

RICK SNYDER
GOVERNOR



CHRISTINE QUINN
DIRECTOR

July 16, 2014

The Workforce Development Agency has submitted a request to the U.S. Department of Labor (USDOL) seeking approval of a statutory waiver in accordance with the Workforce Investment Act (WIA) Section 136 and the WIA Regulations at 20 CFR 661.100 through 666.130 for Program Year 2014. This waiver request will assist Michigan to further develop our workforce system while continuing to align our workforce development efforts. This request is made pursuant to the Secretary's authority at WIA Section 189(i) to waive certain requirements of the WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

The U.S. Department of Agriculture Food and Nutrition Services and the USDOL Employment and Training Administration, in collaboration with the State of Michigan and the Detroit Employment Solutions Corporation, are developing a pilot program to expand the capacity of the Supplemental Nutrition Assistance Program (SNAP) Employment and Training and WIA programs. Specifically, Michigan is requesting a waiver to exclude participants engaged in the pilot from the WIA State and local Adult, Dislocated Worker, and Older Youth performance measures. The voluntary nature of the SNAP Employment and Training program makes it nearly impossible to attain WIA performance. The waiver would allow the local workforce investment area to focus solely on meeting participant's needs.

Per the WIA Regulations at 20 CFR 661.220(d), the State of Michigan is providing an opportunity for public comment on the modification request until Wednesday, July 30, 2014. All comments regarding this notification may be submitted to:

Ms. Janice M. Cooper, WIA Specialist
Workforce Development Agency, State of Michigan
201 North Washington Square, 5th Floor
Lansing, Michigan 48913
Cooperjl@michigan.gov
Fax: (517) 373-7794

To ensure your comments are considered, they must be received by no later than 5:00 p.m. on Wednesday, July 30, 2014.



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517.335.5858 | TTY 888.605.6722

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CHRISTINE QUINN
DIRECTOR

July 11, 2014

E-mailed: 7/11/2014 (tk)

Mr. Byron Zuidema, Regional Administrator
Employment & Training Administration
U.S. Department of Labor
230 South Dearborn Street, Room 628
Chicago, Illinois 60604

Dear Mr. Zuidema:

The State of Michigan is seeking approval of a statutory waiver in accordance with the Workforce Investment Act (WIA) Section 189(i)(4)(B) and the WIA Regulations at 20 CFR 661.420(c) for Program Year 2014. This waiver request will assist Michigan to further develop our workforce investment system while continuing to align workforce development efforts. This request is made pursuant to the Secretary's authority at WIA Section 189(i) to waive certain requirements of the WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

I am confident this waiver request meets the prescribed requirements of the U.S. Department of Labor (USDOL) and I look forward to your approval.

If you have questions, please contact me at (517) 335-5858 or quinnc1@michigan.gov.

Sincerely,

SIGNED

Christine Quinn, Director
Workforce Development Agency

CQ: JC:tk
Attachment

cc: Corey Bulluck, Manager, USDOL
Malcom Jackson, Federal Project Officer, USDOL
Mike Pohnl, Director, Strategic Opportunities
Stephanie Beckhorn, Director, Office of Workforce Policy & Strategic Planning
Krista Johnson, Manager, WIA/Rapid Response Section
Gary Clark, Director, Office of Talent Development Services
Brian Marcotte, Manager, Welfare Reform and Wagner-Peyser
Joe Billig, Director, MIS & Reporting Systems
Janice Cooper, WIA State Coordinator, WIA Section
Chelsea Mates, WIA State Coordinator, WIA Section



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Statutory and/or regulatory requirements to be waived

The Workforce Investment Act (WIA) Section 136 and the WIA Regulations at 20 Code of Federal Regulations (CFR) 666.100 through 666.130.

The U.S. Department of Agriculture Food and Nutrition Services and the Department of Labor, Employment and Training Administration Regional Offices, in collaboration with the State of Michigan and Detroit Employment Solutions Corporation (DESC), are developing a pilot program to expand the capacity of the Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E &T) and WIA programs. The goal of this pilot is to maximize federal and state resources while assisting SNAP E&T households to gain skills, training, work and/or experience that will increase self-sufficiency.

Given the significant barriers this population faces (low education, low literacy, ex-offenders, homelessness, limited work histories) when compared to the traditional WIA Adult population, the State of Michigan is requesting a waiver to exclude participants engaged in the pilot from the WIA State and local Adult, Dislocated Worker, and Older Youth performance measures. The voluntary nature of the SNAP E&T program makes it nearly impossible to attain WIA performance. The waiver would allow the local workforce investment area to focus solely on meeting participants' needs.

