

WAIVER.

ATTACHMENT H

Montana

WAIVER REQUEST

The Governor of the State of Montana requests a waiver of the 10 percent Administrative Cost Category for the local workforce areas [WIA 128(b)(4)(A-C); Regs. 667.210(a)(2), 667.220 et.al.]

The Concentrated Employment Area and the Balance of State Area have requested the attached waiver. Through consultation with the locally elected officials, the Governor concurs and therefore submits this statewide request as a part of the Five-Year Strategic Plan.

The rationale and goals for the waiver request are on the following two pages.

WIA TITLE I - GENERAL WAIVER REQUEST
For Title I of the Workforce Investment Act
In the
BALANCE OF STATE WORKFORCE INVESTMENT AREA
And the
CONCENTRATED EMPLOYMENT PROGRAM WORKFORCE INVESTMENT AREA

WIA Regulations Section 661.400 states that (a) the purpose of the general statutory and regulatory waiver authority is to provide flexibility to States and local areas and enhance their ability to improve the statewide workforce investment system; and (b) to address impediments to the implementation of a strategic plan, including the continuous improvement strategy, consistent with the key reform principles of WIA.

The Local Workforce Investment Boards for the Balance of State Workforce Investment Area and the Concentrated Employment Program Workforce Investment Area are submitting this General Waiver Request for Title I Adult, Dislocated Worker and Youth programs, as allowable under Section 189(i)(4) of the Workforce Investment Act and Regulation 661.400, for the following:

Request No. 1: Waiver of the 10 percent Administrative Cost Category for the local areas: [WIA 128(b)(4)(A-C); Regs. 667.210(a)(2), 667.220 et.al.]

(a) Size versus funds:

The Balance of State (BOS) and Concentrated Employment Program (CEP) Workforce Investment Areas cover the entire state of Montana, an area of over 147,000 square miles, larger in size than Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont combined. This large area is coupled with a population under 900,000. The result is that Montana is characterized by very small communities and vast open spaces.

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Size DOES matter when it comes to distributing WIA funds across our vast state. Distributed by square mile, we have one of the smallest allocations in the country. Our ability to operate programs in this environment has always been challenging. The new administrative rate of half of our old program (JTPA) compounds the challenge. Even with the new federal definition (and we greatly appreciate the U.S. Department of Labor working on this with us), we are forced into designating only a SINGLE One-Stop Center in the entire 46-county BOS area and the 10-county CEP area. Under the current DOL guidance, the administrative cost category is applicable to One-Stop Center expenditures as well as to Board operations. Because Montana's WIA Title I allocations for Adult, Dislocated Worker and Youth are very small and the area to be covered is very large, an administration limit of 10 percent will not include sufficient funds to streamline services to customers across the state through One-Stop Centers.

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In order to progress beyond a single One-Stop Center in each area, all local area expenditures need to be categorized as program costs. This would allow us to open multiple centers across the state with the goal of reducing customer travel distance to a Center to certainly under 100 miles and, eventually, under 50 miles. We want to preserve the flexibility to add additional One-Stop Centers as our system progresses and, to do this, we must be able to waive the administrative cost rate.

The application of the administrative rate to One-Stop Centers is a good example of how a rule developed for urban areas drives an impractical program design in a rural area. Our BOS, which is over 600 miles from east to west and over 300 miles from north to south would only be able to afford a SINGLE One-Stop Center.

(b) Our history of excellent performance:

Both of our areas have, since the inception of JTPA, met and exceeded all performance standards and we have received incentive awards for all years. In addition, both area qualified as Charter Members of the U.S. DOL Enterprise Council in 1995 and were recertified in both Title IIA and III in 1997 when IIA was added to the criteria. This made Montana the only state in the nation where all local areas qualified for Enterprise membership in all titles since the Enterprise was formed.

Our high performing programs have received merit awards from the National Association of Counties. In 1999, the administrative entity for both areas, MJTP, received an Award of Excellence from NACO and one of MJTP's employees received NACO's prestigious Joe Cooney award.

Our programs have always received high marks from state and federal monitoring reports and for all audits and fiscal monitoring reports. We have demonstrated outstanding program performance, accountability and innovation in serving our customers and would like the flexibility to continue to do so under WIA. We believe that waiving the administrative cost category for our BOS and CEP areas and allowing us to categorize our expenditures as program costs will provide that flexibility.