



JUN 24 2016

The Honorable Edmund G. Brown Jr.
Governor of California
State Capitol
Sacramento, CA 95814

Dear Governor Brown:

After careful review, the U.S. Departments of Labor and Education (Departments) are pleased to inform you that we have determined that California's four-year Workforce Innovation and Opportunity Act (WIOA) Unified State Plan (Unified State Plan or State Plan), submitted on March 28, 2016, is substantially approvable. Therefore, the Departments have approved your Unified 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 section 102(c)(3)(A) 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 California 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 Unified State Plan, subject to conditions, after reviewing it in light of the requirements contained in section 102 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. 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.

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, California 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, California must provide the Departments with an action plan for correcting each of those deficiencies to WIOA.Plan@dol.gov. California 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 Obligation and Grant Award Notifications used to award California's funds will include this condition.

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 California 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 California to address, the Departments will monitor California's progress to ensure that the State Plan fully reflects WIOA's planning requirements. If California fails to make progress in remedying the deficiencies in the State Plan, the Departments may take enforcement actions that are available to them, and California'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 California use to establish negotiated levels of performance, which are incorporated into the approved Unified 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 California 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 California 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 Unified 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.

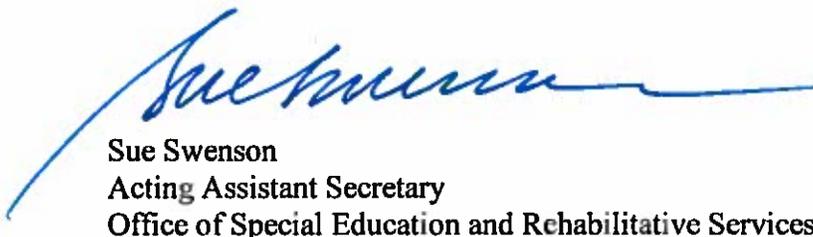
Sincerely,



Portia Wu
Assistant Secretary
Employment and Training Administration



Johan E. Uyin
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

Attachment

cc:

Virginia Hamilton, Regional Administrator
Patrick Henning, State Workforce Agency
Christian Nelson, State Adult Education Agency
Joe Xavier, State Vocational Rehabilitation Agency
Kevin Thompson, Federal Panel Lead

Attachment A

California Unified State Plan Deficiencies

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

Adult Education and Family Literacy Act Program

- VI.a — Alignment of Content Standards. The State provided a response to this element; however, it did not indicate in this section that the alignment of its adult education content standards will be in place no later than July 1, 2016.
- VI.c — Corrections Education and Other Education of Institutionalized Individuals. The State provided a response to this element; however, it did not indicate in this section 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.
- VI.d.2 — Integrated English Literacy and Civics Education Program. The State provided a response to this element; however, it 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.f — Assessing Quality. The State provided a response to the element; however, it did not provide a description of how California 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.