



FEB 19

The Honorable Mitch E. Daniels Jr.  
Governor of Indiana  
220 W. Washington Street, Rm. 206  
Indianapolis, Indiana 46204

Dear Governor Daniels:

As part of Indiana's modification to the State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, the State submitted waiver plans to request that the State's waivers of statutory and regulatory requirements under WIA be approved for the remainder of Program Year (PY) 2009 (copy enclosed). These requests are written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appear to meet the standard for approval at 20 CFR 661.420(e). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. The following is the disposition of the State's submission.

In a letter dated June 29, 2009, ETA granted Indiana approval of the following waivers through June 30, 2010:

- Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.
- Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.
- Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The approvals for these waivers remain in effect. The letter dated June 29, 2009 granted temporary extensions of the remainder of Indiana's waiver requests. The previous approval of the extensions is hereby terminated and replaced by decisions set forth in this letter. Unless otherwise indicated, all waiver approvals that follow apply to both WIA formula funds and funds made available under the American Recovery and Reinvestment Act of 2009 (ARRA).

#### Requested Waivers

Requested Waiver: Waiver to permit the State to apply the WIA regulations at 20 CFR 661.300(f) to the balance of state workforce investment area described in the Indiana State Plan.

The State is requesting a waiver to permit the State to apply 20 CFR 661.300(f) to the balance of state workforce investment area described in the State Plan. The regulations at 20 CFR 661.300(f) allow 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. The State is seeking this waiver to permit the Governor to designate the state board to carry out the roles and responsibilities of the local board for the balance of state local area. We are granting the waiver through June 30, 2010. Under the waiver, the Governor may designate the state board to carry out the roles and responsibilities of the local boards in the designated region encompassing the State, in the same manner as permitted in single service delivery area states.

ETA's approval of this waiver is predicated on the expectation that the State will enter immediately into cooperative discussions with ETA and local areas to address concerns related to the State's governance structure, described below. This waiver has been granted for the remainder of PY 2009 in order to allow the State to remain compliant with WIA Section 117 which requires that local boards be in place for every local workforce investment area. This will allow Indiana to maintain an operational governance system for the short-term while ETA, the State, and local areas engage in long-term discussions. It is our preference that the State pursues designation of recognizable local areas in the State and make them fully compliant WIA local boards. ETA is optimistic that these discussions will result in an agreement to eliminate the need for the waiver by the end of the program year and put in place multiple and WIA-compliant local boards.

WIA principles envision a strong role for local boards, and WIA regulations require that waivers be approved consistent with this key reform principle (see 20 CFR 661.400(b)(5)). As the preamble to the WIA regulations further discusses, the focus of these "local, business-led boards" is "strategic planning, policy development and oversight of the local workforce investment system," and the active involvement of business and labor is "critical to the provision of essential data on what skills are in demand, what jobs are available, what career fields are expanding, and the identification and development of programs that best meet local employer needs." ETA has received numerous comments and complaints that the strong local role envisioned in WIA is truncated by the balance of state structure that Indiana has in place. These complaints indicate that diverse stakeholder interests at the local level are not well-represented when the entirety of the state, with the exception of Marion County/City of Indianapolis, comprises its own local area and the State is functioning as the local board.

We are optimistic that productive discussions will lead to a mutually agreeable solution that strengthens the role of local policy makers and eliminates the need for this waiver. We do not anticipate extending the waiver again. ETA looks forward to discussing this course of action with the State and local areas in the coming months.

Requested Waiver: Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State is requesting a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted this waiver through June 30, 2010. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs. As stated in ETA Training and Employment Guidance Letter (TEGL) No. 14-08, Section 19, issued on March 18, 2009, this waiver does not apply to funds made available through ARRA. However, the State is permitted to transfer up to 30 percent of ARRA funds between programs under WIA and under the Department of Labor Appropriations Act of 2009. This authority is discussed in TEGL No. 14-08, change 1.

Requested Waiver: Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training and other statewide activities.

The State is requesting a waiver to permit use of rapid response funds for incumbent worker training and other statewide activities. The State is partially granted this waiver through June 30, 2010; incumbent worker training activities are approved and other activities are denied. Under this waiver, the state is permitted to use up to 20 percent of rapid response funds for incumbent worker training only as part of a lay-off aversion strategy. All training delivered under this waiver is restricted to skill attainment activities. The State is required to report performance outcomes for incumbent workers served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD).

