and the assistance the state provides to local areas to facilitate the process. (§112(b)(2) and 20 CFR 661.350(a)(13))

The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will issue *Local Plan Guidelines* for the final year of the five-year plan cycle. The WIA Title I Local Plans will be reviewed by representatives from the Interagency Team and a summary shared with the GCWP's Executive Committee. If all requirements are met, the plan modification will be approved by the GCWP. DES will send letters to the LWIBs providing instruction for negotiating and reaching agreement between DES/WIA and the local workforce boards on the local performance standards for PY2009.

DES/WIA completed the PY2009 local plan modification guidance in conjunction with the development of the State Plan that includes the pertinent over-arching visions provided by ARRA for implementation at the local level. The guidelines include integrated strategies as they relate to implementation of the ARRA's recommendations to:

- Target workers impacted by today's economy, recipients of public assistance, and other low-income individuals;
- Coordinate and align with Wagner-Peyser, Reemployment Services, Trade Adjustment Assistance, Unemployment Insurance, and One-Stop Career Center Partner Programs;
- Leverage and support registered apprenticeship programs; and
- Align with state economic recovery plans.

Local plan guidelines include LWIA strategies for utilization of ARRA funds. LWIBs are asked to:

- Describe the progress towards aligning the services of the local workforce system, economic development and education systems to support ARRA strategies;
- Describe how the LWIB will identify and work with key industry partnerships where they exist within the local area, and coordinate and invest in expanded partnerships;
- Establish goals for the LWIA's efforts with industry partnerships;
- Identify how the LWIB plans to better align its resources to meet the training and employment needs of key industry sectors in the region; and
- Policies adopted or planned for aligning training initiatives and Individual Training Accounts (ITA) to local area strategies and demand occupations.

The local plan guidelines also include implementation details in response to new state waiver approvals:

- Describe any plans for using up to 100 percent of local area Rapid Response formula funds to provide statewide employment and training activities including incumbent worker training.

- Provide the amount of increase to existing providers as a result of the waiver of procurement requirements for youth summer employment providers under the ARRA.
- Provide the plans to serve youth who participate in work experience only beyond the summer months.

A section is provided in the local plan modification guidance asking if there are any concerns/barriers with regard to utilizing ARRA funding, as well as what type(s) of technical assistance is needed from DES to assist with local area needs.

D. Procurement

Question VIII.F.5. Describe the competitive and non-competitive processes that will be used at the state level to award grants and contracts for activities under Title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16))

At the state level, the formula allocation process is used to distribute the 85 percent local area funding. Projects under the 10 percent Set-Aside funds will either be run through a local area based on an open application and evaluation process, or the state will use its procurement processes to issue Requests for Proposals, etc. Potential bidders will be made aware through public notices posted in local area papers, e-mail distribution lists and various other electronic media.

A waiver has been requested to allow for expansion of existing local area youth contracts with providers that have established contracts who provide quality services to youth.

E. Technical Assistance

Question VIII.G.2. Describe how the state helps LWIAs identify areas needing improvement and how technical assistance will be provided. (§112(b)(14))

Technical assistance requests from local areas are usually as a direct result of issues identified during the annual in-depth monitoring of adult/youth/dislocated worker programs. These annual visits provide for the monitoring of administrative, programmatic and fiscal review of local area program operations.

Local areas failing to meet performance measures as identified through monthly performance reports, possibly requiring technical assistance, are contacted by the WIA Field Operations Liaisons to discuss issues in the local area that may be causing low performance. Error reports are generated on a weekly basis in order to determine which local areas are experiencing difficulties and discussions are held with the local area directors to identify needs such as technical assistance, training, equipment, and system building issues that could be hindering their ability to meet negotiated performance measures.

ARRA funding will be utilized to provide technical assistance on an as needed basis. Technical assistance will be provided to local areas experiencing low performance, low enrollment and inability to expend funding received through the ARRA. The state will provide close monitoring of programmatic and fiscal requirements in order to determine where technical assistance is needed.

