



The Honorable William M. "Bill" Walker
Governor of Alaska
State Capitol
P.O. Box 110001
Juneau, AK 99811-0001

June 27, 2016

Dear Governor Walker:

After careful review, the U.S. Departments of Labor and Education (Departments) are pleased to inform you that we have determined that Alaska's four-year Workforce Innovation and Opportunity Act (WIOA) Combined State Plan (Combined State Plan or State Plan), submitted on March 23, 2016, is substantially approvable. Therefore, the Departments have approved your Combined State Plan, which covers the period July 1, 2016 through June 30, 2020, subject to conditions discussed below. Although the Departments have approved the four-year plan, you must submit a State Plan modification in 2018, as required by sections 102(c)(3)(A) and 103(b)(1) of WIOA.

WIOA represents a fundamental transformation of the workforce system to deliver integrated, job-driven services to job seekers, workers, and employers. It supports the development of strong regional economies, and it improves performance accountability so that consumers and investors can get information about programs and services that work. The Departments are encouraged by the progress that Alaska has made to implement and operationalize WIOA. We look forward to working with you to continue this important work to strengthen your current Plan to continue to take the workforce system to a new level of innovation.

The Departments approved your Combined State Plan, subject to conditions, after reviewing it in light of the requirements contained in sections 102 and 103 of WIOA, and the WIOA State Plan Information Collection Request (ICR), Required Elements for Submission of the Unified or Combined State Plan and Plan Modifications under the Workforce Innovation and Opportunity Act, as well as the program-specific requirements for the included Department of Labor and Education programs. This decision constitutes a written determination that covers the joint planning elements, or "common elements," as well as the program-specific requirements for the six core programs: the Adult, Dislocated Worker, and Youth programs authorized under title I of WIOA and administered by the Department of Labor; the Adult Education and Family Literacy Act (AEFLA) program authorized under title II of WIOA and administered by the Department of Education; the Employment Service program authorized under the Wagner-Peyser Act (Wagner-Peyser), as amended by title III of WIOA and

administered by the Department of Labor; and the Vocational Rehabilitation program, authorized under title I of the Rehabilitation Act of 1973, as amended by title IV of WIOA, and administered by the Department of Education.

This decision also constitutes a written determination that covers the program-specific requirements for the Combined State Plan program that Alaska included in its State Plan is that administered by the Department of Labor: the Senior Community Service Employment Program authorized under title V of the Older Americans Act of 1965.

The Departments have approved the State Plan subject to conditions because there are a number of deficiencies set forth in Attachment A to this letter that must be remedied. No later than September 1, 2016, Alaska must correct the deficiencies identified in Attachment A that can be fully remedied by that date by submitting revised State Plan descriptions that comply with statutory and ICR requirements to the portal at <https://rsa.ed.gov/>. We expect that by September 1, 2016, States will make maximum efforts to correct the deficiencies that can be corrected by that date. However, we recognize that some deficiencies will take longer to remedy. For those deficiencies identified in Attachment A that cannot be remedied by September 1, 2016, Alaska must provide the Departments with an action plan for correcting each of those deficiencies to WIOA.Plan@dol.gov. Alaska must include in its action plan the specific steps that will be taken to remedy the deficiencies, benchmarks that will be used to monitor progress, and the timeline for correcting each of the remaining deficiencies. Your acceptance of any funds pursuant to this approval with conditions constitutes your agreement to remedy each of the deficiencies identified in Attachment A to the satisfaction of the Departments, and the Notices of Award and Grant Award Notifications used to award Alaska's funds will include this condition. A determination on any title I waivers requested by Alaska is provided in Attachment B.

The Departments recognize the unique challenges States faced in developing the initial State Plan required by WIOA, particularly given that: the State Plan requirements under WIOA are substantially different from those required by the Workforce Investment Act of 1998 (WIA); the State Plan information collection request was published on February 22, 2016; and the final regulations are not expected to be publicly available until late June. As such, the Departments are exercising the transition authority provided by section 503 of WIOA to develop a process that ensures the orderly transition from the requirements of WIA to those of WIOA and its strategic vision. As part of this process, however, it is critical that Alaska work to address the deficiencies in the State Plan in the manner described above and to the satisfaction of the Departments. In the case of those deficiencies that require a longer period for Alaska to address, the Departments will monitor Alaska's progress to ensure that the State Plan fully reflects WIOA's planning requirements. If Alaska fails to make progress in remedying the deficiencies in the State Plan, the Departments may take enforcement actions that are available to them, and Alaska's funding could be affected.

Finally, per the Departments' State Plan ICR, the State Plan included expected levels of performance for certain primary indicators of performance. Those indicators are the basis for negotiations that the Departments and Alaska use to establish negotiated levels of performance, which are incorporated into the Combined State Plan and will apply for the first two years.