ETA Training and Employment Guidance Letter No. 14-08, Section 19, issued on March 18, 2009, explained that in order to apply this waiver to funds made available through ARRA, states needed to submit a detailed justification. Because record numbers of unemployed individuals continue to seek the services of the workforce system, ETA believes that the use of ARRA funds for incumbent worker training would be inappropriate, and these funds should be devoted to serving those participants without jobs. Therefore, this waiver does not apply to funds made available through ARRA.

ETA denies the State's request to use rapid response funds for other statewide activities. ETA believes that rapid response funds should only be used to enhance services provided to dislocated workers including placement in employment, training, or provision of supportive services. The State's request fell outside these parameters.

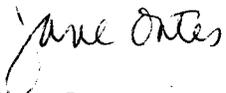
Requested Waiver: Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training and other statewide activities.

The State previously was granted a waiver of WIA Section 134(a) to permit local areas to use a portion of local Adult, and Dislocated Worker funds for incumbent worker training and other statewide activities. The State has withdrawn its request to extend this waiver. The waiver approval period expires as of the date of this letter.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as required by TEGL No. 14-00, Change 3, the State should address the impact these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Byron Zuidema, the Regional Administrator for Region V, at 312-596-5403 or [Zuidema.Byron@dol.gov](mailto:Zuidema.Byron@dol.gov).

Sincerely,



Jane Oates  
Assistant Secretary

Enclosure

cc: Stacy O'Keefe, Federal Project Officer for Indiana, ETA Chicago Regional Office

## **Attachment G – Full Waiver Plans**

### **Waiver Request 1(b) – Two-WSA Designation State of Indiana Effective July 1, 2005 – June 30, 2010**

In granting and subsequently renewing this *Two-WSA* waiver, the USDOL empowered the core of Indiana's governance structure for workforce investment programs. It has made it possible for the State to establish a workforce investment system that provides quite elegantly for two important virtues: consistency and commonality statewide, while preserving regional sensibilities and inflection. As a result, USDOL has enabled Indiana's entire workforce investment system to respond rapidly and to implement effectively programs which meet the economic challenges faced by citizens in need, as well as and the concerns of business and industry. Although not unique nationally, Indiana is one of few states to implement a workforce investment system of this nature, and we remain grateful for USDOL's support. Moreover, as the attached letters attest, Indiana's "Two-WSA System" enjoys wide community-support—yet another virtue unto itself.

The Two-WSA waiver request was originally approved by the U. S. Department of Labor in November of 2005, and was subsequently renewed in September of 2007. The State of Indiana respectfully requests an extension of this waiver through June 30, 2010. An extension of this important waive will allow the State Workforce Innovation Council (SWIC) to continue to carry out the roles and responsibilities of both the state workforce council (State Board) and the local workforce investment board for the balance of state workforce service area (BOS-WIB). Given the economic challenges faced by our nation and state, the timing could not be more important to sustain the work already well begun.

#### **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.**

Since USDOL initially granted the waiver on July 1, 2006, Indiana has successfully operated under Title I of WIA with two-workforce service areas: (1) Marion County and (2) the BOS-WIB, which are overseen by the State Workforce Innovation Council, acting in its capacity as the State Board. In Marion County, the Indianapolis Private Industry Council serves as the local workforce investment board, and within the BOS-WIB, the State Workforce Innovation Council serves as the local workforce investment board.

Fundamentally, this waiver requests seeks application of 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 covers nearly the entire State of Indiana. It 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.

For the purposes of administration of Workforce Investment Act 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 boundary of the balance of state area is almost the same as the area for the entire state.

In addition, 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 SWIC currently meets all legislative composition and oversight requirements for both the state council and local workforce investment board for the BOS-WIB. Each SWIC member has been provided education and training regarding the dual roles and responsibilities of the SWIC as both State Board and the BOS-WIB. But member development is on-going: a new operational manual for SWIC members is in production and new members participate in a comprehensive orientation. To heighten the distinction to the dual-nature of the business conducted by the SWIC, the meeting agendas are truncated into two distinct parts—State Board Business and BOS-WIB Business. In addition:

- Bylaws and conflict of interest policies exist for the SWIC in its role as State Board and Balance of State Workforce Investment Board (BOS-WIB)
- The SWIC as BOS-WIB has a Youth Council that meets the requirements set forth in the Workforce Investment Act.
- The SWIC as BOS-WIB maintains a set of subcommittees whose purpose is to provide careful guidance and detailed oversight to the financial, programmatic and service-related operations of the eleven regions.

