



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
LANSING

STEVEN H. HILFINGER  
DIRECTOR

April 12, 2011

Division of Workforce System Support  
Employment and Training Administration  
U.S. Department of Labor  
200 Constitution Avenue, NW, Room S-4231  
Washington, DC 20210

ATTN: Kimberly Vitelli

Dear Ms. Vitelli:

In accordance with the Training and Employment Guidance Letter (TEGL) No. 17-10, issued on December 30, 2010, the State of Michigan ("the State") is requesting an extension to our existing Workforce Investment Act (WIA) and Wagner-Peyser Strategic Plan for up to one additional year through June 30, 2012. The State's plan extension request includes WIA and Wagner-Peyser program administration designees (Attachment A), a request for a continuation of current waivers, and approval to maintain the PY 2010 WIA and Wagner-Peyser performance goals (Attachment B). Since Michigan's Governor is newly-elected, the State will be submitting a plan modification during PY 2011, once the Michigan Department of Energy, Labor & Economic Growth (DELEG) organizational changes are in place.

Your approval of the continuation of the State's existing WIA waivers and maintenance of our current level of performance will assist Michigan in further developing and enhancing its workforce investment system.

**Continuation of Existing Waivers:**

The following WIA waivers will continue to assist the State in developing its workforce investment system. We are requesting an extension of the six existing waivers through June 30, 2012.

1. 20 CFR 666.100: Exemption from including credential attainment outcomes for participants enrolled in on-the-job training in the credential performance measure calculations:

The State seeks to extend its waiver of WIA regulations at 20 CFR 666.10 to exempt the State from including credential attainment outcomes in the credential performance measure calculations for participants enrolled in On-the-Job Training (OJT). The waiver

DELEG is an equal opportunity employer/program.  
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

would apply to all participants enrolled in OJT, regardless of the funding source, and would grant local Workforce Development Boards (WDBs), with the Governor's approval, the ability to exclude OJT participants from the credential performance indicator. The State would continue to report outcomes in the Workforce Investment Act Standardized Record Database (WIASRD) for participants enrolled in OJT.

2. 134(a)(1)(A) Waiver to permit a portion of the funds reserved for rapid response activities to be used for Incumbent Worker Training (IWT):

The State seeks to extend its waiver regarding the use of rapid response funds to conduct allowable statewide activities as defined under WIA section 134(a)(3), specifically IWT. Under this waiver, the State is permitted to utilize up to 20 percent of rapid response funds for IWT as part of a lay-off aversion strategy. All training under this waiver is restricted to skill attainment activities. The State will continue to report performance outcomes for any incumbent workers served under this waiver in the WIASRD, field 309.

DELEG has requested technical assistance from USDOL to develop a definition of skills attainment that meets with USDOL approval, and will update all applicable policies to ensure implementation continues to align with the applicable Training Employment Guidance Letters (TEGL). Staff will continue to review all One-Stop Management Information System reports to ensure all required data, including the attainment of a certificate, certification, or credential is being reported.

3. Section 133(b)(4) Waiver to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to local areas:

The State seeks to extend its waiver to permit an increase in the amount allowed to transfer between Adult and Dislocated Worker funding streams. The transfer authority is limited to 50 percent. This waiver provides the State with greater flexibility by best aligning resources with current demand for services. The 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.

4. Section 101(8)(C) Waiver of the required 50 percent employer contribution for customized training:

The State seeks to extend its waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale based on the size of the business. Under the waiver, the State will continue to utilize the following sliding scale:

- No less than 10 percent match for employers with 50 or fewer employees
- No less than 25 percent match for employers with 51 to 250 employees
- For employers with more than 250 employees, the current statutory requirements (50 percent contribution) will continue to apply

The sliding scale for the employer matching cost component creates more incentive for employers to participate in customized training that achieves high-skill, high-demand and/or high wage attainment.

5. Section 101(31)(B) Waiver to increase the employer reimbursement for On-the-Job Training:

The State seeks to extend its waiver that permits an increase in employer reimbursement for OJT training through a sliding scale based on the size of the business. Under the waiver, the State will continue to utilize the following sliding scale:

- Up to 90 percent reimbursement for employers with 50 or fewer employees
- Up to 75 percent for reimbursement for employers with 51 to 250 employees
- For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply

All training delivered under this waiver is restricted to skill attainment activities. This waiver allows the local Workforce Investment Boards to provide additional assistance to area employers in creating jobs for WIA participants and provides assistance to employers in creating jobs sooner rather than later by reimbursing the cost of training new workers.

6. 20 CFR 664.510 Waiver on the use of Individual Training Accounts (ITAs) for Older and Out-of-School Youth:

The State seeks to extend its waiver on the prohibition of ITAs for Older and Out-of-School Youth program participants. Funds utilized for Older and Out-of-School Youth ITAs are tracked and reflected in the individual service strategies. The waiver allows youth to access training earlier and provides the experience of responsibility through real-life informed decision making.

**Continuation of PY 2010 Performance Levels:**

Based on the current economic climate, as well as prior performance outcomes, the State is requesting to maintain the established PY 2010 performance measures through PY 2011. The performance levels are outlined in Attachment B.

**Public Review and Comment:**

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's request for the extension of its current waivers and performance levels were posted at <http://www.michigan.gov/mdcd> for comment and review by local WDBs and the general public. In addition to posting the waiver extension request, copies of waiver request and performance levels were provided to all local WDBs and their association. The DELEG did not receive any public comments during the extension and new waiver request comment period. (This statement will be revised as necessary following the comment period.)

Your review and immediate consideration of this extension and waiver request is appreciated. Please contact Ms. Liza Estlund Olson, Director, BWT, at (517) 335-5858 with questions.

Sincerely,

Steven H. Hilfinger, Director  
Michigan Department of Energy, Labor & Economic Growth  
WIA Title I Signatory Official

SH:JC:tk  
Attachment

cc: Liza Estlund Olson, Director, Bureau of Workforce Transformation  
Janet Howard, Deputy Director, Bureau of Workforce Transformation  
Gary Clark, Director, Accelerating Employment Division  
Stephanie Beckhorn, Manager, WIA Section  
Brian Marcotte, Manager, Welfare Reform/Wagner-Peyser Section  
Janice Cooper, WIA Specialist  
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