



**JUN 24 2016**



The Honorable Rick Snyder  
Governor of Michigan  
P.O. Box 30013  
Lansing, MI 48909

Dear Governor Snyder:

After careful review, the U.S. Departments of Labor and Education (Departments) are pleased to inform you that we have determined that Michigan's four-year Workforce Innovation and Opportunity Act (WIOA) Unified State Plan (Unified State Plan or State Plan), submitted on March 31, 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 Michigan 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, 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, Michigan 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, Michigan must provide the Departments with an action plan for correcting each of those deficiencies to [WIOA.Plan@dol.gov](mailto:WIOA.Plan@dol.gov) by September 1, 2016. Michigan 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 Michigan'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 Michigan 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 Michigan to address, the Departments will monitor Michigan's progress to ensure that the State Plan fully reflects WIOA's planning requirements. If Michigan fails to make progress in remedying the deficiencies in the State Plan, the Departments may take enforcement actions that are available to them, and Michigan'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 Michigan 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 Michigan 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 Michigan 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 Christine Quinn, Employment and Training Administration, Chicago Regional Administrator, (312) 596-5403 and email: [Quinn.Christine@dol.gov](mailto:Quinn.Christine@dol.gov).

Sincerely,



Portia Wu  
Assistant Secretary  
Employment and Training Administration



Johan Uvin  
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



Mike Michaud  
Assistant Secretary  
Veterans' Employment and Training

Attachment

cc:

Christine Quinn, Regional Administrator  
Stephanie Beckhorn, State Workforce Agency  
Sean Lively, State Adult Education Agency  
Suzanne Howell, State Vocational Rehabilitation Agency  
Corey Bulluck, Federal Panel Lead

## **ATTACHMENT A**

### **Michigan Unified State Plan Deficiencies**

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

#### **Common Elements**

- **II.a.1.A — Economic Analysis.** The State provided a response to this element; however, it did not address employers' workforce needs.
- **II.a.2.A — The State's Workforce Development Activities.** The State's response did not provide an analysis of the State's workforce development activities, including education and training activities of the core programs.
- **II.a.2.B — The Strengths and Weaknesses of Workforce Development Activities.** The State's response is not adequate because the State did not reference the activities in section II.a.2.A and did not include an analysis of strengths and weaknesses.
- **II.a.2.C — State Workforce Development Capacity.** The State's response did not adequately address this element. The State must include an analysis of the programs and activities described in section II.a.2.A. For example, the description did not contain details on the AEFLA and VR programs.
- **II.c.1 — State Strategy (Industry or Sector Partnerships).** The State's response is not adequate because the State did not include the strategies to achieve its strategic vision and goals that consider the State's economic, workforce, and workforce development, education, and training activities and analysis provided in section II.a.2.A. For example, the State must include a discussion of the specific strategies to address the needs of populations discussed in section II.a.2.A.
- **II.c.2 — State Strategy (Alignment of Core Programs).** The State did not provide adequate detail in its response to this element and must address the alignment of strategies, including program models, across core programs.
- **III.a.2.A — Core Program Activities to Implement the State's Strategies.** The State provided a response to this element; however, it did not describe how it will align programs and agencies or describe its plan for co-enrollment (if any).

- III.a.2.B — Alignment with Activities outside the Plan. The State did not provide adequate detail in its response to this element and must revise its response to clarify how all the entities included will coordinate their activities.
- III.a.2.E — Partner Engagement with Educational Institutions. The State did not provide adequate detail in its response to this element and must revise it to directly address partner engagement by the AEFLA program.
- III.a.2.G — Leveraging Resources to Increase Educational Access. The State’s response is not adequate because the State did not describe how the State’s strategies will enable the State to leverage other Federal, State, and local investments that have enhanced access to workforce development programs at the institutions described in section III.a.2.E.
- III.a.2.H — Improving Access to Postsecondary Credentials. The State’s response is not adequate because the State did not describe how the State’s strategies will improve access to activities leading to recognized postsecondary credentials, including Registered Apprenticeship certificates.
- III.b.2 — State Operating Systems and Policies (Policies). The State’s response is not adequate because the State did not describe policies and processes that will support implementation of its strategies. The State must include a discussion of the process for developing guidelines for State-administered one-stop partner programs’ infrastructure contributions.
- III.b.3.A — State Program and State Board Overview (State Agency Organization). The State provided a response to this element; however, it did not provide the organizational chart as a part of its response in the Plan submitted in the portal.
- III.b.3.B.i — Membership Roster. The State did not provide adequate detail in its response to this element and must provide the State Board membership roster that includes member names and organizational affiliation.
- III.b.4.B — Assessment of One-Stop Program Partner Programs. The State did not address this element in its State Plan.
- III.b.4.D — Evaluation. The State provided a response to this element; however, it did not describe how it will conduct evaluations and research projects and provide information on the coordination and design of those evaluations and research projects. The State also must describe how it will coordinate the evaluations and research projects with the Secretaries of Labor and Education.
- III.b.5.A.i — Distribution of Funds for Title I Youth Activities. The State policy for distribution of youth funds to local areas must be updated to reflect that each region is guaranteed to receive an allocation percentage for a year that is no less than 90% of the average allocation percentage of the local area for the prior two years.

