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EXTENSION REQUEST TO THE STATE'S WORKFORCE INVESTMENT PLAN

In accordance with the Training and Employment Guidance Letter (TEGL) No. 7-08, issued December 11, 2008, the State of Michigan is requesting an extension to our existing Workforce Investment Act (WIA) and Wagner-Peyser Act Strategic Plan to include Program Year (PY) 2009, the time period July 1, 2009, through June 30, 2010. The existing Strategic Plan extension request includes the continuation of current waivers and work-flex authority, maintaining the PY 2008 WIA and Wagner-Peyser performance goals for the duration of PY 2009, and new waiver requests in response to the implementation of the American Recovery and Reinvestment Act of 2009 ("the Recovery Act") funding as described in TEGL 14-08, issued March 18, 2009.

Background Information

The current WIA and Wagner-Peyser Strategic (State) Plan, and all approved waivers will expire on June 30, 2009. The Employment and Training Administration (ETA) only required that states submit a State Plan for the first two years (PY 2005 and 2006) of the five-year planning cycle because of the anticipated reauthorization of WIA. Due to the uncertainty of the WIA Authorization, states were given authority to submit modification request for two additional years, PY 2007 and 2008.

For the final and remaining PY 2009, TEGL 7-08 provides instructions for states to extend the life of the current PY 2007-2008 State Plan and existing waivers to include PY 2009, or submit modifications. Michigan has chosen to extend the current Plan to cover PY 2009.

In addition to requirements described in TEGL 7-08, TEGL 14-08 calls for the infusion of funds to the WIA and Wagner-Peyser Act, as a result of the Recovery Act (specifically the WIA Adult, Dislocated Worker, Youth, and Wagner-Peyser activities, including reemployment services). As a result of this implementation and guidance, the State is seeking three new waivers to allow rapid implementation of Recovery Act Funds.

Extension of Existing Waivers and Work-Flex Authority

The following list of WIA waivers and work-flex authority will continue to assist the State of Michigan in developing its workforce investment system. Subsequently, to retain maximum flexibility, we are requesting an extension of four existing waivers and work-flex authority through June 30, 2010.

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1. In an effort to continue quality client-customer service and evaluation of alternative Individual Training Accounts (ITA) service methodologies, we are seeking to extend the waiver on the time limit of initial eligibility of training providers for one local area (Thumb Area Michigan Works!). Included in this waiver request is the approval for the local area to continue to pilot an ITA Tiered Provider System for the duration of this Plan. Since its inception, the ITA Tiered Provider System has increased consumer choice in the area of training opportunities, built a stronger partnership base with job training institutions, and has encouraged innovative initiatives among providers to maximize workforce development service availability.
2. The state seeks to extend its waiver that allows the utilization of a portion, up to fifty percent, of the funds reserved for Rapid Response activities as “local activity funds” to operate an Incumbent Worker Training Program as described under Section 134(a)(3)(A)(iv)(I) and consistent with 20 CFR Sections 665.210 and 665.220, at the local Workforce Development Board (WDB) level. These funds will be utilized in the same manner as statewide activities funding. Thus, income eligibility (including self-sufficiency) and WIA performance measures would not be applicable.

This waiver will continue to enhance overall WIA programs and activities at the local level. Providing additional flexibility for state set-aside Rapid Response funds will enable WDBs to tailor their programs to provide definitive layoff aversion strategies, meet demands of local employers, the needs of incumbent workers, job seekers, and further Michigan’s public workforce system.

3. The state seeks to extend its waiver allowing the redistribution of recaptured local area Adult, Dislocated Worker, and Youth funds based on a WDB’s requested amount, demonstrated capacity to expend formula funds, and performance in the current and prior program years, rather than redistribution based solely on a federally mandated formula as described in the WIA Section 128 c and 133 c and the provisions of 20 CFR Section 667.160. Providing the state with greater flexibility in the administration of WIA funding and aligning limited workforce development resources with current demands will further Michigan’s workforce system and will increase the rate of investment of WIA funding.
4. The state seeks to extend its waiver that allows Central Area Michigan Works! Consortium (CAMWC) increased flexibility to design and deliver workforce services to respond effectively to the mass dislocation in their service delivery area due to closure of Electrolux Home Products. By extending this waiver, the state’s workforce investment system will be furthered by enabling CAMWC the most strategic response possible in their continued service of Electrolux participants, and in doing so, address the needs for a more skilled workforce.
5. The state also seeks to extend its work-flex authority for the duration of this strategic plan. Continued work-flex status will allow local service delivery areas to request and the state to approve waivers of statutory requirements. Local areas interested in requesting that a specific requirement be waived, must submit a request in writing to the state. All requests will continue to be consistent with Section 192 of the WIA and

Section 661.440 of the WIA Final Regulations, and must clearly state the requirement to be waived, the outcomes to be achieved, and measures taken to ensure appropriate accountability. Approved work-flex local area waivers will continue to be forwarded to U.S. Department of Labor (USDOL).

