STRATEGIC TWO YEAR PLAN FOR TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998 AND THE WAGNER-PEYSER ACT

July 1, 2005 through June 30, 2007

MODIFICATION 1, AMENDMENT 1

INDIANA
WORKFORCE
DEVELOPMENT

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Attachment G - Waivers

NEW
Waiver Request 1(b) – Two-WSA Designation
State of Indiana
Program Year 2005

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the state intends to achieve as a result of the waiver.

As described in Indiana's state plan modification, we intend to be a two-workforce service area State under Title I of WIA beginning July 1, 2006. As such, Indiana requests a waiver to 20 CFR Part 661.300(f) of the Regulations. This provision allows states that operate as a single local workforce investment area to use the state workforce investment board to carry out the requirements of the local workforce investment board. While Indiana is not a single workforce service area, the balance of state workforce service area is comprised of 91 of the 92 counties in Indiana, the vast majority of Indiana's population, and represents the entire state's employment and demographics. The two workforce service areas will be defined as (1) Marion County and (2) the balance of state. Within the balance of state area, regions will maintain regional control and authority under the direction of the Indiana Workforce Investment Board.

In support of its request, the state indicates that a waiver will enable the state to implement a governance structure that is responsive to the unique characteristics of Indiana's labor market. The state further indicates that a waiver will enable it to accomplish its goal of streamlining administration of services, eliminating duplication, and increasing efficiency in its workforce investment system, leading to improved services to Hoosiers, personal income growth, and job and employment growth.

For the purpose of explanation, the board for the balance of state will be referred to as the Indiana Workforce Investment Board (IWIB). The board for the entire state will be referred to as the State Human Resource Investment Council (SHRIC). It should be noted these are the same entity for the purpose of implementation.

For the purposes of administration of WIA programs, the balance of state local area is similar to a single statewide local area for the following reasons:

- The balance of state area contains 87% of the state's population.
- The balance of state area is comprised of 91 of the 92 counties within Indiana. Thus the boundaries of the balance of state area is almost the same as the area for the entire state.

The balance of state area represents many of the characteristics of Indiana:

- Small, medium and large-sized cities and towns under the population of 250,000;
- The majority of Indiana's industries, which is comprised of small and medium sized firms;

- A large portion of the land mass used for agriculture; and
- Most of the state's secondary and post-secondary institutions.
- The SHRIC meets all federal and state composition requirements. As of July 1, 2006 the composition will include local workforce investment board requirements as well. Thus allowing it to function as both the state board and the local workforce investment board for the balance of state.
    - There will be bylaws and conflict of interest policies for both the SHRIC and the IWIB.
    - State board business meetings will include both SHRIC and IWIB agenda items.
    - IWIB will have a youth council that meets the requirements set forth in the Workforce Investment Act.

Describe the actions that the State has undertaken to remove State statutory or regulatory barriers.

No state statutory or regulatory barriers exist at this time.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

Indiana's workforce development system goals are:
- Increasing jobs and employment
- Growing personal income
- Delivering premier customer service

Indiana is setting into place an aggressive agenda to improve upon the current workforce development system. The corner stone of the agenda is for Indiana to become a two-workforce service area state. Granting this waiver will permit Indiana to more rapidly and effectively introduce change in a controlled environment. Indiana is taking aggressive steps to revamp the workforce development system in order to:

- Align the system with the current and future needs of employees and employers.
- Prepare the system for the Workforce Investment Act reauthorization.
- Build more prestigious, accountable, flexible, and regionally driven workforce boards.
- Maximize return on investment by aligning funds with regional economic and workforce development needs.
- Integrate service delivery at both the state and regional levels to provide better customer service.
- Build regional capacity in which the workforce development system is closely aligned with industry, economic development and education.
- Instill demand-side strategies for the delivery of workforce services.

Describe the individuals impacted by the waiver.