- III.b.5.A.ii — Distribution of Funds for Title I Adult Training Activities. The State policy for distribution of adult funds to local areas must be updated to reflect that each region is guaranteed to receive an allocation percentage for a year that is no less than 90% of the average allocation percentage of the local area for the prior two years.
- III.b.5.A.iii — Distribution of Funds for Dislocated Worker Employment and Training Activities. The State policy for distribution of dislocated worker funds to local areas must be updated to reflect that each region is guaranteed to receive an allocation percentage for a year that is no less than 90% of the average allocation percentage of the local area for the prior two years.
- III.b.5.B.ii — Direct and Equitable Access. The Plan did not indicate that all applications are treated in the same manner in terms of review and evaluation.
- III.b.6.A.3 — Data Alignment and Integration (alignment of technology and data systems across required one-stop partner programs). The State did not address this element in its State Plan.
- III.b.6.A.4 — Data Alignment and Integration (the State’s plans to develop and produce the reports required under section 116). The State did not address this element in its State Plan.
- III.b.6.B — Assessment of Participants’ Post-Program Success. The State did not address this element in its State Plan.
- III.b.6.D — Privacy Safeguards. The State did not provide adequate detail in its response to this element as it did not describe the privacy safeguards incorporated in the State’s workforce development system
- III.b.7 — Priority of Service for Veterans. The State provided a response to this element; however, it did not adequately describe the referral process for veterans determined to have a significant barrier to employment to receive services from the Jobs for Veterans State Grants (JVSG) program’s Disabled Veterans’ Outreach Program (DVOP) specialist.
- III.b.9 — Addressing the Accessibility of the One-Stop Delivery System for English Language Learners. The State provided a response to this element; however, it did not address how it will ensure that each one-stop center is able to meet the needs of English language learners, such as through discussing established procedures, staff training, resources, and other materials.

## **Title I**

- VI.a.1.A — Identify the regions and the local workforce development areas designated in the State. The State provided a response to this element; however, it did not identify the regions and local workforce development areas designated in the State.

- VI.a.1.B — Describe the process used for identifying regions and planning regions under section 106(a) of WIOA. This must include a description of how the State consulted with the local boards and chief elected officials in identifying regions. The State provided a response to this element; however, it did not include a description of its consultation with the State Board, chief elected officials, local boards, and commenters for designating local areas and consultations with local boards and chief elected officials for designating regions.
- VI.a.1.C — Provide the appeals process referred to in section 106(b)(5) of WIOA relating to designation of local areas. The State’s response lacked adequate detail in its description of the State’s appeal process. The State’s response made reference to the “Workforce Development Agency Grievance and Complaint Policy.” All content required to respond to this element must be put in the portal.
- VI.b.2 — Registered Apprenticeship. The State did not provide adequate detail in its response as it only describes Pre-Apprenticeship programs and did not include information on Registered Apprenticeships.
- VI.b.5 — Describe the State’s criteria regarding local area transfer of funds between the adult and dislocated worker programs. The State provided a response to this element; however, it did not address the State’s criteria, including the Governor’s approval process for the transfer of funds.
- VI.c.1 — Identify the State-developed criteria to be used by local boards in awarding grants for youth workforce investment activities and describe how the local boards will take into consideration the ability of the providers to meet performance accountability measures based on primary indicators of performance for the youth program as described in section 116(b)(2)(A)(ii) of WIOA in awarding such grants. The State’s response is not adequate because the State did not provide the state-developed criteria for local boards to award grants for youth activities and did not describe how the local boards will take into consideration providers’ ability to meet performance indicators.
- VI.c.2 — Describe the strategies the State will use to achieve improved outcomes for out-of-school youth as described in 129(a)(1)(B), including how it will leverage and align the core programs, and Combined State Plan partner programs included in this Plan, required and optional one-stop partner programs, and any other resources available. The State did not address this element in its Plan.
- VI.c.3 — Describe how the State will ensure that all 14 program elements described in WIOA section 129(c)(2) are made available and effectively implemented. The State’s response lacked adequate detail because the State did not outline what they will do to ensure availability and effective implementation of youth program elements at the local level.

