



JUN 24 2016



The Honorable John R. Kasich
Governor of Ohio
30th Floor
77 South High Street
Columbus, OH 43215

Dear Governor Kasich:

After careful review, the U.S. Departments of Labor and Education (Departments) are pleased to inform you that we have determined that Ohio's four-year Workforce Innovation and Opportunity Act (WIOA) Combined State Plan (Combined State Plan or State Plan), submitted on April 1, 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 Ohio 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 programs that Ohio included in its State Plan that are administered by the Departments of Education and Labor. This written determination covers the Career and Technical Education program authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins) and administered by the Department of Education. This written determination also covers the following programs administered by the Department of Labor: the Jobs for Veterans State Grants program authorized under 38 U.S.C 4100, et. seq.; and 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, Ohio 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, Ohio must provide the Departments with an action plan for correcting each of those deficiencies to WIOA.Plan@dol.gov. Ohio 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 Ohio's funds will include this condition. A determination on any title I waivers requested by Ohio 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 Ohio 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 Ohio to address, the Departments will monitor Ohio's progress to ensure that the State Plan fully reflects WIOA's planning requirements. If Ohio fails to make progress in remedying the deficiencies in the State Plan, the Departments may take enforcement actions that are available to them, and Ohio'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 Ohio 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 Ohio 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 Ohio 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 Christine Quinn, Employment and Training Administration, Chicago Regional Administrator, (312) 596-5403 and email: Quinn.Christine@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

Mike Michaud
Assistant Secretary
Veterans' Employment and Training Service

Attachments

cc:

Christine Quinn, Regional Administrator
Cynthia C. Dungey, State Workforce Agency
Donna Albanese, State Adult Education Agency
Kevin Miller, State Vocational Rehabilitation Agency
Corey Bulluck, Federal Panel Lead
John K McClure, DVET
Marc Molea. SCSEP

ATTACHMENT A

Ohio Combined State Plan Deficiencies

Following is an itemized list of the Ohio Combined State Plan sections that the Departments determined were deficient, including a summary of the reason for the deficiency. Ohio 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 Ohio in making the required revisions to its State Plan. Items below reflect the corresponding requirement in the State Plan ICR.

Common Elements

- **II.a.1.A — Economic Analysis.** The State provided a response to this element; however, it did not provide an assessment of the employer needs for occupations in the key nine cluster industries which are the State's "infrastructure for continued economic growth."
- **II.a.1.B — Workforce Analysis.** The State provided a response to this element; however, it did not address the market trends of occupations identified in this section and in section II.a.1.A.
- **II.a.2.A — The State's Workforce Development Activities.** The State did not include Vocational Rehabilitation program activities and did not describe how the strategies address the issues of the targeted populations identified in section II.a.1.B.
- **II.a.2.B — The Strengths and Weaknesses of Workforce Development Activities.** The State did not address the strengths and weaknesses of its Adult Education and Adult Basic and Literacy Education (ABLE) programs.
- **II.a.2.C — State Workforce Development Capacity.** The State did not provide sufficient information regarding the specific State agencies and their programs.
- **II.b.2 — Goals.** The State provided a response to this element; however, it did not address the goals for preparing an educated and skilled workforce, including preparing youth and individuals with barriers to employment and other populations and the goals for meeting the skilled workforce needs of employers.
- **II.b.4.B — Assessment.** The State provided a response to this element; however, it did not address how it will use the results of this assessment and other feedback to make continuous or quality improvements.
- **III.a.2.C — Coordination, Alignment and Provision of Services to Individuals.** The State provided a response to this element; however, it did not describe alignment with the Combined State Plan Partners in its response.