For the WIOA Adult, Dislocated Worker, Youth, and Wagner-Peyser programs, the Department of Labor is using transition authority in WIOA sec. 503(a) to extend the negotiation period for those indicators past June 30, 2016; negotiations are to conclude no later than August 15, 2016. For the AEFLA program, the Department of Education will complete negotiations by June 30, 2016. For the Vocational Rehabilitation program, the Department of Education is using the transition authority to take the time necessary to implement a negotiation process for the first time for this program, and the program, therefore, will not have negotiated indicators of performance for the first two years of this Plan. For all WIOA core programs, all primary indicators of performance that are not subject to negotiations are designated as baseline indicators for these two years. For those indicators not subject to negotiations, the State was not required to include expected levels of performance in the State Plan.

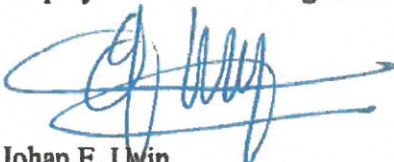
The Departments will provide ongoing technical assistance to help Alaska realize the vision of WIOA. Following the release of the final regulations, the Departments will provide training on the final regulations and issue additional guidance. The Departments' staff will work with you and your agencies and staff to address important qualitative issues in the initial State Plan that are not listed on the attachment because they do not rise to the level of non-compliance, in order to help Alaska better position itself to submit a 2018 State Plan modification that reflects its significant experience in implementing WIOA, and articulates the integration and innovations it has undertaken. In other words, the Departments anticipate that the 2018 State Plan modification will be a key step in demonstrating the workforce system transformation envisioned by WIOA.

We appreciate your efforts in submitting this Combined State Plan and commitment to working together with other States and the Departments to support the public workforce system. We look forward to working with you to ensure that the revisions are submitted in a timely manner. If you have any questions, please contact Virginia Hamilton, Employment and Training Administration, San Francisco Regional Administrator, (415) 625-7900 and email: Hamilton.Virginia@dol.gov.

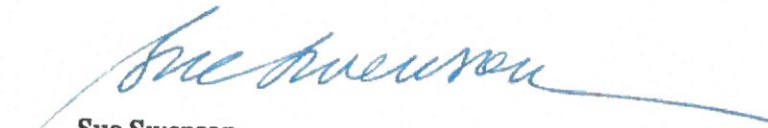
Sincerely,



Portia Wu
Assistant Secretary
Employment and Training Administration



Johan E. Uvin
Deputy Assistant Secretary
Delegated the Duties of the Assistant Secretary for Career, Technical, and Adult Education



Sue Swenson
Acting Assistant Secretary
Office of Special Education and Rehabilitative Services



Janet LaBreck
Commissioner
Rehabilitation Services Administration

Attachments A and B

cc:

Virginia Hamilton, Regional Administrator
Heidi Drygas, State Workforce Agency
Amy Iutzi, State Adult Education Agency
John Cannon, State Vocational Rehabilitation Agency
Kevin Thompson, Federal Panel Lead
Rita Bowen Gray, SCSEP

ATTACHMENT A

Alaska Combined State Plan Deficiencies

Following is an itemized list of the Alaska Combined State Plan sections that the Departments determined were deficient, including a summary of the reason for the deficiency. Alaska must submit revisions for these items in its State Plan or describe its action plan for addressing them no later than September 1, 2016, as described in the Departments' decision letter. The Departments will provide technical assistance to assist Alaska in making the required revisions to its State Plan. Items below reflect the corresponding requirement in the State Plan ICR.

Common Elements

- II.c.2 — State Strategy (Alignment of Core Programs). The State provided a response to this element, but it did not specifically set forth strategies in this section to strengthen activities in regard to identified weaknesses.
- III.b.3.A — State Strategy (State Agency Organization). The State's response did not adequately describe the service delivery system for its programs.
- III.b.3.B—State Board. The State requested to maintain the alternative entity status of the State Board. Due to the State's waiver that allows the State Board to carry out functions of Local Boards (see attachment B), the Departments require the State to take action towards appointing two chief local elected officials to the State Board.
- III.b.5.A.i — Distribution of Funds for Title I Youth Activities. The State's response lacked adequate detail and policy regarding the methods and factors the State will use in distributing title I Youth funds.
- III.b.5.A.ii — Distribution of Funds for Title I Adult and Training Activities. The State's response lacked adequate detail and policy regarding the methods and factors the State will use in distributing title I Adult funds.
- III.b.5.A.iii — Distribution of Funds for Dislocated Worker Employment and Training Activities. The State's response lacked adequate detail and policy regarding the methods and factors the State will use in distributing title I Dislocated Worker funds.
- III.b.5.B.i — Multi-year grants or contracts. The State's response lacked adequate detail in its description of: (1) Alaska's competitive process and identification of how many years will be awarded in multi-year grants or contracts; (2) how the State distributes AEFLA funds within the State (e.g., what regional structure is being used and whether the methods and factors are formula or performance-based); (3) how the State will make the application available to all eligible providers consistent with WIOA; and (4) how it will determine demonstrated effectiveness, including how eligible agencies will establish that eligible providers are organizations of demonstrated effectiveness.