F. Monitoring and Oversight

Question VIII.H. Describe the monitoring and oversight criteria and procedures the state utilizes to move the system toward the state’s vision and achieve the goals identified above, such as the mystery shoppers, performance agreements. (§112(b)(14))

As a result of ARRA, the state will be revising the programmatic and fiscal monitoring guides to include a special section on ARRA funding that is directly linked to the modified local plans that will be received from the local areas in the coming months. The LWIA plan modification is being completed as an addendum to current local plans that expire June 30, 2010 and will include specific information on planned use and strategies for ARRA funds. Part of the monitoring process will include the process utilized in the local area for the summer youth program and a review of summer employment worksite agreements to ensure participants are getting exposed to viable work opportunities.

Monitoring of ARRA funds will be done at the state level as well through reports that will be generated through the VOS System. VOS system reports will allow for the tracking of WIA, Wagner-Peyser and RES activities.

G. Accountability and Performance

Question X.C.1. Describe the state’s performance accountability system, including any state-system measures and the state’s performance goals established with local areas. Identify the performance indicators and goals the state has established to track its progress toward meeting its strategic goals and implementing its vision for the workforce investment system. (§112(b)(3) and 136(b)(3))

- *Efforts to hold the state and local area accountable for results of activities funded by the Recovery Act.*

One of the seven key principles upon which WIA was enacted is “increased accountability,” a commitment that the State of Arizona takes very seriously in efforts to improve the effectiveness of the Arizona Workforce Connection. Consistent with this commitment, the state is looking to ensure transparency and accountability throughout the state and hold those accountable for the provision of services to low-income, displaced and under-skilled adults and disconnected youth.

In the shadow of the state’s looming budget issues, ARRA funds have provided hope to the people of Arizona by providing a significant investment of workforce investment funds that can enhance services provided to those in need throughout the state. The Department will be working closely with the local areas as plan modifications are developed to ensure there is a shared vision of goals set by each local area that will be in line with the State Plan and performance goals.

Local boards hold service providers accountable for performance through contractual provisions that set targeted performance levels. Monetary incentives are also extended to clients who realize successes tied to performance outcomes (e.g., employment, credentials, and earnings gain). Local areas will also be conducting their own internal reviews of program operations and those of their contractors on a monthly and quarterly basis to ensure services are being provided as required by the ARRA.

State-level reviews foster corrections to local policies and processes, but in a broader sense, continue to highlight the daunting challenges that are necessary in the coming year to provide a more effective, innovative approach to delivering comprehensive One-Stop services that are consistent throughout the state. The alignment of regular WIA Formula and ARRA funding provides a challenge to the state and local areas in that the funds need to be expended as quickly as possible.

- ***Assessment of work readiness effectiveness of summer employment opportunities for youth.***

Local areas have been given the flexibility, through TEGl #14-08, to establish a methodology for determining work readiness skill attainment for the beginning and completion of the summer work experience activity. As part of the local area plan modification, the LWIB will define the process, as well as the tool that will be utilized to determine whether a measurable increase has occurred. The local area plan modification will go through an approval process that involves careful review of the local area plan by the Interagency Team. Local areas will have the option of choosing from several different types of assessment tools. The process and the tool(s) used will go through the approval process with the local plan modification.

**STATE OF ARIZONA WAIVER PLAN
FOR THE WORKFORCE INVESTMENT ACT
STIMULUS PROGRAMS AND ON-GOING FORMULA FUNDED
PROGRAM YEAR 2009**

The Arizona Department of Economic Security (DES), the state administrative entity for the Workforce Investment Act (WIA), is requesting new and expanded waivers, as well as, extension of waivers of legal requirements under WIA. This will address the urgent nature of the American Recovery and Reinvestment Act of 2009 (ARRA) and maximize the flexibility needed to ensure expedient implementation of stimulus programs designed to impact local economic vitality. The waiver plan will also assist with the transformation of the current workforce system to a demand-driven, sector based, and regionally driven talent development pipeline.

Upon approval of the waivers pertaining to the Recovery Act, DES will be able to ensure the timely implementation and expenditure of grant funds in support of businesses and individuals affected by the economic downturn being experienced in Arizona. All waiver requests are intended for implementation through the period of performance for the economic stimulus funds, which is scheduled to end June 30, 2011. In addition, all waiver requests, with the exception of the Adult and Dislocated Worker Funds 100 percent Transfer Waiver, are intended to apply to the Recovery Act formula funding.