The implementation of this waiver has allowed Indiana to achieve many goals. It has enabled the State to implement a governance structure that is responsive to the unique characteristics of Indiana's labor market, while providing oversight through one governance board. It has also allowed Indiana to accomplish its goal of streamlining administrative services, eliminating duplication, and increasing efficiency in its workforce investment system. These have led to improved workforce services to all Hoosiers, and to improved outcomes of individuals that receive workforce investment services in Indiana.

This latter point cannot be overstated. Clear proof of the success of Indiana's Two-WIB structure was recently and gratefully acknowledged by the USDOL in the award of performance funds for PY2007. Indiana was one of only eleven states that met all WIA performance measures, and qualified for a WIA Section 503 Incentive Grant. Clearly, the system is working, and there is much promise for even greater success to come.

In fact, the SWIC/BOS-WIB has achieved remarkable goals and has undertaken exciting new work throughout the winter and spring months of 2009. In collaboration with partners throughout the State's workforce investment system, the SWIC/BOS-WIB has developed new systems and structures that aim at enhanced quality and consistency of service statewide. The council has developed new protocols for monthly budget-review, identifying a common set of definitions for expenditures and creating templates that will allow for the conversion of data to decision-driving information. The council has scoped a series of training priorities and common definitions for "approved training." The council has approved guidelines, based upon curricular content, learning outcomes and assessment data, for the approval of training programs. The council has approved the Young Hoosiers Conservation Corps, the BOS-WIBs ARRA-funded summer youth employment program which will provide nearly 2,000 youth in the balance of state area with an opportunity to participate in a meaningful work experience throughout the summer of 2009. And the council has developed an ARRA-funded program to sustain the enrollment of adults and dislocated workers in occupational training. All of these accomplishments were made possible as a result of the efficiencies enabled by

the Two WSA waiver. The results are just as we envisioned--greater consistency and commorality WSA-wide, while preserving regional sensibilities and inflection.

The plan of work that the SWIC/BOS-WIB has established for itself going forward is impressive and will take fullest advantage of the Two WSA waiver. The DWD has added to its staff director of adult and training programs whose charge is to develop and implement, under the guidance of the BOS-WIB a common set of assessment tools to measure the educational-attainment level, aptitude and career interests of the adult and dislocated populations; to develop and implement *bridge programs* for training in high demand sectors; and to develop and implement statewide innovative strategies for worker development. In the coming months, the BOS-WIB's Youth Council will undertake a review of all programs currently administered and will develop a strategic plan for in-school and out-of-school support and training programs. The BOS-WIB, led by its Executive Committee, will begin development of a web-based tool that will bring coherence to the wide-ranging educational programs offered across the WSA. The goal is to empower more fully one-stop staff in helping adult learners to discover their own roadmap for skills enhancement leading to jobs. The plan is aggressive and challenging, but the ground is laid and the BOS-WIB is eager to meet the challenge.

In sum, the current economic downturn has impacted all states, but as described throughout this report, Indiana has been hit particularly hard. In just six months, the rate of unemployed Hoosiers has more than doubled, due in great part to our deep participation in the automotive and recreational vehicle sector. As Indiana's workforce investment system continues to serve an increased number of workers affected by the economic downturn, the extension of this waiver and the continuation of Indiana's governance structure of its workforce investment system is *essential*. Thanks to the streamlined governance structure enabled by this waiver, the State's workforce investment system is able to move nimbly, rapidly implementing programs that ensure that funds are utilized where they are needed most – direct services and training – rather than to unnecessary and duplicative administrative and overhead expenses. Diverting our energies to wholesale system-restructuring at this critical time would, in fact, be counterproductive to our shared mission of helping neighbors enhance their skills, find jobs and provide for the security of their families. In seeking this extension, therefore, the united partners of Indiana's workforce investment system make a special appeal to USDOL and are grateful for the consideration.