All individuals connected to Indiana's workforce development system will be positively impacted by the waiver. It is our intent to provide the most efficient and effective structure for workforce and economic development. Service provision will be more closely coordinated to the extent clients will not be aware of funding sources. In this way services can be provided in innovative yet functional manners to better meet the needs of clients. More funding will be available for direct client services as the regional areas will be expanded into more efficiently run workforce areas.

This waiver allows Indiana to establish smaller and more efficient business led boards under the leadership of the IWIB. These smaller boards will provide a structure in which business more actively leads workforce development changes. This will result in improved service and engagement of the economic development and education communities.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring to ensure strong leadership is provided and regional areas are operating effectively. We will ensure compliance with all appropriate laws and regulations. We will track progress in the quality and quantity of our services especially those related to federal performance.

Indiana will introduce and implement concepts that allow for smaller yet stronger regional leadership, increased competitive opportunities for service provision, decreased opportunities for actual or potential conflicts of interest, increased accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and regional boards have been afforded the opportunity to comment on Indiana's new direction. The waiver request, as part of the State Plan, will be forwarded for public review and comment. Additionally, the Commissioner continues to speak with elected officials, local boards, and interested parties concerning Indiana's new direction.

NOT APPROVED By U. S. Dept. of Labor on July 7, 2005
Waiver Request 2 - Mandatory Youth Councils
State of Indiana
Effective Program Year 2006

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the State or local area in the State, as appropriate, intends to achieve as a result of the waiver.

Indiana is requesting a waiver for Section 117(h) of the Workforce Investment Act and 20 CFR 661.335 and 661.340 – the Youth Council, and its membership composition, responsibilities and relationship with the local board.

Currently, the Youth Council is a required sub-committee of the Workforce Investment Board. WIA also requires specific types of members to be on the Youth Council, its relationship to the local board, and the responsibilities of the Youth Council. Approval of the waiver will assist Indiana achieve its workforce development goals: increasing employment, increasing personal income, and providing great customer satisfaction. This would be accomplished by having each local area determine if a Youth Council is needed. Additionally, if a local area determines a Youth Council is needed, the composition and responsibilities of the Youth Council would be determined at the regional level. DWD assures that the needs of youth would be met.

In requesting this waiver, Indiana is by no means deemphasizing the importance of youth services and the necessity of youth advocates in local areas. Rather, through this waiver, we are increasing local authority and decreasing bureaucracy by permitting local areas to determine how best to meet the needs of youth. Local authority would be increased and bureaucracy decreased with the membership and responsibilities of a Youth Council determined locally.

Describe the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

The requirement for a local youth council is contained in state law. Indiana will be taking steps to remove this requirement prior to program year 2006.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- To increase the quality of youth services provided by focusing more on services and less on processes.
- To encourage innovative and replicable youth service design and implementation.
- To promote a greater variety of entities serving as youth advocates and youth program providers.

Program Outcomes
Through this waiver, the State is increasing its emphasis to provide high quality youth services and help implement Department of Labor's new strategic vision on youth services to out-of-school and the neediest youth. The local level will have greater flexibility in determining how information on the needs of youth is provided and how services to youth are designed and provided.

Describe the individuals impacted by the waiver.

- Out-of-school and the neediest youth will be provided higher quality services.
- The local boards will have a stronger role in determining how information on youth will be provided to them.
- A greater variety of youth advocates, entities, and service providers will become involved in the workforce development system.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and local areas are operating in accordance with that leadership. We plan to introduce and implement concepts that allow for smaller yet stronger local leadership, increase competitive opportunities for service provision, decrease opportunities for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The State Plan, including waiver requests, will be forwarded for public review and comment. Additionally, the Commissioner will be speaking with chief elected officials and local boards concerning Indiana's new direction prior to the release of the State Plan.

APPROVED By U. S. Department of Labor on July 7, 2005
Waiver Request 3 - Allow Youth to Use Individual Training Accounts
State of Indiana
Effective Program Year 2005

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the State or local area in the State, as appropriate, intends to achieve as a result of the waiver.