- III.b.5.B.ii — Ensure direct and equitable access. The State did not describe how the eligible agency will ensure direct and equitable access to all eligible providers to apply and compete for funds and how the eligible agency will ensure that it is using the same grant or contract announcement and application procedure for all eligible providers. The State did not describe its competitive process in a manner that indicates it directly funds its grants and contracts rather than funding a sub-State entity to conduct a competition. The State did not indicate in the Plan that the same announcement, application, and process will be used for all applicants for each Request for Proposal it intends to issue. The Plan does not indicate that all applications are treated in the same manner in terms of review and evaluation.

Title I

- VI.c.3 — Describe how the State will ensure that all 14 program elements described in WIOA section 129(c)(2) are made available and effectively implemented. The State provided a response to this element; but it needs to more completely describe how it will ensure the program elements are implemented effectively, including policy and monitoring, and how it will ensure the program elements are available to all participants. The State also needs to identify the providers of WIOA youth activities.

Wagner-Peyser

- VI.c — Describe the state’s strategy for providing reemployment assistance to Unemployment Insurance claimants and other unemployed individuals. The State’s response lacked adequate detail in describing how it provides reemployment assistance to UI claimants who are not selected for the Reemployment Services and Eligibility Assessment (RESEA) program and other unemployed individuals.

Adult Education and Family Literacy Program

- VI.b — Local Activities. The State’s described activities do not meet the statutory definitions in section 203 of WIOA for these activities. The Plan does not provide a complete list of considerations consistent with section 231(e) of WIOA to be used in making funding decisions for its local grants or contracts. The Plan does not identify what activities would be provided concurrent with other activities. The Plan does not address the scope, content, and organization of its local activities.
- VI.c — Corrections Education and other Education of Institutionalized Individuals. The State’s response did not indicate how the grants and contracts awarded with section 225 funds will be competed and will comply with the requirements of Subpart C in title II of WIOA (competition, direct and equitable access, same grant and process, 13 considerations).
- VI.d.2 — Integrated English Literacy and Civics Education Program (usage of funds). The State’s response did not indicate how the grants and contracts awarded with section 243 funds will be competed and will comply with the requirements of Subpart C in title II of WIOA (competition, direct and equitable access, same grant and process, 13 considerations).

- **VI.f — Assessing Quality.** The Plan does not sufficiently describe how the State will assess the quality of its local programs. The Plan does not sufficiently describe how the State will use these assessments and evaluations to improve the quality of such programs. The Plan does not include a description of how the State will assess the quality of its professional development programs designed to improve: (1) instruction in the essential components of reading instruction, (2) instruction related to the specific needs of adult learners, (3) instruction provided by volunteers or paid personnel, and (4) dissemination of information about models and promising practices.

ATTACHMENT B

Alaska Waiver Requests

As part of Alaska's WIOA State Plan, the State submitted requests for waivers of certain statutory requirements under titles I and III of WIOA. The Department of Labor, which administers the programs affected by the waiver requests, has made determinations regarding those waiver requests as outlined below. This action is taken under the Secretary of Labor's authority at WIOA Section 189(i) to waive certain requirements of WIOA Title I, Subtitles A, B, and E and Sections 8 through 10 of the Wagner-Peyser Act.

Requested Waiver: Application of WIOA Section 107(b) to allow the State Board to carry out the roles of a Local Board.

The State requested a waiver of WIOA 107(b) to allow the State to use the State Workforce Development Board to carry out the functions of the Local Workforce Development Board.

The Employment and Training Administration (ETA) is approving this waiver through the Secretary's waiver authority under WIOA sec. 189(i)(3)(A)(i). Under the waiver, the Governor may designate the State Board to carry out the roles and responsibilities of the Local Boards in the State. As a condition of this approval, the State must continue to include local input in its activities, allocate funding to the local areas for which the State Board is carrying out Local Board functions, and move towards including two chief local elected officials on its board. This waiver is approved through June 30, 2018.

Requested Waiver: Required activities provision at WIOA Section 129(b)(1)(F) to allow the State to suspend the requirements that the State to provide additional assistance to areas with high concentrations of eligible youth with Governor's Reserve funds.

The State requested a waiver of WIOA 129(b)(1)(F) in order to suspend the required statewide activity to provide additional assistance to areas with high concentrations of eligible youth. ETA is denying this waiver request. ETA approved waivers of some required statewide activities under WIA when the Governor's Reserve was reduced below 15 percent. The PY 2015 allotment increased statewide funds to 10 percent. The PY 2016 allotment will reinstate the Governor's Reserve to 15 percent. Because the Governor's Reserve will be 15 percent, ETA has concluded this level of funding is adequate for the State to conduct all required statewide activities.