

Request for waiver of funds transfer limit between Adult and Dislocated Worker Programs

Identification of statutory and/or regulatory requirements:

Michigan requests waiver from 20 CFR 661.140, placing a 20 percent transfer limitation between the adult and dislocated worker funding allocated under Sections 133(b)(2)(A) and 133(b)(2)(B) respectively. This waiver would grant local Workforce Investment Boards (WIB), with the Governor's approval, the ability to transfer up to 50 percent between the adult and dislocated worker programs for PY 2010. This waiver would provide the state with greater flexibility best aligning resources with current demand for services. Transfer authority of up to 50 percent between the adult and dislocated worker programs will allow both programs to more effectively and efficiently respond to changes in demand for services, increase capacity, and improve customer service.

This waiver request aligns with the Governor's NWLB strategy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

- Improve the ability of Workforce Investment Boards (WIB) to develop workforce strategies that align with economic realities within their service delivery area.
- Increase local control over program delivery.
- Improve the ability for WIBs to design programs in response to the needs of their customers.
- Enhances WIBs ability to respond to fluctuating need for training services.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Monitoring progress and implementation:

The WIA state coordinators dedicated to the administration of WIA programs will examine the effectiveness of the implementation of this waiver. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

DRAFT

Waiver of the Requirement for a 50 Percent Employer Contribution for Customized Training; to Permit a Sliding Scale Contribution for Small and Medium Sized Employers

Identification of statutory and/or regulatory requirements:

Michigan requests a waiver from 20 CFR 663.715(c) requiring an employer pay not less than 50 percent of the cost of customized training as defined in Section 101(8), with the Governor's approval.

The requested scale for customized training would permit the minimum required employer match to be determined based on a graduated scale based on the size of the employer. Under the purposed waiver, the following employer match will be permitted: (1) a match of no less than 10 percent of the cost of customized training for employers with 50 or fewer employees, and (2) employers with 51 employees but no more than 200 employees must provide no less than 20 percent funding match. For employers with 201 or more employees, the current statutory requirements will continue to apply.

The statutory required 50 percent minimum employer contribution has shown to be the single greatest barrier for employers considering customized training as a means to access or develop workforce skills necessary to retain their current workforce or expand within their respective industries. Customized training is often sought by high growth, leading edge companies seeking training in emerging sectors such as battery, solar, and wind technology and where standardized training may not be readily available through standard training channels. A sliding scale for the employer matching cost component will create more incentive for employers to participate in customized training that achieves high-skill, high-demand and/or high wage attainment.

This waiver request aligns with the Governor's NWLB strategy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

The goal of this waiver is to increase the number of employers who take advantage of customized training by reimbursing more of the costs of training workers. This waiver will also assist companies in becoming more competitive and will help in the development of a workforce with higher skills, which are essential given current economic conditions.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Monitoring progress and implementation:

The WIA state coordinators dedicated to the administration of WIA programs will examine the effectiveness of the implementation of this waiver. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

DRAFT

Waiver to Increase Employer Reimbursement for On-the-Job (OJT) Training for Small and Medium Sized Employers

Identification of statutory and/or regulatory requirements:

Michigan requests a waiver from 20 CFR 663.710(b), limiting employer reimbursements for OJT to 50 percent of the wage rate of the participant receiving OJT as described in Section 101(31).

The requested scale for OJT reimbursements to employers would permit reimbursement on a graduated scale based on the size of the employer. Under the requested waiver, the following reimbursement amounts will be permitted: (1) up to 90 percent reimbursement for employers with 50 or fewer employees, and (2) up to 75 percent reimbursement for employers with more than 50 employees but no more than 250 employees. For employers with 251 or more employees, the current statutory requirements will continue to apply.