Indiana is requesting a waiver for Section 123 of the Workforce Investment Act (WIA) and 20 CFR 664.510 – the competitive selection of youth providers and to allow Individual Training Accounts (ITA) for older and out-of-school youth. This would allow the selection of training providers for youth from the eligible training provider (ETP) list.

We were granted this waiver in May 2000 and are requesting an extension. This waiver allows, but does not mandate, youth the flexibility of utilizing ITAs.

The Department of Labor (DOL) has issued a new strategic vision on the delivery of youth services under WIA. DOL emphasizes that youth services be demand-driven, and that WIA services prepare youth most at-risk and the neediest youth for real job opportunities. Approval of this waiver will assist Indiana achieve our goals and assist us in implementing DOL's new strategic vision for youth. It also allows us to reduce much of the administrative costs of procuring training providers for youth.

This waiver would allow older (aged 19-21) and out-of-school youth to select training institutions and courses through the statewide eligible training system called "Education and Training Choices." Indiana believes that older youth and out-of-school youth would benefit from the services provided by these certified training providers. Allowing youth to use ITAs streamlines services, increases customer choice, and increases local flexibility.

Indiana is committed to ensuring that the appropriate youth services are provided in the ten required program elements. To this end, local areas are monitored by the State to ensure all ten program elements have been made available. Monitoring includes compliance with federal and state policy and guidance, and local policy.

Once approval of this waiver is granted, the Department of Workforce Development will revise its current policy on ITAs to include older and out-of-school youth. The policy currently addresses the use of ITAs for WIA training funds. The policy indicates mandatory items to be included in local policy, including what the ITA covers in addition to tuition, duration, and disbursement of funds; limited exceptions to the use of ITAs; consumer choice; and coordination with other funding sources, including Pell Grants.

Describe the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

There are no State or local statutory or regulatory barriers.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- To improve youth services through increased customer choice in accessing training opportunities in demand occupations.
- To increase the number of training providers for older and out-of-school youth.
- To provide local boards more flexibility in securing training service providers.
- To promote better utilization of training service providers in rural areas.
- To eliminate duplicate processes for securing training service providers.

Programmatic Outcomes

The numbers of training providers in local areas will increase. Training services for youth will be available in a faster and more efficient manner. Many local areas find it difficult to secure training providers willing to competitively bid to provide training to older and out-of-school youth. When local areas are required to competitively procure training services, the time period for matching training providers to youth who are in need is lengthened considerably. By allowing local boards to purchase training services to older and out-of-school youth from the Eligible Training Provider system, youth will be able to access training services more quickly. Additionally, youth will be able to choose the training provider they prefer.

Describe the individuals impacted by the waiver.

- Older and out-of-school youth will benefit because they will be able to select from a list of certified training providers and will receive services more quickly.
- Local areas will benefit because they will not have to direct their resources to costly and time consuming competitive procurements.
- Training providers will benefit because they will not have to follow two separate procedures to provide training for adults and dislocated workers, which require certification, and for older and out-of-school youth, which required competitive bidding.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

Once approval of this waiver is granted, the Department of Workforce Development will revise its current policy on ITAs to include older and out-of-school youth. The policy currently addresses the use of ITAs for WIA training funds. The policy indicates mandatory items to be included in local policy, including what the ITA covers in addition to tuition, duration, and disbursement of funds; limited exceptions to the use of ITAs; consumer choice; and coordination with other funding sources, including Pell Grants. Local boards will issue policy on the use of ITAs. DWD will monitor the local boards on the use of ITAs based on federal legislation and regulation, and state and local policy. Progress on the implementation of this waiver will be monitored through reports issued by DWD's monitoring unit, fiscal and programmatic reports, and dialogues with local administrators.

Local boards will be afforded an opportunity to commit on the State Plan and waivers through the public review and comment period.

Revised Waiver Request 4 - Allow Youth Receiving Free/Reduced School Lunch To Be Low Income
State of Indiana
Effective Program Year 2005

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the state intends to achieve as a result of the waiver.

The State of Indiana is requesting a waiver for Section 101(25) of the Workforce Investment Act and 20 CFR 664.250 – to include youth receiving free/reduced lunches under the National School Lunch Program to be "low income." We are requesting approval of this waiver to be retroactive to July 1, 2005.