**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 has set into place an aggressive agenda to continuously improve the current workforce investment system during the fifth year of this plan and throughout the economic downturn. This improvement will be seen in an increase in the number of customers the system serves and an increased number of meaningful services that workers are able to access. The cornerstone of the

agenda is the streamlined governance structure, wherein the SWIC serves the dual role as state council and workforce investment board for the balance of state service area. Granting this waiver will permit Indiana to more rapidly and effectively introduce common and consistent programs in a controlled environment, without a disruption of services that could be caused by the State revamping its governance structure. This is especially important as Indiana continues to implement ARRA-funded programs designed to benefit those individuals most impacted by the economic downturn.

Through the operation of the governance structure enabled by this waiver, Indiana expects to achieve the following outcomes:

- Greater consistency and commonality of service provision throughout Indiana's workforce investment system
- Rapid and effective implementation of large scale, meaningful ARRA-funded programs
- Increased number of services available to Hoosiers affected by the economic downturn
- Increased percentage of funds utilized for direct client services and training
- Reduction in unnecessary use of funds for administrative and overhead activities
- Further development and implementation of systemic state-defined goals, which measure return on investment for public funds dedicated to Indiana's workforce investment system
- Continuity of structure for the delivery of workforce investment services

**Describe the individuals impacted by the waiver.**

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

This waiver has allowed Indiana to establish smaller and more efficient business-led regional workforce boards under the leadership of the SWIC. These smaller boards provide a structure in which business more actively leads workforce development changes. This results 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 closely monitors all aspects of Indiana's workforce investment system, including the proper implementation and use of this waiver. Specifically, the State will continue to monitor to ensure strong leadership is provided within regional areas, and within the SWIC itself. The State will ensure compliance with all appropriate laws and regulations through regular reviews of the SWIC composition and activities, ensuring that the SWIC is performing its dual roles as State Council and Balance of State Workforce Investment Board.

Through the SWIC, Indiana will continue to 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, and increased accountability to our customers.

**Describe the process by which notice and an opportunity to comment on such a request has been provided to the local board**

When initially requesting and implementing this waiver, all individuals in the State, including chief elected officials, business, labor, citizens, and regional boards were engaged and provided the opportunity to help develop the refined governance structure of Indiana's workforce investment system. The transition to the new structure occurred in a deliberate and open fashion that engaged all interested individuals. Throughout the implementation of this waiver and Indiana's improved governance structure, the Commissioner of DWD has, and will continue to, speak with elected officials, local boards, and other interested parties concerning the structure of Indiana's workforce investment system.

The Indiana Department of Workforce Development has published this waiver request on its website ([www.IN.gov/dwd](http://www.IN.gov/dwd)) along with this modification to the State Plan for public review and comment. In addition, an electronic memorandum advising Indiana's workforce investment system of this proposed waiver was sent to all workforce investment board leaders of the opportunity to provide comment.

**Waiver Request 6 - Transfer between Adult and Dislocated Worker Programs  
State of Indiana  
Effective July 1, 2006 – June 30, 2010**

This waiver was originally approved by the U. S. Department of Labor in July of 2005, and subsequently, was reapproved in September of 2007. The State of Indiana respectfully requests an extension of this waiver through June 30, 2010.

The waiver provides the ability to transfer up to 100 percent of allowable funding between the Adult and Dislocated Worker programs. Thus, workforce investment boards and regional workforce boards throughout Indiana have increased flexibility to respond to ever-changing economic conditions and serve a greater number of customers based upon their needs. It also enables the State to effectively operate its integrated services model, where participants are co-enrolled in and provided services from all programs for which they are eligible.

**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 respectfully requests 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. The State requests this waiver to specifically eliminate the 30 percent limitation on transferring funds between adult and dislocated worker programs at WIA Section 133(b) (4) for WIA annual funds, and to allow the transfer of up to 100 percent of WIA annual funds between the WIA Adult and Dislocated Worker programs. To be clear, this waiver would only apply to WIA annual funds, and would not apply to WIA Adult and Dislocated Worker funds made available by the American Recovery and Reinvestment Act of 2009.

The primary goal that the State intends to achieve of this waiver is the continuation of its integrated services strategies, where all customers are co-enrolled in all programs for which they are eligible, and are provided services based upon their needs, rather than from programmatic silos. Allowing the 100% transfer of funds between the Adult and Dislocated Workers ensures that funds are maximized at the local and regional levels, and that the areas are able to apply the funds where they are needed the most, based upon the changing economic conditions. In addition, this waiver allows the local and regional areas within the State to maximize the use of WIA Adult and Dislocated Worker funds for direct client services and training, rather than for unnecessary and duplicative administrative and overhead costs.