Upon approval of the waivers pertaining to ongoing formula-funded programs, DES will be able to allow greater flexibility and encourage increased innovation to drive system transformation through regional sector strategies that create talent pipelines to meet business needs. Arizona is seeking all waiver requests for implementation through June 30, 2010. In addition, all waiver requests are intended to apply to the non-Recovery Act formula funding.

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).

EXISTING WAIVERS

**WAIVER 1 – WAIVER OF THE TIME LIMIT ON THE PERIOD OF INITIAL
ELIGIBILITY FOR TRAINING PROVIDERS.**

This waiver was included in the State Plan extension letter and is not required as part of the full waiver plan per TEGL #14-08.

WAIVER 2 –WAIVER PERMITTING THE DIRECT PAYMENT OF DISLOCATED WORKER (DW) FUNDS ALLOCATED TO EACH OF THE FIVE LWIAS AND INSTEAD REDIRECT THE AGGREGATE SUM OF THOSE ALLOCATIONS TO THE GILA COUNTY RE-EMPLOYMENT AND PRE-LAYOFF ASSISTANCE CENTER (REPAC). REPAC WILL ACT ON BEHALF OF THOSE SIX AREAS IN THE EXPENDITURE OF DISLOCATED WORKER AND RAPID RESPONSE FUNDS, AS STIPULATED THROUGH A LOCAL CONSORTIUM AGREEMENT.

Among Arizona’s 14 LWIAs, most are characterized as rural according to federal and state economic standards. In January 2003, the state was granted a waiver which essentially allowed a pooling of the dislocated worker (DW)/rapid response (RR) formula allocations for five of these rural LWIAs, resulting in integration of their DW programs under a single administrative entity. This entity, known as the Re-employment and Pre-layoff Assistance Center (REPAC), currently administers the DW program for the consortium made up of Gila/Pinal, Graham, Greenlee, Mohave/LaPaz counties, and the Nineteen Tribal Nations (NTN). The waiver granted previously to Arizona impacts multiple provisions of the WIA and its regulations. However, it provides the fiscal and programmatic flexibility necessary to improve performance outcomes, as well as expand the service mix to customers in all five LWIAs. All annually reported measures have been met or exceeded since the local-level WIA Performance Measure waiver was granted in Program Year (PY) 2002. Integration of rural programs under the waivers has also increased the number of staff dedicated to providing services, specifically to dislocated workers; recordkeeping has become centralized, and the frequency and the quality of data input has improved dramatically. More importantly, the waiver has paved the way for new opportunities to leverage funding and other resources – crucial elements in continuing the integration of employment and training programs nationally.

Statutory and Regulatory Requirements to be Waived

WIA Section 133(b)(2)(B), 134(a)(2)(B)(iii), (136(c), 136(h), WIA Final Rule 20 CFR 666.300, 666.310, 666.420, 667.130, 667.130(b)(1),

Goals and Programmatic Outcomes to be Achieved

- Leverage resources for better services in small rural areas;
- Provides for the availability of REPAC staff in each county for case management services specific to dislocated workers; and
- Increased partnership with DES by having in-house case managers at the One-Stop Centers and/or subcontracting with Employment Service to minimize overhead costs.

Individuals Impacted by the Waiver

- Arizona Local Workforce Investment Boards;
- Training providers;
- One-Stop staff; and
- WIA dislocated worker customers.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory or regulatory barriers to implementing the state’s request for waiver.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

The state provided a 10 day public comment period for this waiver request (May 27 - June 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will continue to monitor this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state's current monitoring policy and procedures are used to ensure compliance with the intent of this waiver.

WAIVER 3 –WAIVER FOR THE DIRECT PAYMENT OF ANY INCENTIVE FUNDS THAT MIGHT OTHERWISE BE AWARDED TO ANY OR ALL OF THE REFERENCED LWIAS BASED ON EXEMPLARY PERFORMANCE WITH THE DISLOCATED WORKER CORE INDICATORS AND INSTEAD REDIRECT SUCH FUNDS TO REPAC.

In January 2003, the state was granted a waiver which essentially allowed the direct payment of incentive funds that local areas earn based on exemplary performance to the entity known as the Re-employment and Pre-layoff Assistance Center (REPAC). Permission was granted by the USDOL to permit the state to distribute incentive funds earned by the local workforce investment area members of the consortium to the Gila County REPAC.