Currently, local programs can not include recipients of free/reduced to be included as "low income" for WIA Title I unless independent verification of low lunch income is verified. It is our contention that students who qualify for free/reduced lunches meet the low income standard and that redocumenting that student is wasteful and delays or prevents eligible youth from participating in WIA. Approving this waiver would lessen documentation requirements and allow more youth to be enrolled into Title I WIA.

Approving this waiver request will not lessen Indiana's commitment to serving out-of-school and the neediest youth. These youth are targeted under the Department of Labor's new strategic vision for serving youth. Rather, we are requesting the waiver to increase enrollments and lessen documentation requirements for those youth who are at-risk of dropping out of school but still in-school. If the waiver request is approved, guidance issued by the State will emphasize serving out-of-school youth and youth most in-need, indicating receipt for the free/reduced lunch program would be a category of "low income."

Describe the actions that the State has undertaken to remove State statutory or regulatory barriers.

No state statutory or regulatory barriers exist at this time.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- Documentation requirements would be lessened.
- Youth receiving free/reduced lunches under the National School Lunch Program would automatically be considered as "low income" for Title I WIA, thus increasing youth enrollments.
- Local recruitment efforts would be increased by including youth enrolled in the free/reduced school lunch program.

The State anticipates an increased number of youth would be eligible for Title I Youth services should this waiver request be approved. The segment of youth most likely to increase will be those youth who are most at-risk of dropping out but are currently still in-school. These would

include youth enrolled in alternative education institutions, youth in foster care, youth in the criminal justice system, children of incarcerated parents, and migrant youth. We anticipate increased enrollments since outreach and recruitment efforts would broaden to include these individuals. Also, documentation requirements would be lessened for these same individuals.

Describe the individuals impacted by the waiver.

- Youth who are most at-risk of dropping out but are currently still in-school will be positively impacted.
- Businesses will be positively impacted as youth will obtain the skills needed to succeed in the 21st century economy.
- Local WIA administrations will be positively impacted. Performance should improve through the positive outcomes earned by the youth participants.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and local areas are operating in accordance with that leadership. We plan to introduce and implement concepts that allow for smaller yet stronger local leadership, increase competitive opportunities for service provision, decrease opportunities for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The State Plan, including waiver requests, will be forwarded for public review and comment. Additionally, the Commissioner will continue speaking with current chief elected officials and local board administrators concerning Indiana's new direction prior to the release of the State Plan.

APPROVED By U. S. Department of Labor on July 7, 2005
Waiver Request 5 - Time Limit for Initial Eligibility for Eligible Training Provider List
State of Indiana
Effective Program Year 2005

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the State or local area in the State, as appropriate, intends to achieve as a result of the waiver.

Indiana is requesting a waiver for Workforce Investment Act (WIA) Section 122(c)(5) and Regulations 663.530, dealing with the time limit for initial eligibility for the statewide eligible training provider list.

The Indiana Department of Workforce Development (DWD), the state administrative entity for the Workforce Investment Act (WIA), is requesting a waiver to postpone the "Subsequent Eligibility of Training Providers" until July 1, 2007. The reasons for this request are to improve the WIA performance information and the accountability of the training providers for the determination of subsequent eligibility. This postponement will also allow Indiana to enhance and strengthen the overall individual training account and the eligible training provider processes.

Currently, Indiana has approximately 450 different training providers with over 4,000 programs listed on the State eligible training provider list. The list (called "Education & Training Choices" in Indiana) includes the state's community college system, the state's university system, private for profit and nonprofit schools and training agencies. The complete list is located at: http://www.in.gov/serv/dwd_etc

Indiana's experience throughout WIA has been the training providers' reluctance to collect the necessary data for the eligible training provider list because of the low number of WIA clients enrolled with that provider. These circumstances are especially true with the state university system. Even with the State's assistance in securing subsequent employment and wage rates for graduates, the cost for collecting and submitting other performance data still outweighs the benefits to be listed on the eligible training provider list.