This waiver request aligns with the Governor's NWLB strategy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

Obtaining this waiver would allow local WIBs to provide additional assistance to area employers in creating jobs for WIA participants. The area is experiencing significant layoffs and job creation is at a minimum. This waiver would also provide assistance to employers in creating jobs and will move the cusp of job creation to sooner rather than later by reimbursing more of the costs of training new workers.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Monitoring progress and implementation:

The WIA state coordinators dedicated to the administration of WIA programs will examine the effectiveness of the implementation of this waiver. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

DRAFT

Waiver to Permit the use of a Portion of Local Area Formula Allocations to Provide Incumbent Worker Training

Identification of statutory and/or regulatory requirements:

Michigan requests a waiver to allow local WIBs to use up to 20 percent of their dislocated worker funding allocated under section and 133(b)(2)(B) to provide incumbent worker training as described under Section 134(a)(3)(A)(iv)(I) and consistent with 20 CFR Sections 665.210 and 665.220.

Incumbent worker programs will be targeted to specific employers or industries that are experiencing a decline and have the potential to undergo layoffs, or are experiencing a skills gap that impacts their ability to compete and retain workers.

This waiver will create capacity for local WIBs to respond to specific company training needs and aid in averting layoffs within their service delivery area as needed and appropriate.

This waiver request aligns with the Governor's NWLB strategy.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

- Bolster layoff aversion efforts.
- Increase local control over program design.
- Aid in creation of new organizational strategies to avert layoffs.
- Increase capacity to serve incumbent workers.

Monitoring progress and implementation:

The WIA state coordinators dedicated to the administration of WIA programs will examine the effectiveness of the implementation of this waiver. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

DRAFT

Waiver to Permit the State to use a Portion of Rapid Response Funds to Provide Incumbent Worker Training

Identification of statutory and/or regulatory requirements:

The state seeks to request a waiver that allows the utilization of a portion, up to twenty 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 CRF Sections 665.210 and 665.220, at the local Workforce Investment Board (WIB) level. These funds will be utilized in the same manner as statewide activities funding.

Current economic conditions and excessive long-term unemployment throughout Michigan industries has resulted in the reduction in the state’s workforce, a perpetual decline in business productivity, and significant business restructuring and/or closure. Incumbent Worker Training has become a viable tool to assist in the recovery of Michigan’s economy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

Incumbent Worker Training is identified via multiple pathways throughout the state including in conjunction with the local service delivery areas, the Michigan Economic Development Corporation, local economic development agencies, Chamber of Commerce, or other business organizations. Additionally, the state has developed an investment model that will provide an efficient systematic approach to managing ad hoc requests for incumbent worker training funding. The planned model includes the following criteria:

Investment Model Minimum Eligibility Requirements/Pre-Qualifications:

- State of Michigan Business
- Training to Supplement not Supplant Existing Training Initiatives
- No Displacement of Current Workers
- No Federal Disbarment
- Current on All Tax Obligations
- Commitment to Retain Workers After Training
- Completion of Training within Two Program Years
- Post Job Openings with Michigan Department of Energy, Labor, & Economic Growth

- Provide 50 percent Match

Investment Model Application Components:

- Employer Name
- Industry
- Number of Current Employees
- Number of Employees Targeted for Training
- Amount of Funding Company has Set Aside for Employee Training
- Positions/Occupations Targeted for Training
- Institution Targeted to Deliver Training
- Identification of Industry Certification at Training Completion
- Budget Detail
- Outcome Detail

Additionally, requests from individual employers shall also include identification of innovative profit streams to diversify their portfolio to prove the need for incumbent worker training. Often, new profit streams introduce processes and technologies that require new skills of their workforce. Individual employers shall also include evidence of workforce policies linked to economic development policies in priority industry sectors (e.g., manufacturing, health care, skilled trades, life sciences, homeland security, and other industries of state or regional importance).