Additional Recovery Act Waiver Requests

The following list of additional WIA waiver requests will assist in implementing funding and provisions in the Recovery Act related to the WIA Adult and Youth Programs. Subsequently, to ensure maximum flexibility we are requesting three new waivers for the time period of July 1, 2009 through June 30, 2010.

1. The state requests a waiver to permit the use of Recovery Act rapid response funds to conduct statewide activities for the utilization of incumbent worker training as part of lay-off aversion strategies at the local WDB level. Through its implementation, this waiver will further the state's workforce system and will align with the state's strategic plan goals by providing definitive layoff aversion strategies to employers experiencing difficulties during the current economic conditions.
2. The state requests a waiver of the requirement that eligible providers of youth activities shall be identified on a competitive basis. This waiver request is only applicable for summer youth employment funded by the Recovery Act during the summer of 2009. The approval of this waiver will allow rapid implementation of summer 2009 employment programs by expanding existing competitively procured contracts by an amount necessary to successfully implement the summer youth program. This waiver does not waive state or local procurement laws or Office of Management and Budget requirements.
3. The state seeks a waiver of required youth performance measures for out-of-school youth ages 18 to 24 served with Recovery Act funds for the first six months following the summer of 2009 (i.e., October 2009 to March 2010) who participate in work experience only. The approval of this waiver will allow the state to use the work readiness indicator as the only indicator performance measure for eligible youth during this period of time.

In addition to the waiver of required WIA youth performance measures, the state is seeking program design flexibility for out-of-school youth age 18 to 24 who participate in work experience only beyond the summer months. This added flexibility will assist efforts in the implementation of WIA Youth services under the Recovery Act and will support the intent of Congress to serve out-of-school youth. The flexibility consists of the following:

- a. Flexibility to determine which of the 10 program elements are made available.
- b. Flexibility to determine whether a 12 month follow-up for youth is required with Recovery Act funds during the summer months (May 1 through September 30).

- c. Flexibility to determine the type of assessment and Individual Service Strategy for youth served with Recovery Act funds during the summer months only as appropriate for each individual.

Performance Goals

Request to maintain PY 2008 WIA and Wagner-Peyser performance levels for PY 2009

The process of establishing agreed-upon levels of performance for 20 performance measures for the WIA and Wagner-Peyser programs was determined by considering the anticipated economic climate, as well as, prior year performance outcomes. The 20 performance measures include 17 WIA indicators of performance (15 Adult, Dislocated Worker, and Youth program measures and two customer satisfaction indicators) and three Wagner-Peyser performance measures.

The State of Michigan has considered the current and anticipated economic climate, as well as, prior performance outcomes while determining the PY 2009 WIA and Wagner-Peyser performance levels. Subsequently, we are requesting to maintain the established PY 2008 WIA and Wagner- Peyser performance levels for the duration of PY 2009.

Attached, please find the WIA and Wagner-Peyser State Performance Goals which reflect the established PY 2008 performance levels to be maintained for PY 2009.

Public Comment and Review

The WIA regulations at 20 CFR 661.230(d) provide that modifications to the State Plan are subject to the same public review and comment requirements that apply to the development of the original plan.

Concurrent to our request for CLEG approval, the WIA and Wagner-Peyser Strategic Plan extension is being made available for public review and comment on the Bureau of Workforce Transformation website. Prompt posting for this review period is due to the fast approaching submission deadline of April 15, 2009, in which USDOL must receive our extension request letter that includes the additional requested waivers in response to the Recovery Act funding.

**WORKFORCE INVESTMENT ACT (WIA) AND WAGNER- PEYSER
STATE PERFORMANCE MEASURES
PROGRAM YEAR 2009 (July 1, 2009 to June 30, 2010)**

Performance Goals		
	Current PY 08	Proposed PY 09
Adult Activities:		
Entered Employment Rate	88.0 %	88.0%
Employment Retention Rate	85.0%	85.0%
Average Earnings	\$10,200	\$10,200
Employment and Credential Rate	83.0%	83.0%
Dislocated Worker:		
Entered Employment Rate	94.0%	94.0%
Employment Retention Rate	92.0%	92.0%
Average Earnings	\$13,200	\$13,200
Employment and Credential Rate	83.0%	83.0%
Older Youth (19-21):		
Entered Employment Rate	83.0%	83.0%
Employment Retention Rate	85.0%	85.0%
Average Earnings Change	\$3,500	\$3,500
Credential Rate	79.0%	79.0%
Younger Youth (14-18):		
Skill Attainment Rate	95.0%	95.0%
Diploma Attainment Rate	89.0%	89.0%
Retention Rate	79.0%	79.0%
Customer Satisfaction:		
Participant	91.0%	91.0%
Employer	86.0%	86.0%
Wagner-Peyser		
Entered Employment Rate	61.0%	61.0%
Employment Retention Rate	82.0%	82.0%
Average Earnings	\$12,500	\$12,500