Statutory and Regulatory Requirements to be Waived

WIA Section 133(b)(2)(B), 134(a)(2)(B)(iii), (136(c), 136(h), WIA Final Rule 20 CFR 666.300, 666.310, 666.420, 667.130, 667.130(b)(1),

Goals and Programmatic Outcomes to be Achieved

- Dislocated workers in rural areas; and
- LWIAs.

Individuals Impacted by the Waiver

- Arizona Local Workforce Investment Boards;
- Training providers;
- One-Stop staff; and
- WIA customers.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory, or regulatory barriers to implementing the state’s request for waiver.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

The state provided a 10 day public comment period for this waiver request (May 27 - June 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will monitor the implementation of this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state’s current monitoring policy and procedures are used to ensure compliance with the intent of this waiver.

WAIVER 4 – WAIVE THE SANCTIONING OF ANY OF THE REFERENCED LWIAS FOR FAILURE TO MEET PERFORMANCE LEVELS FOR DISLOCATED WORKER CORE INDICATORS AND INSTEAD APPLY ANY APPLICABLE SANCTIONING TO REPAC WITH REGARD TO THOSE PERFORMANCE MEASURES THAT WERE NEGOTIATED COLLECTIVELY.

In January 2003, the state was granted a waiver to allow the sanctioning of any of the local workforce investment areas for failure to meet performance levels for dislocated worker core indicators and instead apply any applicable sanctioning to the Gila County REPAC. This waiver applies to the sanctions for local areas that fail to meet local performance measures as described in Section 136(h) and 20 CFR 666.420 and applies to the local workforce investment areas of Gila/Pinal, Graham, Greenlee, Mohave/LaPaz, and the Nineteen Tribal Nations. In addition, Gila County REPAC will assume all liability for the WIA Title I dislocated worker, rapid response and incentive funds that it receives on behalf of the five local workforce areas that are members of the consortium.

Statutory and Regulatory Requirements to be Waived

WIA Section 133(b)(2)(B), 134(a)(2)(B)(iii), 136(c), 136(h), WIA Final Rule 20 CFR 666.300, 666.310, 666.420, 667.130, 667.130(b)(1),

Goals and Programmatic Outcomes to be Achieved

- Dislocated workers in rural areas; and
- LWIAs.

Individuals Impacted by the Waiver

- Arizona Local Workforce Investment Boards;
- Training providers;
- One-Stop staff; and
- WIA customers.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory, or regulatory barriers to implementing the state's request for waiver.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

The state provided a 10 day public comment period for this waiver request (May 27 - June 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will monitor the continuation of this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state's current monitoring policy and procedures will be used to ensure compliance with the intent of this waiver.

WAIVER 5 – WAIVE THE NECESSITY TO NEGOTIATE AND REACH AGREEMENT ON DISLOCATED WORKER PERFORMANCE MEASURES FOR EACH OF THE REFERENCED LWIAS AND INSTEAD PERMIT REPAC TO NEGOTIATE A UNIFORM SET OF MEASURES, WHICH WOULD BE APPLICABLE TO ALL FIVE AREAS COLLECTIVELY. ALLOW REPAC TO REPRESENT THE FIVE LWIAS IN PREPARATION OF THE STATE ANNUAL REPORT.

In January 2003, the state was granted a waiver to permit Gila REPAC the ability to negotiate one set of dislocated worker performance measures that would be applicable to all five of the local workforce investment areas in the consortium collectively. This waiver applies to the negotiations and agreements reached regarding the annual levels of performance for the dislocated worker program only as described in Section 136(c); 20 CFR 666.300 and 666.310; for the local workforce investment areas that are members of the consortium.

Statutory and Regulatory Requirements to be Waived

WIA Section 133(b)(2)(B), 134(a)(2)(B)(iii), 136(c), 136(h), WIA Final Rule 20 CFR 666.300, 666.310, 666.420, 667.130, 667.130(b)(1),

Goals and Programmatic Outcomes to be Achieved

- Dislocated workers in rural areas; and
- LWIAs.