The WIA Section 136(b)(2)(A) and WIA Regulations at 20 CFR 666.130(a) specify the circumstances when a Governor may request a revision to negotiated performance levels. Circumstances include significant changes in economic conditions, in the characteristics of participants entering the program, or a change in the services to be provided from and when the initial State Five-Year Comprehensive plan was submitted and approved. This request meets all of the aforementioned requirements. Significant changes in economic conditions include the City of Detroit's bankruptcy; participants entering the pilot program require significant remediation assistance to address basic and employability skills; services available to this population are beyond the normal scope of the WIA program services.

Proposed performance outcomes for the pilot include:

1. Number of participants enrolled
2. Number of participants employed (based on a percentage of number enrolled)
3. Number placed into training (based on a percentage of number enrolled)
4. Educational/credential attainment
5. Earnings (average earnings during participation in the program, if employed)
6. Food Assistance Program (FAP) cases closed due to income
7. Total assistance case closure (i.e., FAP, Medicaid, etc.)
8. Job retention rates
9. Connections with community resources

Performance specific to this pilot program will be based on levels negotiated between the U.S. Department of Labor (USDOL) and the State. The pilot's performance will be tracked separately and participants engaged in the pilot will be excluded from the WIA State and local Adult, Dislocated Worker, and Older Youth programs' performance measures.

Participant outcomes will be tracked via a special code in the State's One-Stop Management Information System (OSMIS) and reported in the Workforce Investment Act Standardized Record Data (WIASRD) system, but would be excluded from the State and local performance measures calculation. The State believes this waiver would incentivize greater participation in the pilot by empowering participants to obtain needed services and information to enhance their employment and economic and social self-sufficiency opportunities, provide better access to training opportunities, encourage greater flexibility for service delivery by utilizing funding available through DESC's extensive partner network, and to implement new and innovative and comprehensive workforce investment activities without negatively impacting State and local WIA performance standards.

The State will provide technical assistance as needed and closely monitor performance and outcomes to ensure that progress is being made.

Residents of the City of Detroit face many barriers to employment, including a lack of education and functional literacy, long-term disconnection from employment, very little or no income, a lack of jobs, poor schools, a lack of adequate housing, crime, inadequate public transportation systems and a lack of economic opportunities. In addition, hard to serve and long-term unemployed workers often face other significant barriers to employment such as a lack or loss of skills, substance abuse, mental health issues, criminal records, homelessness, and other barriers.

Programs that remove barriers for workers also assist employers by providing an expanded pool of skilled workers. A viable workforce is needed to promote economic independence for all residents within and around the City of Detroit. A subsidized employment component would be developed to pay for extraordinary costs incurred by employers due to lack of work history for this particularly hard-to-serve population. The State also expects to expend additional administrative resources at the local level to develop/cultivate referrals of SNAP E & T participants into other programs.

Actions undertaken to remove state or local statutory or regulatory barriers

Currently, no state or local statutory or regulatory barriers exist.

Waiver Goals and Outcomes

- Building on successful strategies already in place will help inform future state and local level collaborative efforts.
- Partners have the capacity to implement new strategies or utilize funding that might become available, and leverage resources from an extensive partner network.
- Federal, state, and local partners' resources will be maximized, while assisting SNAP E&T households gain skills, training, work and/or experience that will increase self-sufficiency.
- Increased local control over program delivery allows for implementation of new, innovative, and comprehensive workforce investment activities.

- Strengthened regional economic relationships, thereby improving the flow of communication between partnering State Agencies, Michigan Works! Service Centers and local partners.
- Expanded educational opportunities for participants enrolled in the project.
- Increased number of participants being served.
- Removal of barriers to employment so participants' focus is on training and employment opportunities.

Individuals Impacted by the Waiver

This waiver has the potential to impact the entire local service delivery area. The DESC covers all of the City of Detroit, which serves more customers than any other Michigan Works! Agency. All participants enrolled in the local WIA Adult, Dislocated Worker, and Older Youth programs have the potential to be impacted.

Monitoring Progress and Implementation

The State will closely monitor performance and outcomes to ensure that progress is being made and provide technical assistance as needed. The State and the DESC (and its subcontractors) will utilize the State's One-Stop Management Information System. The State will develop a special code for the pilot which will help track and monitor progress. Quarterly reports will be required.

A State coordinator will be assigned to track and monitor performance. Annual WIA on-site programmatic reviews include an evaluation of how local waivers are being utilized and to ensure programmatic goals and outcomes are being met.

The state coordinator, dedicated to the administration of the pilot, will continually examine the effectiveness of waivers throughout the program year. 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 and federal and state regulations.

Notice to Local Boards and Public Comment

In accordance with the WIA Regulations at 20 CFR 661.230(d), which provide requirements of public review and comment, this waiver request is posted at <http://www.michigan.gov/wda/0,5303,7-304-64178---,00.html> for comment and review by local Workforce Boards and the general public.

In addition to posting the waiver at the website, notification was provided to all local Workforce Development Boards, and their association.