DELEG is working with businesses to upskill incumbent workers by creating partnerships with local Michigan Works! Agencies and two/four year educational institutions to design and deliver the required training to incumbent workers. Training tailored for incumbent workers must emphasize overall layoff aversion strategies and may include job specific retraining or skills upgrading related to layoff aversion, on-the-job training, customized training, and/or classroom training. In addition to incumbent worker training for employees, the selected employer will be offered access to a full array of One-Stop services.

The goals of this waiver are:

1. Increase employer exposure and use of the state's public workforce system, and
2. Improve the state's overall economic and business climate.

In addition to the realization of the waiver goals, expected additional programmatic outcomes are:

1. WIBs ability to respond quickly and efficiently to immediate local needs,

2. Participant's skills are upgraded, and
3. Participant's wages increase.

Individuals impacted by the waiver:

Participating employer and incumbent workers throughout the state will be positively impacted by this waiver.

The state will monitor participating service delivery areas through the review and analysis of data collected by the state's One Stop Management Information System.

Approval of this waiver will continue to enhance overall WIA programs and activities at the local level, and will provide additional flexibility for the use of state set-aside Rapid Response funds, enabling WIBs to tailor their programs to provide definitive layoff aversion strategies. This waiver will also assist in increasing retention rates and will avoid additional strain on the state's workforce, unemployment, and health and human services' resources.

The state anticipates continued support and implementation of this program with extension approval. Furthermore, incumbent worker layoff aversion strategies provided by this waiver will provide potential for deteriorating businesses to stay viable by saving jobs as well as potentially expanding and adding future employment.

Monitoring progress and implementation:

The WIA state coordinators dedicated to the administration of WIA programs will examine the effectiveness of the implementation of this waiver. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

Identification of statutory and/or regulatory requirements:

Michigan is requesting a waiver from 20 CFR 664.510 prohibiting the use of youth funds to support individual training accounts (ITA) for out-of-school youth participants.

The current focus of the WIA youth program has transitioned from short term training into longer year round training programs when making the transition to postsecondary training and employment. Out-of-School youth continue to be one of the most difficult populations to serve because their interest often lies in obtaining self sufficient, full-time employment rather than being involved in a typical structured setting that youth contracts provide. Services requiring traditional year-round contracting often results in delaying access to training, and subsequent employment. In addition, the real-life informed decision-making involved in using ITAs and the eligible training provider list would provide out-of-school youth with the experience of responsibility that is necessary as an adult.

This waiver request aligns with the Governor's NWLB strategy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

- Improve the ability of Workforce Investment Boards (WIB) to develop strategies to align with workforce and economic realities within their service delivery area;
- Increase local control over program delivery;
- Improve the ability for WIBs to design programs in response to the needs of their customers;
- Offer Youth the real-life learning experience of making an informed decision that has direct impact on his/her life;
- Allow for use of Youth funds instead of Adult funds for ITAs as part of the 30 percent Out-of-School Youth expenditure requirement;
- Reduces the paperwork and tracking processes requirement in dual enrollment (Out-of-School Youth and Adult) ; and
- Provides Out-of-School Youth more choice

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Monitoring progress and implementation:

The WIA state coordinators dedicated to the administration of WIA programs will examine the effectiveness of the implementation of this waiver. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

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Identification of statutory and/or regulatory requirements:

In an effort to continue quality client-customer service and evaluation of alternative Individual Training Account (ITA) service methodologies, the state seeks to extend its waiver on the time limit of initial eligibility of training providers for one local area. Included in this waiver request is 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:

1. Increased customer choice in the area of training opportunities,
2. Built a stronger partnership base with job training institutions, and
3. Encouraged innovative initiatives among providers to maximize workforce development service availability.