Individuals Impacted by the Waiver

- Arizona Local Workforce Investment Boards;
- Training providers;
- One-Stop staff; and
- WIA customers.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory, or regulatory barriers to implementing the state's request for waiver.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

The state provided a 10 day public comment period for this waiver request (May 27 - June 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will monitor the continuation of this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state's current monitoring policy and procedures will be used to ensure compliance with the intent of this waiver.

WAIVER 6 – WAIVER TO REQUEST 20 PERCENT FUNDS TRANSFER CAP TO PERMIT 100 PERCENT TRANSFER BETWEEN ADULT AND DISLOCATED WORKER PROGRAMS.

Arizona’s state workforce investment board, the Governor’s Council on Workforce Policy (GCWP), has consistently advocated for local decision-making that broadens the level and mix of services to job seekers. Among the factors that support this view are: (1) the diverse economic and cultural communities in the state, and (2) the disproportionate distribution of Arizona’s population across two metropolitan areas (Phoenix and Tucson) and 13 largely rural areas. These factors have presented serious challenges at times to individual LWIBs in their efforts to comply with federal funding rules. The challenges have translated into lagging funding utilization rates in at least six LWIAs over the past two program years, where the number of adults in need is significantly larger than the number of dislocated workers requiring help. In narratives submitted to the state each quarter, DOL has consistently called for the state to address the under-spending of DW funds. For the foreseeable future, the waiver giving authority to the GCWP to increase local transfer rates provides the much-needed flexibility that local boards require to meet the distinct needs of their individual customer groups. This waiver only applies to WIA Formula funding.

Statutory and Regulatory Requirements to be Waived

WIA Section 133(b)(4), 20 CFR 667.140(a)

Goals and Programmatic Outcomes to be Achieved

- Supports WIA program design based on local needs;
- Supports improved alignment of service offerings by partner programs with local WIA programs; and
- Performance outcomes will improve overall and more customers will be served in the aggregate in those LWIAs that actively pursue a modification in their transfer rate.

Individuals Impacted by the Waiver

- Arizona Local Workforce Investment Boards;
- One-Stop staff; and
- WIA customers.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory, or regulatory barriers to implementing the state’s request for waiver.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

The state provided a 10 day public comment period for this waiver request (May 27 - June 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will monitor the continuation of this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state’s current monitoring policy and procedures will be used to ensure compliance with the intent of this waiver.

WAIVER 7 – WAIVER OF THE REQUIREMENT FOR A 50 PERCENT EMPLOYER MATCH FOR CUSTOMIZED TRAINING, TO PREVENT A SLIDING SCALE MATCH FOR SMALL AND MEDIUM SIZED BUSINESSES.

The State of Arizona was granted a waiver by the United States Department of Labor (USDOL) of the 50 percent minimum match requirements for business customers to participate in the costs of providing WIA Title IB customized training to adults and dislocated workers which will assist business customers with their training needs. Arizona recognizes that small businesses often have limited resources to meet their training needs. The following schedule of costs to businesses will be instituted based on the number of employees in their business applicant’s workforce:

- A business with 100 or more employees must pay 50 percent of the training cost
- A business with 99-50 employees must pay 40 percent of the training cost
- A business with 49-25 employees must pay 30 percent of the training cost
- A business with 24-10 employees must pay 20 percent of the training cost
- A business with 9 or less employees must pay 10 percent of the training cost

The Governor’s Council on Workforce Policy is committed to ensuring that new and current employees enrolled in customized training programs acquire skills to meet workplace requirements for long-term employment, avert lay-offs, and train for employment with emphasis on high-skill, high-wage occupational areas.

Statutory and Regulatory Requirements to be Waived

WIA Section 101(8)(c)

Goals and Programmatic Outcomes to be Achieved

- Assist business customers with their training needs;
- Ensure new and current employees enrolled in customized training programs acquire skills to meet workplace requirements for long-term employment;
- Avert layoffs; and
- Train for employment with emphasis on high skill, high wage occupations.

Individuals Impacted by the Waiver

- Arizona Local Workforce Investment Boards;
- Training providers;
- One-Stop staff; and
- WIA customers.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory, or regulatory barriers to implementing the state’s request for waiver.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

The state provided a 10 day public comment period for this waiver request (May 27 –June 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will monitor the continuation of this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state’s current monitoring policy and procedures will be used to ensure compliance with the intent of this waiver.