**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.**

The goals of this waiver request are:

- To improve the ability of local and regional boards to respond to changes within their areas.
- To emphasize effective local and regional program management
- To increase accountability at the state, local, and regional levels

- To maximize a limited amount of funding and ensure integrated services are provided based upon customer need
- To ensure that a greater percentage of WIA Annual funds are utilized for the provision of direct client services and training
- To provide greater flexibility to local and regional boards in designing and implementing integrated WIA programs

#### Programmatic Outcomes

Indiana believes the increased flexibility and control allows the local and regional boards to better respond to changes within their areas, thus allowing the boards the ability to most effectively utilize limited funds. Expected outcomes include an increase in the number of customers that receive services, and a greater emphasis on utilizing funds for direct client services and training.

#### **Describe the individuals impacted by the waiver.**

The waiver benefits local and regional boards, employers, WIA Adult and Dislocated Workers participants, and service providers. Because this waiver allows local and regional boards throughout Indiana to have greater flexibility to design programs based on regional needs and priorities which maximize the use a limited amount of funds, all WorkOne customers benefit from expanded access to a comprehensive set of integrated services.

#### **Describe the process used to monitor the progress in implementing such a waiver**

The State closely monitors all aspects of Indiana's workforce investment system, including the implementation and management of this waiver. While all local and regional boards are provided with the opportunity to transfer funds between WIA Adult and Dislocated Worker Programs, State policy requires written permission from the Indiana Department of Workforce Development to transfer the funds. This process allows the State to ensure that Adult and Dislocated funds are being maximized at the local and regional levels to provide the most meaningful services to Hoosiers.

#### **Describe the process by which notice and an opportunity to comment on such a request has been provided to the local board**

The Indiana Department of Workforce Development published this waiver request on its website ([www.IN.gov/dwd](http://www.IN.gov/dwd)) along with this modification to the State Plan for public review and comment. In addition, an electronic memorandum advising Indiana's workforce investment system of this proposed waiver was sent to all workforce investment board leaders of the opportunity to provide comment

**Waiver Request 7 – State Set-Aside Rapid Response Redistribution  
State of Indiana  
Effective July 1, 2006 – June 30, 2010**

The U. S. Department of Labor approved this waiver on April 2, 2007. The State of Indiana respectfully requests an extension of this waiver through June 30, 2010. This waiver allows the State to use up to 50 percent of the funds set-aside for statewide rapid response purposes as Governor's Discretionary funds. This waiver is currently utilized, and allows Indiana to expand the use of Governor's Discretionary funding for incumbent worker training.

**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 respectfully requests a waiver of the regulatory requirements found in 20 CFR Part 665.310 and 20 CFR Part 665.320 that defines the use of state set-aside rapid response funding (Section 133(a)(2) and Section 134(a)(2)(A)). Specifically, the Indiana Department of Workforce Development would like to use up to 50 percent of funds set-aside for rapid response to further the Governor's initiatives found in Section 134(a)(1) and (2) and 20 CFR Part 665.200 and 20 CFR Part 665.210. If granted, this waiver request would be utilized for both regular WIA annual allocations, and funds made available under the American Recovery and Reinvestment Act. The primary goals that the State intends to achieve with this waiver are:

- 1) The continued operation of Career Advancement Account initiatives aimed at incumbent workers;
- 2) Use of statewide rapid response funds to offer incumbent worker training programs designed to avert layoffs

**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.**

**1. Career Advancement Account Pilot**

Indiana is currently operating a Career Advancement Account demonstration grant. Governor's Discretionary funding made available through the use of this waiver assists workforce service areas with Career Advancement Account projects in the following ways:

- Providing 100 percent match for the funding expended for Career Advancement Accounts at the State level.
- Increasing the number of employees in high tech, high skill employment.
- Decreasing the potential of layoffs and plant closures in the State by providing employers with a skilled workforce.
- Providing a pool of participants with high tech and high skill levels, thereby increasing their employment potential.
- Funds provided through the use of this waiver will be used for training costs of both incumbent and dislocated adult workers.