- III.a.2.F — Partner Engagement with Other Education and Training Providers. The State provided a response to this element; however, it did not address how the strategies will engage the State’s other education and training providers, including providers on the State’s eligible training provider list, as partners in the workforce development system to create a job-driven education and training system.
- III.a.2.I — Coordinating with Economic Development Strategies. The State did not describe how the activities identified in section III.a.2.A will be coordinated with economic development entities, strategies, and activities in the State.
- III.b.1.B — State Operating Systems and Policies (Data Collection). The State provided a response to this element; however, it did not include several one-stop and Combined State Plan partner programs.
- III.b.2 — State Operating Systems and Policies (Policies). The State provided a response to this element; however, it did not describe the process for developing guidelines for Combined State Plan partner programs’ contributions to the one-stop delivery system. Additionally, any content required to respond to this element must be included in the Plan that is submitted through the portal, rather than provided through a hyperlink.
- III.b.5.B.i — Multi-year grants or contracts. The State did not describe how it is distributing AEFLA funds within the State. The State did not adequately describe the State's competitive process and identify how many years will be awarded in multi-year grants or contracts. The State did not address how the State will make the application available to all eligible providers consistent with title II of WIOA.
- III.b.5.B.ii — Direct and Equitable Access. 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.
- III.b.6.B — Assessment of Participants’ Post-Program Success. The State provided a response to this element; however, it did not describe which performance indicators it will use to assess the post-program success of participants who are enrolled in and completing postsecondary education.
- III.b.7 — Priority of Service for Veterans. The State provided a response to this element; however, it did not adequately describe how it will monitor Priority of Service and clarify that all "covered persons" as defined in Title 38 U.S.C. chapter 101 (2) and Chapter 42 § 4215 for covered persons and §4211 (4) may not be eligible for Disabled Veteran Outreach Program (DVOP) services.

Title I

- VI.a.1.A — Identify the regions and the local workforce development areas designated in the State. The State provided a response to this element; however it did not identify the updated regions and local workforce development areas designated in the State.
- VI.a.1.B — Describe the process used for identifying regions and planning regions under section 106(a) of WIOA. This must include a description of how the State consulted with the local boards and chief elected officials in identifying regions. The State provided a response to this element; however it contained a noncompliant policy. The State must provide a revised policy describing the process used for designating local areas including a description of its consultation with the State Board, chief elected officials, local boards, and commenters for designating local areas and consultations with local boards and chief elected officials for designating regions.
- VI.a.1.D — Provide the appeals process referred to in section 121(h)(2)(E) of WIOA relating to determinations for infrastructure funding. The State provided a response to this element; however it indicated that a new policy is under development. The State must provide the final policy that is developed relating to determinations for infrastructure funding.
- VI.b.5 — Describe the State’s criteria regarding local area transfer of funds between the adult and dislocated worker programs. The State provided a response to this element; however it did not address the Governor’s approval process for the transfer of funds.
- 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’s response lacked adequate detail in its description of what the State will do to ensure availability and the effective implementation of the 14 youth program elements at the local level.
- VI.c.5 — Include the State definition, as defined in law, for not attending school and attending school as specified in WIOA Section 129(a)(1)(B)(i) and Section 129(a)(1)(C)(i). If State law does not define “not attending school” or “attending school,” indicate that is the case. The State provided a response to this element; however it did not address whether the definition of attending school is defined by law.

Wagner-Peyser

- VI.a.2 — Describe strategies developed to support training and awareness across core programs and the Unemployment Insurance (UI) program, and the training provided for Employment Services (ES) and WIOA staff on identification of UI eligibility issues and referral to UI staff for adjudication. The State’s response lacked adequate detail in its description of the strategies developed to support training and awareness across core programs and the Unemployment Insurance program, and the training provided for Employment Services and WIOA staff on identification of UI eligibility issues and referral to

UI staff for adjudication.

- VI.d.4 — Provision of referrals to and application assistance for training and education programs and resources (this element is specific to UI claimants). The State's response lacked adequate detail in its description of how it will provide referrals to and application assistance for training and education programs and resources.
- VI.e.2.A — Contacting farmworkers who are not being reached by the normal intake activities conducted by the employment service offices. The State's response lacked adequate detail in its description of the actual strategies to reach farmworkers not being reached by normal intake by ES offices.
- VI.e.2.C — Increasing outreach worker training and awareness across core programs including the Unemployment Insurance (UI) program and the training on identification of UI eligibility issues. The State's response lacked adequate detail in its description of how the State plans to increase outreach worker training and awareness across core programs including the UI program.
- VI.e.4.D — Assessment of progress. The plan must include an explanation of what was achieved based on the previous Agricultural Outreach Plan (AOP), what was not achieved and an explanation as to why the State believes the goals were not achieved, and how the State intends to remedy the gaps of achievement in the coming year. The State's response lacked adequate detail in its description of all goals related to the AOP and whether the goals were achieved, and if not why, and how the State intends to improve in the coming year.
- VI.e.4.E — State Monitor Advocate. The plan must contain a statement confirming the State Monitor Advocate has reviewed and approved the AOP. The State must include an affirmative statement that the State Monitor Advocate has reviewed and approved the AOP.