NEW WAIVER REQUESTS/ARRA**Waiver 8 – REQUEST TO WAIVE PROCUREMENT REQUIREMENTS FOR YOUTH SUMMER EMPLOYMENT PROVIDERS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT.**

The American Recovery and Reinvestment Act (ARRA) of 2009 and the directives from the United States Department of Labor (USDOL) issued in response to the ARRA funding indicates that transparency and accountability are absolutely required as to the expenditure of these funds. Therefore, Arizona is requesting that current competitively procured contracts and/or services be expanded to ensure ARRA funds are distributed quickly and efficiently. We are aware that a waiver may be needed to infuse new ARRA funding into existing contracts. This waiver is being submitted to ensure that Arizona is in compliance with USDOL requirements for utilization of ARRA funding for youth contracted services. The approval of this waiver will allow rapid implementation of summer 2009 employment programs by expanding existing competitively procured contracts by up to 200 percent so that WIA summer youth employment activities may begin immediately. Arizona views this waiver as an emergency waiver in order to support the LWIBs in their efforts to expand existing contracts to accommodate the increased number of youth entering this year's summer youth program as a result of ARRA.

Statutory or Regulatory Requirements to be Waived

WIA Section 123

Goals and Programmatic Outcomes to be Achieved

- Permit Local Workforce Boards (LWIBs) to use existing competitively procured youth providers with demonstrated records of success to administer summer employment programs;
- Provide a more responsive and comprehensive summer program that can be implemented quickly and effectively by taking advantage of the expertise and established systems available through current youth providers; and
- Maximize the flexibility needed to ensure speedy implementation of stimulus programs.

Individuals Impacted by the Waiver

- Youth meeting WIA Youth Program eligibility requirements;
- School, public, and community based organizations that serve the youth meeting program eligibility requirements; and
- Local areas who have secured youth service contracts needing to implement summer programs quickly and efficiently.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory, or regulatory barriers to implementing the state's request for waiver.

Accountability

The state assures that Arizona's LWIAs who expand existing contracts will follow the state and local procurement laws and policies. The Department's Fiscal Monitoring Unit is very familiar with the regulations and will ensure that LWIBs utilizing this waiver will adhere to the law through periodic procurement monitoring conducted by the fiscal oversight staff.

Local areas are required to provide information on youth contracts in the LWIA Modified Plan PY 2009. That information includes the projected number of youth to be served as well as existing contract amendment amounts allowing for the increase in youth participants for the summer program.

Announcement of Summer Employment Providers

A list of current summer service providers will be posted at:

<https://egov.azdes.gov/CMSInternet/main.aspx?menu=148&id=1990>

Each LWIB will also be responsible for identifying local area service providers for the summer youth employment program on their website.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

On April 9, 2009, a meeting was held with local area directors to discuss possible waiver requests. At the request of the directors this waiver is being submitted on their behalf. A draft of the waivers was issued for comment to the directors on April 27, 2009. No comments were received.

The state provided a five day public comment period for this waiver request (May 1 - May 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will monitor the implementation of this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state's current monitoring policy and procedures will be modified to ensure compliance with the intent of this waiver.

Waiver 9 – REQUEST TO WAIVE PERFORMANCE MEASURES FOR YOUTH WHO PARTICIPATE IN WORK EXPERIENCE ONLY BEYOND THE SUMMER MONTHS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT.

Arizona is requesting a waiver of the statutory measures for out-of-school youth ages 18-24 served with American Recovery and Reinvestment Act (ARRA) funds, beyond the summer months, who participate in work experience only. This would allow Arizona to use the work readiness indicator as the only indicator of performance for such youth, the same measure that applies to summer youth only participants. Guidance provided in TEGL #14-08, Section 16(A), states that it may be necessary to provide additional flexibility for out-of-school youth served with ARRA funds who participate in work experience only beyond summer employment. Arizona is requesting the additional flexibility to be utilized for youth ages 18 to 24 served with ARRA funds beyond the summer months, participating in a work experience only. Local Workforce Investment Boards (LWIBs) will have the following available through this waiver:

- Flexibility to determine which program elements they provide with ARRA funds;
- Provide follow-up services when deemed appropriate for such individuals;
- Flexibility to determine the type of assessment and Individual Service Strategy (ISS) for youth served with ARRA funds during the summer months only and provide the type of assessment deemed appropriate for each individual;
- Flexibility to determine whether it is appropriate that academic learning be directly linked to summer employment for each youth served with ARRA funds during the summer months only; and
- The work readiness indicator as the only indicator of performance for youth ages 18 to 24 who participate in work experience beyond the summer months (October 1, 2009 through March 31, 2010).