#### **Wagner-Peyser**

- VI.e.4.A — Collaboration. Describe any collaborative agreements the state workforce agency (SWA) has with other MSFW service providers including NFJP grantees and other

service providers. Describe how the SWA intends to build upon/increase collaboration with existing partners and in establishing new partners over the next four years (including any approximate timelines for establishing agreements or building upon existing agreements). The State did not provide adequate detail in its response to this element and must include a discussion of the collaborative agreements that are in place for MSFW Service providers.

- VI.e.4.B — Review and Public Comment. In developing the Agricultural Outreach Plan (AOP), the SWA must solicit information and suggestions from NFJP grantees, other appropriate MSFW groups, public agencies, agricultural employer organizations, and other interested organizations. In addition, at least 45 calendar days before submitting its final AOP, the SWA must provide a proposed plan to NFJP grantees, public agencies, agricultural employer organizations, and other organizations expressing an interest and allow at least 30 days for review and comment. The SWA must: 1) Consider any comments received in formulating its final proposed AOP; 2) Inform all commenting parties in writing whether their comments have been incorporated and, if not, the reasons therefore; and 3) Transmit the comments and recommendations received and its responses with the submission of the AOP. The State did not provide adequate detail in its response to this element and must describe what comments were received and by whom.
- VI.e.4.C — Data Assessment. Review the previous four years Wagner-Peyser data reports on performance. Note whether the State has been meeting its goals to provide MSFWs quantitatively proportionate services as compared to non-MSFWs. If it has not met these goals, explain why the State believes such goals were not met and how the State intends to improve its provision of services in order to meet such goals. The State did not provide adequate detail in its response to this element as it did not include a description of the equity ratio indicators that provide a comparison between the services received between MSFWs and non-MSFWs.
- VI.e.4.D — Assessment of progress. The plan must include an explanation of what was achieved based on the previous AOP, what was not achieved and an explanation as to why the State believes the goals were not achieved, and how the State intends to remedy the gaps of achievement in the coming year. The State did not provide adequate detail in its response to this element as it did not include information on what was achieved/not achieved from the previous AOP and the explanation why the goals were not achieved.
- VI.e.4.E — State Monitor Advocate (SMA). The plan must contain a statement confirming the State Monitor Advocate has reviewed and approved the AOP. The State provided a response to this element; however, it must include an affirmative statement that the SMA has reviewed and approved the AOP.

#### **Adult Education and Family Literacy Act Program (AEFLA)**

- VI.b — Local Activities. The Plan did not identify what activities would be provided concurrent with other activities, if any. The Plan did not address the scope, content, and organization of its local activities.

- VI.c — Corrections Education and other Education of Institutionalized Individuals. The Plan did not indicate how the grants and contracts awarded with section 225 funds will be competed and will comply with the requirements of Subpart C of title II of WIOA. The State did not describe how it will carry out the activities in a way that is consistent with the statute.
- VI.d.1 — Integrated English Literacy and Civics Education (IELCE) Program. The Plan did not adequately describe how the State will establish IELCE programs that provide educational services consisting of literacy and English Language Acquisition integrated with civics education that includes instruction on the rights and responsibilities of citizenship and civic participation.
- VI.d.2 — Describe how the State will fund, in accordance with the requirements of title II, subtitle C, Integrated English Literacy and Civics Education services and how the funds will be used for those services. The Plan 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 of title II of WIOA.
- VI.f — Assessing Quality. The Plan did not include a description of how it will assess the quality of its professional development programs designed to improve (1) instruction in the essential components of reading instruction, instruction related to the specific needs of adult learners; (2) instruction provided by volunteers or paid personnel; and (3) dissemination of information about models and promising practices.