Although this waiver has achieved established goals (i.e., improved program performance and training services for the individuals impacted [WIA customers within the affected local area]), additional time is necessary to gain appropriate customer and training provider outcomes and feedbacks. With the extension of the ITA Tiered Provider System, the following waiver-related research, improvements, and/or expansion outcomes are planned:

1. The introduction of an agri-business alliance, which would benefit from the multiple training opportunities available on the system.
2. The continued growth of the training choices.
3. Completion of a review of ITA-waiver impacts experienced during the incidence of local plant closings.
4. Initiation of comparative analyses of contiguous Michigan Works! Regions with regard to client-customer choices and outcomes.
5. Determination of the strategic planning benefit offered via the system as a result of the region's involvement in the Mid-Michigan Workforce Innovation in Regional Economic Development (WIRED) project.
6. Continued data collection to determine overall system impact.

State strategies and initiatives will be furthered through the continuation of this waiver by increasing participants' skills levels and, subsequently, employability. Monitoring of this waiver is achieved through the review and analysis of quarterly reports submitted by the local service delivery area.

Waiver From Requirement of Formula Redistribution of Recaptured Local Area Funds

Identification of statutory and/or regulatory requirements:

The state seeks a waiver allowing the redistribution of recaptured local area Adult, Dislocated Worker, and Youth funds based on a WIB'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 Sections 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 the state's workforce system and will increase the rate of investment of WIA funding.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Through its continued implementation, the waiver will ensure that federal funds will be more efficiently and effectively managed. Furthermore, maximum service provision and program performance will be enhanced by redistribution to workforce areas where the greatest potential impact may be realized.

Waiver goals and outcomes:

The goal of this waiver is to ensure that WIA formula funds are redistributed to those WIBs with the greatest need. When applying this waiver, the following will occur:

1. Increased number of individuals in need of service will be served,
2. WIBs identifying unmet needs or experiencing the sudden need for increased services in their area may have access to additional resources, and
3. The rate of investment of WIA funds will increase.

The state will determine the amounts of funding to be redistributed to WIBs based on factors such as:

1. Requested amount,
2. Demonstrated capacity to expend the formula funds, and
3. Performance in the current and prior program years.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

The state seeks to continue to redistribute WIA formula funds to WIBs that have achieved not only required expenditure levels, but also established performance levels. Redistribution of funds based solely on whether a WIB achieves its expenditure level does not address a WIB's funding needs or performance outcomes.

Monitoring progress and implementation:

WIA State Coordinators will continuously monitor agency expenditures levels to ensure the waiver goals are met.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

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Waiver to Permit the State to use a Portion of Rapid Response Funds Provided Under the American Recovery and Reinvestment Act to Provide Incumbent Worker Training

Identification of statutory and/or regulatory requirements:

Current economic conditions and excessive long-term unemployment throughout Michigan industries has resulted in the reduction in the state's workforce, a perpetual decline in business productivity, and significant business restructuring and/or closure. Existing funding sources are not sufficient to meet the needs of Michigan's struggling businesses. Subsequently, as detailed in TEGL 14-08, the state seeks a waiver that allows the utilization of a portion, up to 20 percent, of Recovery Act funds reserved for rapid response activities as "local activity funds" to operate Incumbent Worker Training (IWT) activities as described under WIA Section 134(a)(3)(A)(iv)(I) and consistent with 20 CFR Sections 665.210 and 665.220. The state is seeking the ability to use Recovery Act Rapid Response funds for layoff aversion strategies consistent with the language in TEGL 14-08.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

Incumbent Worker Training is identified via multiple pathways throughout the state including in conjunction with the local service delivery areas, the Michigan Economic Development Corporation, local economic development agencies, Chamber of Commerce, or other business organizations. Additionally, the state has developed an investment model that provides an efficient systematic approach to managing ad hoc requests for incumbent worker training funding. The planned model includes the following criteria:

Investment Model Minimum Eligibility Requirements/Pre-Qualifications:

- State of Michigan Business
- Training to Supplement not Supplant Existing Training Initiatives
- No Displacement of Current Workers
- No Federal Disbarment
- Current on All Tax Obligations
- Commitment to Retain Workers After Training
- Completion of Training within Two Program Years
- Post Job Openings with Michigan Department of Energy, Labor, & Economic Growth