## **2. Recovery Act Incumbent Worker Initiatives**

Indiana would like to utilize a portion of its statewide rapid response funds made available by the Recovery Act to implement incumbent worker training programs designed to avert layoffs during the economic downturn. Funds made available through the use of this waiver would be used for a competitive grant program overseen by DWD that would provide funding for incumbent workers in industries at greatest risk for dislocation during the economic downturn. The goals of this program would include:

- Decreasing the potential of layoffs and plant closures throughout the State by providing employers with a skilled workforce.
- Increasing the number of workers eligible to receive training.
- Increasing the skill levels of incumbent workers.
- Enhance services available to businesses and industries most at risk for layoff or closure.

### Programmatic Outcomes

Use of the Governor's Discretionary funds made available with this waiver will help the State of Indiana: 1) meet employer demands for a pool of highly skilled workers; 2) greatly increase the number of adult low to mid range incumbent workers and dislocated workers who will receive occupational skill training; 3) increase the competitiveness of business and industry; and 3) Provide flexible funds for incumbent worker training initiatives designed to avert layoffs during the economic downturn.

### **Describe the individuals impacted by the waiver**

- Adult workers will have increased opportunities to learn high tech, high wage skills, thus increasing their potential for employment or better employment.
- Workforce investment boards and regional workforce boards will have additional training resources available to them.
- Business and industries at risk during the economic downturn will have the opportunity to bolster their competitiveness through an increased number of highly skilled workers.

### **Describe the process used to monitor the progress in implementing such a waiver.**

The State closely monitors the implementation and operation of the Career Advancement Accounts. State-level coordination by members of the DWD Strategic Initiatives team ensures that strong leadership is provided and that funds made available through the use of this waiver are utilized for training in high tech, high demand occupations.

Performance objectives for each of the pilot projects are monitored through quarterly and annual reporting process. Performance objectives/targets, aligned with DOL and State standards, are detailed to all workforce investment boards or regional workforce boards participating in the projects.

If granted this waiver for the use of Recovery Act funds, the State would closely monitor the implementation of programs established with these funds. The State would conduct a competitive procurement grant competition, ensuring that the funds would be targeted for training to those incumbent workers working in industries at risk for layoff or closures. The State would establish a comprehensive set of performance metrics for each grantee that would align with the overall goals of the program, and grantees would be required to report on monthly, quarterly, and annual bases. The State would also publish policy regarding the expected design and outcomes of the program, and would conduct regularly scheduled technical assistance meetings and monitoring visits to ensure the successful implementation of the programs.

**Describe the process by which notice and an opportunity to comment on such request has been provided to the local board.**

The State provided workforce investment boards and regional workforce boards the opportunity to implement Career Advancement Account pilots. Participation in the projects has been voluntary; therefore, no comment was necessary prior to the initial waiver request. Even though it was not required, the Department hosted a variety of informational/orientation meetings with the areas to gather comments, concerns and feedback. Local and Regional area comment was instrumental in designing the final version of each proposed pilot project.

The Indiana Department of Workforce Development published this waiver request on its website ([www.IN.gov/dwd](http://www.IN.gov/dwd)) along with this modification to the State Plan for public review and comment. In addition, an electronic memorandum advising Indiana's workforce investment system of this proposed waiver was sent to all workforce investment board leaders of the opportunity to provide comment

**Waiver Request 8 – Permit Formula Funds to be used as Governor’s Discretionary Local  
Formula Funds  
State of Indiana  
Effective July 1, 2006 – June 30, 2010**

The U. S. Department of Labor approved this waiver on April 2, 2007. The State of Indiana respectfully requests an extension of this waiver through June 30, 2010. The waiver allows WIA Title I Adult and Dislocated Worker formula funding to be used as Governor’s Discretionary funding at the local level. This waiver is currently utilized and allows Indiana to initiate innovative programs in concert with the WIRED initiative.

**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 of the regulatory requirements found in Section 134(a)(2) and (3) and 20 CFR Part 665.200 and 20 CFR Part 665.210 that defines the use of State set-aside funding to be used as WIA Title I Adult and Dislocated Worker formula funding..