Adult Education and Family Literacy Program

- VI.c — Corrections Education and other Education of Institutionalized Individuals. The State 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. The State did not describe how it will carry out the activities in a way that is consistent with the statute.
- VI.d.2 — Integrated English Literacy and Civics Education Program. The State 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.
- VI.e.1 — State Leadership. The Plan did not indicate how the State will use section 223 funds to support required activities under sections 223(a)(1)(A), 223(a)(1)(B), 223(a)(1)(C), and 223(a)(1)(D) of WIOA.
- VI.f — Assessing Quality. The Plan did 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.

Jobs for Veterans State Grants

- VII.a — Describe how the State intends to provide employment, training and job placement services to veterans and eligible persons under the JVSG. The State’s response lacked adequate detail in its description of how it intends to provide employment, training, and job placement services to veterans and eligible persons.
- VII.c — Describe the manner in which DVOP specialists and Local Veterans Employment Representative (LVER) staff are integrated into the State’s employment service delivery system or one-stop delivery system partner network. The State’s response lacked adequate detail in its description of how the DVOP and LVER staff are integrated into the State’s system.
- VII.f — Describe how the State implements and monitors the administration of priority of service to covered persons. The State’s response lacked adequate detail in its description of how priority of service is implemented. The State must describe what is in its priority of service policy in this section, not just refer to it.
- VII.g — Describe how the State provides or intends to provide and measure, through both the DVOP and one-stop delivery system partner staff: (1) job and job training individualized career services, (2) employment placement services, and (3) job-driven training and subsequent placement service program for eligible veterans and eligible persons. The State provided a response to this element; however it did not address how the State provides or intends to provide and measure, through both the DVOP and one-stop delivery system partner staff: (1) job and job training individualized career services, (2) employment placement services, and (3) job-driven training and subsequent placement service program for eligible veterans and eligible persons.

ATTACHMENT B

Ohio Waiver Requests

As part of the Ohio's 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: Youth Competitive Procurement at WIOA Sec. 123 which requires competitive selection of providers of the 14 youth program elements.

The State requested a waiver of WIOA sec. 123 that establishes the process used to select eligible youth providers for youth workforce investment activities. The State requested to waive competitive selection of service providers for some of the fourteen youth program elements. The Employment and Training Administration (ETA) cannot make a determination on this waiver until the WIOA rule is finalized. After the rule is finalized, if the State still wishes to make this waiver request, the State should resubmit its request and ETA will re-consider it at that time.

Requested Waiver: WIOA Section 129(c)(4) which requires that not less than 20 percent of the funds allocated to the local area shall be used to provide in-school youth and out-of-school youth with paid and unpaid work experiences.

The State requested a waiver of WIOA sec. 129(c)(4) which requires that not less than 20 percent of the funds allocated to the local area be used to provide in-school youth and out-of-school youth with paid and unpaid work experiences. The State requested this waiver to allow for the inclusion of TANF funds as part of the 20 percent work experience requirement. ETA is denying this waiver request, consistent with TEGL 08-15 which stated "WIOA includes a new requirement that a minimum of 20 percent of local area funds must be spent on work experience..." This will allow the States to gain experience with this new statutory provision under WIOA and then determine if additional flexibility is needed.

Requested Waiver: Performance Requirements for the WIASRD for Incumbent Worker Training participants.

The State requested a waiver to permit the State to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118); low income (119); TANF (120); other public assistance (121); homeless individual or runaway (125); and offender (126). The State cites the Notice of Proposed Rulemaking for WIOA 20 CFR Part 670 and section 683.300(a). ETA is denying this waiver request. The WIASRD will not be used for WIOA performance reporting, which will become effective in PY 2016. (States must continue to use the WIASRD for all WIA PY 2015 reporting, as well as to submit a WIA close-out report.) ETA is implementing a new performance data system under WIOA, including a different information

collection instrument, and recommends that the State reevaluate the need for this waiver after the WIOA final rule is published and the data systems for WIOA are in use. After this, if the State would still like to make this waiver request, the State should resubmit its request, and ETA will reconsider it at that time.

Requested Waiver: WIOA Section 123 to allow the designated lead entity to conduct framework services.

The State requested a waiver of section 123 of WIOA to permit flexibility in the provision of framework activities (intake and eligibility, objective assessment, development of individual service strategy, case management, and follow-up services) by allowing the designated lead entity, in addition to the procured youth provider, the fiscal agent, or grant recipient, to conduct these framework activities. ETA cannot make a determination until the WIOA rule is finalized. After the rule is finalized, if the State still wishes to make this waiver request, the State should resubmit its request and ETA will re-consider it at that time.