- Provide 50 percent Match

Investment Model Application Components:

- Employer Name
- Industry
- Number of Current Employees
- Number of Employees Targeted for Training
- Amount of Funding Company has Set Aside for Employee Training
- Positions/Occupations Targeted for Training
- Institution Targeted to Deliver Training
- Identification of Industry Certification at Training Completion
- Budget Detail
- Outcome Detail

DELEG is working with businesses to upskill incumbent workers by creating partnerships with local Michigan Works! Agencies and two/four year educational institutions to design and deliver the required training to incumbent workers. Training tailored for incumbent workers must emphasize overall layoff aversion strategies and may include job specific retraining or skills upgrading related to layoff aversion, on-the-job training, customized training, and/or classroom training. In addition to incumbent worker training for employees, the selected employer will be offered access to a full array of One-Stop services.

Waiver goals and outcomes:

- a) Increase employer exposure and use of the state's public workforce system, and
- b) Improve the state's overall economic and business climate.

In addition to the realization of the waiver goals, expected additional programmatic outcomes are:

1. WIBs will be able to respond more quickly and efficiently to immediate local needs,
2. Participant's skills are upgraded, and
3. Participant's wages increase.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Participating incumbent workers throughout the state will be positively impacted by this waiver.

The state will monitor participating service delivery areas through the review and analysis of data collected by the state's One Stop Management Information System.

Approval of this waiver will continue to enhance overall WIA programs and activities at the local level, and will provide additional flexibility for the use of state set-aside Rapid Response funds, enabling WIBs to tailor their programs to provide definitive layoff aversion strategies. This waiver will also assist in increasing retention rates and will avoid additional strain on the state's workforce, unemployment, and health and human services' resources.

Furthermore, incumbent worker layoff aversion strategies provided by this waiver will provide potential for deteriorating businesses to stay viable by saving jobs as well as potentially expanding and adding future employment.

Monitoring progress and implementation:

The WIA state coordinators dedicated to the administration of WIA programs will examine the effectiveness of the implementation of this waiver. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

Waiver from Requirement that Eligible Providers of Youth Activities Shall be Identified on a Competitive Basis for American Recovery and Reinvestment Act Funded Participants

Identification of statutory and/or regulatory requirements:

As detailed in TEGE 14-08, the state requests a waiver of WIA Section 123 and consistent with 20 CFR 664.405(a)(4) requirement that eligible providers of youth activities shall be identified on a competitive basis. That is, the state is requesting a waiver, if necessary, to expand existing competitively procured contracts. This waiver request is applicable for summer youth work experience funded by the Recovery Act during the summer of 2010.

Justification:

The approval of this waiver will allow rapid implementation of a continued summer youth employment programs for eligible youth by expanding existing competitively procured contracts.

The Employment and Training Administration (ETA) has strongly encouraged states and local areas to use identified funds to operate expanded summer youth employment opportunities. However, current WIA regulations require that service providers must be selected by awarding a grant or contract on a competitive basis. The competitive procurement process involves significant time and multiple steps, which impacts a local service delivery area's ability to implement a summer youth work experience in a timely manner.

Steps to procure a contract include:

- Development of a Request for Proposal (RFP)
- Public posting and review of RFP
- Bidders conference to answer RFP questions
- Review of proposals
- Selection of provider(s)
- Approval by local Workforce Investment Board (WIB)

In response to "rapid implementation" of a summer work experience component and to reduce/eliminate the barriers to "rapid implementation," local areas began to take specific action to streamline and/or condense the RFP process given the limited period of time and the necessary steps outlined above, "rapid implementation" could not be achieved. As a result, the state is seeking relief from this barrier to allow local areas to expand existing competitively procured contracts by up to 100 percent or the amount necessary to successfully implement a summer youth work experience, if necessary.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Out-of-school youth, those most at risk of dropping out, foster care youth, youth offenders, homeless and runaway, youth with disabilities, and migrant and farmworker youth.