Specifically, the Indiana Department of Workforce Development would like to use up to 50 percent of WIA Title I Adult and Dislocated Worker formula funding to provide statewide employment and training activities to be used similar to the Governor’s Discretionary funding at the local level. This waiver request would only be utilized for regular WIA annual allocations, and would not include funds made available under the American Recovery and Reinvestment Act. The primary goal of the waiver is to leverage and increase the flexibility of funding on the local level to support workforce investment projects serving alternative client populations.

**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.**

The primary goal of the waiver is to leverage and increase the flexibility of funding on the local level to support workforce investment projects serving alternative client populations. Consistent with the Governor’s strategic objectives of increasing employment opportunities and personal income for Hoosiers, the Indiana Department of Workforce Development is seeking to provide workforce investment services and activities to client populations not normally eligible for WIA enrollment. This strategy is designed to move incumbent worker populations to a “higher rung” on the occupational ladder, thereby increasing the availability of entry level positions for WIA enrollees and recent exiters.

Specific pilot programs that would utilize funds provided through the use of this waiver are outlined below:

**1. Career Advancement Account Pilot**

Indiana is currently operating a Career Advancement Account demonstration grant. This initiative is a highly specialized program designed to provide targeted career counseling and career

advancement services to individuals ineligible for WIA enrollment. The target population is adult incumbent and dislocated job-ready workers ineligible for the WIA Adult and TAA programs. Funding made available through the use of this waiver will assist Indiana's workforce service areas in the following ways:

- Provide funding for specialized employment counseling services for Hoosiers ineligible for the WIA Adult program.
- Increase the number of employees in high tech, high skill employment.
- Decrease the potential of layoffs and plant closures in the State by providing employers with a skilled workforce.
- Provide a pool of participants with high tech and high skill levels, thereby increasing their employment potential.

## **2. Future Demonstration Projects and Initiatives**

The Governor has set firm economic development goals for the State of Indiana. In support of these goals, the Indiana Department of Workforce Development has been charged with increasing employment opportunities and personal income for Hoosiers. This waiver is requested to allow the State of Indiana the opportunity to proactively pursue opportunities to achieve these goals without undue regulatory burden. Flexible funding will be used to allow Indiana to initiate innovative programs which will:

- Leverage scarce resources.
- Proactively meet the demand of a changing economy and enhance Indiana's ability to attract new employers and retain current ones.

### Programmatic Outcomes

Use of the Governor's Discretionary funding will help the State of Indiana: 1) meet employer demands for a pool of highly skilled workers; 2) greatly increase the number of Hoosiers receiving occupational skill training; and 3) provide funding for career advancement activities for Hoosiers ineligible to participate in the WIA Adult programs. These funds will also further regional economic development initiatives. These funds will be used so that adult workers will be trained in high-skill, high-tech occupations, which will attract industry and employers to Indiana.

### **Describe the individuals impacted by the waiver**

- Adult workers will have increased opportunities to learn high tech, high wage skills, thus increasing their potential for employment or better employment
- Workforce investment boards and regional workforce boards will have additional training resources available to them.
- The employer community will have a larger pool of trained applicants.

### **Describe the process used to monitor the progress in implementing such a waiver.**

The State closely monitors the implementation and operation of the Career Advancement Accounts and all other initiatives funded through the use of this waiver. State-level coordination by members of the DWD Policy and Performance and Field Operations Units ensure that strong leadership is provided and that funds made available through the use of this waiver are utilized for training in high tech, high demand occupations.

Performance objectives for each of the pilot projects are monitored through quarterly and annual reporting process. Performance objectives/targets, aligned with DOL and State standards, are detailed to all workforce investment boards or regional workforce boards participating in the projects.

**Describe the process by which notice and an opportunity to comment on such request has been provided to the local board.**

The State provided workforce investment boards and regional workforce boards the opportunity to implement Career Advancement Account pilots and other projects funded through the utilization of this waiver. Participation in the projects has been voluntary; therefore, no comment was necessary prior to the initial waiver request. Even though it was not required, the Department of Workforce Development hosted a variety of informational/orientation meetings with the areas to gather comments, concerns and feedback. Local and regional area comment was instrumental in designing the final version of each proposed pilot project.

The Indiana Department of Workforce Development will publish this waiver request on its website ([www.IN.gov/dwd](http://www.IN.gov/dwd)) along with this modification to the State Plan for public review and comment. In addition, an electronic memorandum advising Indiana's workforce investment system of this proposed waiver will be sent to all workforce investment board leaders of the opportunity to provide comment