This waiver request is intended to facilitate implementation of WIA youth services under the ARRA and support the intent of Congress to service 18-24 year olds through work experience in a time of difficult employment for young people. The waiver would only apply to the first six months following the summer of 2009, specifically October 1, 2009 through March 31, 2010.

Statutory or Regulatory Requirements to be Waived

WIA Section 136(b)(2)(A)

Goals and Programmatic Outcomes to be Achieved

- Facilitate implementation of WIA Youth services under the ARRA;
- Support the intent of the Congress to serve 18-24 year olds through work experience; and
- Encourage continued engagement of a group of youth who are disconnected from education and the workforce.

Continued Service Plans for Participants Served Under this Waiver

Youth who participate in an extended work experience allowed by approval of this waiver will benefit from a smooth transition from summer employment opportunities to a more comprehensive array of education and training services provided under youth or adult programs

either through WIA Formula or ARRA funded youth services. Youth who are assessed in need of additional work experience under the ARRA shall have the justification documented in their ISS. These youth will continue to be measured for the work readiness indicator only, as long as they complete by March 31, 2010.

Priority of meeting the youth's needs will be the deciding factor on continuing the youth into other services, not whether they'll be accountable to other common measures beyond the work readiness indicator.

Individuals Impacted by the Waiver

Out-of-school youth population, ages 18-24 served with ARRA funds beyond the summer months (May 1, 2009 through September 30, 2009) who participate in work experience only and require further assistance with the development of job skills and the assessment of work readiness.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory, or regulatory barriers to implementing the state's request for waiver.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

On April 9, 2009, a meeting was held with local area Directors to discuss possible waiver requests. At the request of the directors this waiver is being submitted on their behalf. A draft of the waivers was issued out to the directors for comment on April 27, 2009. No comments were received.

The state provided a five day public comment period for this waiver request (May 1 - May 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the State WIA Administrative Agency, will monitor the implementation of this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state's current monitoring policy and procedures will be modified to ensure compliance with the intent of this waiver.

WAIVER 10 – REQUEST A WAIVER TO PERMIT THE USE OF UP TO 100 PERCENT OF RAPID RESPONSE FUNDS TO CONDUCT STATEWIDE ACTIVITIES INCLUDING INCUMBENT WORKER TRAINING.

The purpose of this waiver is to increase flexibility for the use of WIA Formula and American Recovery and Reinvestment Act (ARRA) funds for the purpose of utilizing incumbent worker training as part of the state’s strategic plan goals by providing definitive layoff aversion strategies to employers experiencing difficulties during the current economic conditions. This waiver would provide the Arizona workforce system with additional opportunities to maximize training services and other required and allowable statewide activities that meet the skill needs of employers, job seekers, and incumbent workers for the jobs of the 21st Century. The waiver will allow Arizona to remove barriers to serving businesses and increase the number of incumbent workers served through WIA. Additionally, the waiver will allow Arizona to encourage and expand the provision of incumbent worker and customized training activities allowing LWIAs to focus on employers and worker competitiveness through training aimed at upgrading skills therefore, strengthening regional economies. This waiver would apply to WIA formula funds as well as Recovery Act funding.

Statutory and Regulatory Requirements to be Waived

Section 133(a) and 134(a)

Goals and Programmatic Outcomes to be Achieved

- Maintain a competitive economy and promote economic growth;
- Help businesses solve workforce challenges;
- Enhance skills and earnings of employees; and
- Increase retention of existing jobs and reduce high turnover rates.

Individuals Impacted by the Waiver

- Established, participating Arizona businesses; and
- Current workers.