Local WIBs seeking to utilize this waiver will be required to modify their existing five-year comprehensive youth plan and submit the plan to the state for approval. Additionally, all WIBs are required to publicly announce identified youth contractors on their web site and submit a list to the state for publication on the state's web site.

The WIA State Coordinators dedicated to the administration of WIA programs, as well as, WIA Compliance Monitoring conducted by the Internal Auditing and Monitoring Division will examine the implementation and effectiveness of this waiver. These monitoring and compliance strategies will make certain that outlined goals and intentions, as described by the local area in the required five-year youth plan modification and the existing state WIA and Wagner-Peyser Strategic Plan, are met. Specifically, to ensure reasonable safeguards exist, the state has established a written fiscal monitoring plan which includes, at a minimum procurement, cost accounting, tracking and reporting, and close-out activities. The state will conduct three review cycles encompassing thorough fiscal on-site reviews of all local service delivery areas. Furthermore, local service delivery areas will conduct reviews and audits covering, at a minimum, the same fiscal topics stated above.

Monitoring progress and implementation:

The state assures it and local service delivery areas will comply with established objectives of the WIA, federal and state regulations, state and local procurement laws and policies, as well as, Office of Management and Budget requirements (29 CFR Parts 95.40-95.48 and 97.36).

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

Waiver from the Required Youth Performance Measures for Out-of-School Youth Ages 18 to 24 Served with American Recovery and Reinvestment Act Funds for the First Six Months Following the Summer Period

Identification of statutory and/or regulatory requirements:

As detailed in TEGL 14-08, the state seeks, if necessary, a waiver of WIA Section 136(b)(2) and consistent with 20 CFR 666.100(a)(3)(i)(A) of required youth performance measures for out-of-school youth ages 18 to 24 served with Recovery Act funds (or other funds indentified by Congress) for the first six months following the summer of 2010 (i.e., October 2010 to March 2011) who participate in work experience only. Approval of this waiver will allow the state to use the work readiness indicator as the only indicator performance measure for eligible youth described above.

Waiver goals and outcomes:

The state is seeking approval of this waiver which will remove barriers for out-of-school youth who have opportunities available beyond the USDOL defined summer months of May 1st through September 30th. Consistent with parameters of the Recovery Act, the State of Michigan seeks to implement a robust summer youth work experience, which may extend beyond the defined summer months. In some instances, the extension of summer work experiences for eligible youth would add prolonged experience to the neediest of youth by allowing them to receive all necessary services to transition successfully beyond the WIA youth program. Local service delivery areas may be hesitant to serve these neediest youth beyond the defined summer period “May-September” due to concerns over statutory performance measures. Subsequently, implementation of this waiver will allow a greater amount of eligible youth to be served while permitting the local area to be held accountable for the work readiness indicator only.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

In addition to the specified intent and goal of this waiver, local areas will put forth efforts into the transition of eligible youth into the WIA Adult program including offering core and intensive services, as appropriate. Such services will enable participating youth to further their education and training experience, thus creating a stronger and more successful workforce.

The WIA State Coordinators dedicated to the administration of WIA programs will examine the implementation and effectiveness of this waiver. This strategy will make certain that outlined goals and intentions, as described by the local area in the required five-year comprehensive youth plan modification and the existing state WIA and Wagner-Peyser Strategic Plan, are met. In particular, the state will review requests to ensure compliance of established objectives of the WIA, federal and state regulations, as well as state and local policies.