With a lower number of training providers listed on the eligible training provider list, customer choice will be reduced. This adversely impacts one of the basic principals of WIA – customer choice.

Currently, most of the university system in Indiana is not listed on the eligible training provider list because the cost for collecting and submitting data outweighs the benefits of being included on the eligible training provider list. By not being granted this waiver request, Indiana is certain that many long-standing providers with solid credentials will drop out. Examples of such providers include universities, the state community college system, and other technical schools.

The waiver is written in the format identified in WIA section 189(i)(4)(B) and WIA Regulation 661.420(c).

Describe the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

Indiana has no State or local statutory or regulatory barriers.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- To improve the data collection from potential training providers, thus increasing the customer choice available to trainees.
- To increase the amount of Workforce Investment Act (WIA) performance information from potential training providers, thus increasing the customer choice available to trainees.
- To allow more time to analyze data to set reasonable criteria for "subsequent eligibility".
- To allow local areas to increase their familiarity with the Individual Training Accounts and Eligible Training Provider systems.

Programmatic Outcomes

Indiana's workforce development system will gain time –

- Time to educate the training provider community in the state on the advantages on becoming part of the statewide eligible training provider list.
- Time for the state to develop reasonable and meaningful criteria for the subsequent eligibility process.
- Time for consumers to better understand the importance of the data provided by training entities.

Describe the individuals impacted by the waiver.

The waiver will positively affect all customers (training providers, local WIBs, DWD, and ITA users).

- Training providers initially eligible and on the State List of Eligible Training Providers will have an additional opportunity to establish a WIA performance base before subsequent year determination has to be made.
- Local WIBs will have WIA performance information before having to make subsequent year determinations.
- DWD will have more performance information to determine statewide minimum performance levels for WIA measures.
- ITA users will have a wider selection of training providers for a longer period of time until subsequent eligibility is determined.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and local areas are operating in accordance with that leadership. We plan to introduce and implement concepts that allow for smaller yet stronger local leadership, increase competitive opportunities for service provision, decrease opportunities for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The State Plan, including waiver requests, will be forwarded for public review and comment. Additionally, the Commissioner will be speaking with current chief elected officials and local board administrators concerning Indiana's new direction prior to the release of the State Plan.

APPROVED By U. S. Department of Labor on July 7, 2005
Waiver Request 6 - Transfer between Adult and Dislocated Worker Programs
State of Indiana
Effective Program Year 2005

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the state intends to achieve as a result of the waiver.

The State of Indiana is requesting a waiver to Section 133(b)(4) and 20 CFR 661.420(c) – the authority to transfer up to 30 percent of the allocation between the adult and dislocated worker program. We are requesting a waiver to eliminate the 30 percent limitation on transferring funds between adult and dislocated worker programs at WIA Section 133(b)(4).

Describe the actions that the State has undertaken to remove State statutory or regulatory barriers.

No state statutory or regulatory barriers exist at this time.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- To improve the ability of local boards to respond to changes within their local areas.
- To increase local control for service delivery.
- To emphasize effective local program management.
- To increase accountability at the state and local area levels.
- To provide greater flexibility to local boards in designing and implementing WIA programs.

Programmatic Outcomes
Indiana believes the increased flexibility and control would allow the local boards to better respond to changes within their areas, thus allowing the local boards the ability to most effectively use limited funds. Local boards would be better suited to more quickly respond to changes in the local region, including the needs of business.

Describe the individuals impacted by the waiver.

The waiver will benefit local boards, employers, customers, and service providers. As local boards have more flexibility to design programs based on local needs and priorities, program customers will benefit.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and local areas are operating in accordance with that leadership. We plan to introduce and implement concepts that allow for smaller yet stronger

local leadership, increase competitive opportunities for service provision, decrease opportunities for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The State Plan, including waiver requests, will be forwarded for public review and comment. Additionally, the Commissioner will be speaking with current chief elected officials and local board administrators concerning Indiana's new direction prior to the release of the State Plan.