State or Local Statutory or Regulatory Barriers

There are no state, local statutory, or regulatory barriers to implementing the state’s request for waiver.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

The state provided a five day public comment period for this waiver request, (May 1 – May 5, 2009). No comments were received. The Arizona Department of Economic Security (DES), as the WIA State Administrative Agency, will monitor the implementation of this waiver and the use of funds by the Local Workforce Investment Areas (LWIAs). The state’s current monitoring policy and procedures will be modified to ensure compliance with the intent of this waiver.

PENDING WAIVER REQUESTS/NON-ARRA

WAIVER 11 – WAIVER OF THE REQUIREMENT FOR COMPETITIVE PROCUREMENT OF SERVICE PROVIDERS FOR THE CERTAIN YOUTH ELEMENTS TO ADDRESS BARRIERS RELATED TO THE LACK OF TRAINING PROVIDERS AND TO ENSURE CONTINUITY IN YOUTH SERVICES. THE YOUTH ELEMENTS ARIZONA IS REQUESTING TO BE WAIVED ARE: (1) WORK EXPERIENCE, (2) SUPPORTIVE SERVICES, AND (3) FOLLOW-UP SERVICES.

Arizona is requesting a waiver regarding the competitive selection requirements for providers of youth service. Eleven of the 14 LWIAs in Arizona are rural areas, which includes the Nineteen Tribal Nations (NTN) LWIA. The WIA youth procurement requirement creates a hardship within the rural areas due to the limited number of service providers available. Under current conditions, competitive bidding for most youth services in rural areas is not cost efficient and has resulted in interruption of services to eligible youth, as services have to be re-bid when there is no response to a request for proposals (RFP). Spending dollars in a competitive bidding process for services that can effectively be provided through the One-Stop system is not cost effective and reduces resources in support of the One-Stop infrastructure. While Arizona’s WIA youth performance has been less than adequate in some areas during the past several years, it is being addressed in a number of ways, all of which we are optimistic that the steps taken will lead to improved performance in the future. LWIAs have continued in their attempts to competitively solicit the required WIA youth elements to no avail. The process has become burdensome in areas where there has been a demonstrated lack of competition over the years.

Statutory and Regulatory Requirements to be Waived

WIA Section 117(d)(2)(B), 117(h)(4)(B)(i), 123

Goals and Programmatic Outcomes to be Achieved

- Allow case managers to provide follow-up, support services, and work experience to improve continuity of services; and
- Offer a more efficient use of available resources in youth service delivery system.

Individuals Impacted by the Waiver

- Arizona Local Workforce Investment Boards;
- One-Stop staff; and
- WIA customers.

State or Local Statutory or Regulatory Barriers

There are no state or local statutory or regulatory barriers to implementing the state’s request or any federal waiver necessary to implement the request.

Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

In accordance with WIA Section 189(i)(4)(B)(v), CFR 20 §661.420(c)(5), and related guidance, the Department of Economic Security provided numerous opportunities for participation in the development of, and comment on, the draft waiver plan. The public comment process for

meaningful public input into the development of the plan and opportunities to comment on the draft by local boards, business, organized labor, and other partners began in October 2008. The draft plan was formally issued on October 6, 2008 to the LWIA Directors at the Arizona Association of Workforce Developers. The plan was also presented for public comment at the Governor's Council on Workforce Policy and One-Stop Partner Dialogue meetings held on October 7, 2008. No formal written comments were received.

**Arizona WIA and WP Final Performance Goals
PY 2009**

Proposed Performance Goals	PY 2009
WIA ADULTS	
Entered Employment Rate	70.5
Employment Retention Rate	84.0
Average Earnings	\$11,200
Employment and Credential Rate	66.0
WIA DISLOCATED WORKERS	
Entered Employment Rate	75.0
Employment Retention Rate	87.5
Average Earnings	\$14,000
Employment and Credential Rate	72.0
WIA YOUTH AGED 19-21	
Entered Employment Rate	73.0
Employment Retention Rate	80.0
Earnings Change	\$3,400
Credential Rate	50.0
WIA YOUTH AGED 14-18	
Skill Attainment Rate	83.0
Diploma Attainment Rate	58.0
Retention Rate	65.0
WIA CUSTOMER SATISFACTION	
Participant	71.0
Employer	71.0
WAGNER-PEYSER	
W/P Entered Employment Rate	60.0
W/P Employment Retention Rate	73.0
W/P Average Earnings	\$10,500
Additional State-Established Measures	None

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