In addition to the waiver of required WIA youth performance measures, the state is seeking program design flexibility for out-of-school youth ages 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:

1. Flexibility to determine which of the ten program elements are made available.
2. Flexibility to determine whether a 12 -month follow-up for youth is required.
3. Flexibility to determine the type of assessment and Individual Service Strategy for each individual.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

Waiver From the Requirement to Report Outcomes for Incumbent Workers, Served Under the Requested Incumbent Worker Training Waivers

Identification of statutory and/or regulatory requirements:

The State is seeking a waiver for PY 2010 of the requirement to report outcomes for incumbent workers, served under the requested incumbent worker training waivers (regular rapid response funds to support IWT, Recovery Act rapid response funds, and local dislocated worker formula funds to support IWT), in the Workforce Investment Act Standardized Record Data (WIASRD) system. Written guidance from USDOL mandated the reporting requirement in the 'Requests for Incumbent Worker Training Waivers' document.

The current economic conditions and excessive long-term unemployment throughout Michigan industries has resulted in the reduction in the state's workforce, a perpetual decline in business productivity, and significant business restructuring and/or closure. IWT has become a viable tool to assist in the recovery of Michigan's economy.

Requiring employers to provide the necessary data to meet WIASRD reporting requirements would make IWT a far less effective lay-off aversion strategy due to:

- Increased administrative costs;
- Decreased employer participation; and
- Fewer overall employees receiving training.

Mr. Lawrence S. Alpert, Executive Director of Shiawassee Area Transportation Area (SATA) stated "EBA-IWT has benefited SATA by providing cost-effective training opportunities which has allowed us to not only avert layoffs but, in fact, expand our workforce. This is especially important given high unemployment rate in Michigan and in Shiawassee County."

Michigan began delivery of WIA funded IWT in Program Year 2003. Each year the number of employers and employees served has continued to grow. The table below provides specific IWT data by Program Year.

Program Year	Funding Allocated	Employers Served	Employees Served
2003	\$3.0M	260	7,468
2004	\$3.0M	253	4,576
2005	\$3.0M	400	6,925
2006	\$5.0M	585	11,157
2007	\$5.0M	697	13,065
2008	\$5.0M	771	14,126
2009	\$3.7M	TBD	TBD

Previous IWT waivers allowed local service delivery areas the ability to provide lay-off aversion training, so long as the training is in-demand, in a flexible and responsive manner. If the state is required to report all individuals served with IWT funding in the WIASRD, it will in effect significantly reduce the number of employers and workers served in Michigan, as well as shift the emphasis from providing assistance to the employer/employee in need, to a focus on data entry. Many local service delivery areas have informed the state that employers are not interested in providing all of the necessary data required to meet WIASRD reporting requirements (i.e. social security number, date of birth, prior/current wages, etc.) Rather, employers see the required information as another example of “bureaucratic red tape,” and are choosing to not participate in the program. Furthermore, the innovative regional partnership (EBA) created two years ago (covering 8 counties) between three local service delivery areas, to deliver a unique training option, will be dismantled due to the demand of excess reporting requirements. The local service delivery area, which takes the lead in the regional partnership, does not have the staffing necessary to input the required data elements for participants served. Based on figures from Program Year 2008, if WIASRD reporting were required last Program Year, the service delivery area would have had to input data on 2,431 employees.

Individuals impacted by the waiver:

If the State is required to report IWT data in the WIASRD, we anticipate over a 75% statewide reduction in the number of employers and employees served for the current and subsequent Program Years. This means that potentially hundreds employers of and over thousands of employees in need of training will not be served in Michigan.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

DELEG is working with businesses to upskill incumbent workers by creating partnerships with local Michigan Works! Agencies and two/four year educational institutions to design and deliver the required training to incumbent workers. Training tailored for incumbent workers must emphasize overall layoff aversion strategies and may include job specific retraining or skills upgrading related to layoff aversion, on-the-job training, customized training, and/or classroom training. In addition to incumbent worker training for employees, the selected employer will be offered access to a full array of One-Stop services.

The goals of this waiver are:

1. Increase employer exposure and use of the state's public workforce system, and
2. Improve the state's overall economic and business climate.

Approval of this waiver will allow local service delivery areas to focus on providing incumbent workers with training and services based on individual need, continue to enhance overall WIA programs and activities at the local level, and will provide additional flexibility for the use of state set-aside rapid response funds, effectively enabling local boards to tailor their programs to avoid additional strain on the state's workforce, unemployment, and health and human service resources. With approval, we anticipate increased numbers of employers and employees served over Program Year 2008 figures throughout each of the 25 local service delivery areas.

Furthermore, IWT is just one of the layoff aversion strategies provided by the State and local areas (please see detailed information under the rapid response waiver described earlier in this document). IWT funded by this waiver will provide potential for deteriorating businesses to stay viable by saving jobs as well as potentially expanding and adding future employment, which is critical to the State's economic recovery efforts.

Existing and future dislocated workers and underemployed workers' services will not be disrupted as those populations will continue to be served throughout the state if this waiver is approved.

Monitoring progress and implementation:

The WIA state coordinators dedicated to the administration of WIA programs will examine the effectiveness of the implementation of this waiver. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Furthermore, in lieu of capturing data through the WIASRD system, the state will capture and report by service delivery area, the following IWT outcomes on a quarterly and yearly basis:

- Number of Employees Served
- Number of Employers Served
- Employer Industry
- Reason for Training
- Type of Training
- Length of Training
- Number Completed Training
- Training Provider
- Outcomes (i.e. certificate, credential, license)
- Employer Satisfaction Survey

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.

Please be advised that all 25 local service delivery areas and their state Association have requested that the state seek this waiver.

Waiver to allow Central Area Michigan Works! Consortium (CAMWC) increased flexibility to design and deliver workforce services to respond effectively to the mass dislocation within their service delivery area due to the closure of Electrolux

Identification of statutory and/or regulatory requirements:

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 the closure of Electrolux Home Products.

By statute, WIA training services must be provided by a training institution on the statewide eligible training provider list. However, many qualified training institutions are not willing to dedicate the manpower necessary to fulfill WIA data requirements.

CAMWC faces the following eligible training provider challenges as it works with the mass dislocation at Electrolux Home Products:

1. The number of appropriate training providers within a reasonable distance is insufficient to meet demand. Furthermore, the limited number of providers who are located in the area are experiencing record enrollments and are currently serving at capacity.
2. Training programs listed on the eligible training provider list are currently limited to a program provided by a single training institution. As the need for additional programs grows, training providers have engaged in discussions regarding the expansion of programs by coordinating training offerings, such as a combination of curriculum. However, if one of the institutions is not on the training list, participants are unable to receive the coordinated training.
3. There is one university within CAMWC's geographic region. Many individuals, including those who have not completed their degree, individuals who have a bachelor degree but because of declining employment opportunities need to change industry sectors, or individuals that need a few classes to upgrade their skill sets would benefit from training at the university. However, individuals are prevented from accessing this training due to the university's decision to not provide the necessary information to appear on the eligible training provider list.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Through its continued implementation, the waiver will allow CAMWC to expend training opportunities for Electrolux participants by the:

1. Development of new training program opportunities from existing curriculum currently on the eligible training provider list, and
2. Inclusion of training providers not currently on the approved eligible training provider list.

CAMWC will continue to conduct assessments to determine which participants need training to successfully reenter the workforce. Consideration will be given to an individual's long-term goals and objectives.

Training provided through this work-flex will be limited to demand occupations in the CAMWC region, as supported by local labor market information, and will not include training above the bachelor level.

Impacted Individuals: The training provided under this waiver will continue to serve participants of CAMWC. Only those current and subsequent individuals dislocated as a result of Electrolux Home Products, based in Greenville, Michigan, will be served under this waiver authority.

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 need for a more skilled workforce.

Monitoring progress and implementation:

The assigned WIA State Coordinator will continuously monitor agency training activities to ensure the waiver goals are met.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, the DELEG will post the waiver request for comment and review for local Workforce Investment Boards (WIBs) and the general public.