

NOV 12 2009

The Honorable Jay Nixon
Governor of Missouri
State Capitol
Post Office Box 720
Jefferson City, Missouri 65102

Dear Governor Nixon:

As part of Missouri'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). The following is the disposition of the State's submission. 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.

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

- 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 Missouri'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 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 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State is requesting a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is granted this waiver through June 30, 2010. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State may provide on-the-job training to low-income adults with WIA Adult funds, and may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

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, Dislocated Worker, and Youth funds for other statewide activities. The State has withdrawn its request to extend this waiver. The waiver approval period has lapsed, and expires as of the date of this letter.

Requested Waiver: Waiver of 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.

The State previously was granted a waiver of 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers. The State has withdrawn its request to extend this waiver. The waiver approval period has lapsed, and expires as of the date of this letter.

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 other statewide activities.

The State previously was granted a waiver of Section 134(a)(1)(A) to permit a portion of the funds reserved for rapid response activities to be used for other statewide activities. The State has withdrawn its request to extend this waiver. The waiver approval period has lapsed, and expires as of the date of this letter.

Waiver of the reallocation provisions at WIA Sections 128(c)(2) and 133(c)(2), and 20 CFR 667.160.

The State previously was granted a waiver of the reallocation provisions at WIA Sections 128(c)(2) and 133(c)(2), and 20 CFR 667.160. The State did not submit a request to extend this waiver. The waiver approval period has lapsed, and expires as of the date of this letter.

Waiver of WIA Section 123 that requires that providers of Youth program elements be selected on a competitive basis.

The State previously was granted a waiver of WIA Section 123 that requires that providers of Youth program elements be selected on a competitive basis. The State did not submit a request to extend this waiver. The waiver approval period has lapsed, and expires as of the date of this letter.

Waiver of WIA Section 129(c)(2) that requires local areas to make available ten youth program elements.

The State previously was granted a waiver of WIA Section 129(c)(2) that requires local areas to make available ten youth program elements. The State did not submit a request to extend this waiver. The waiver approval period has lapsed, and expires as of the date of this letter.

Waiver of WIA regulations at 20 CFR 664.450(b) that require local areas to provide youth follow-up services for a minimum duration of twelve months.

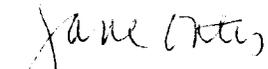
The State previously was granted a waiver of regulations at 20 CFR 664.450(b) that require local areas to provide youth follow-up services for a minimum duration of twelve months. The State did not submit a request to extend this waiver. The waiver approval period has lapsed, and expires as of the date 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.

Sincerely,


Jane Oates
Assistant Secretary

Enclosure

cc: Cheryl Svee, Federal Project Officer for Missouri, ETA Chicago Regional Office

List of Waivers Missouri is Requesting for DOL Approval for Program Year 2009

Missouri currently has twelve WIA waivers that are approved through June 30, 2009, with four additional flood-related approved waivers and work-flex authority for flood-related activities. The flood-related waivers and work-flex authority end June 30, 2009. DWD will not request an extension of these flood waivers/work-flex authority, nor request seven of the previously twelve requested waivers.

The following waivers have previously been approved and are being requested for PY'09 with some revisions. They are attached to this document and also listed below:

1. Utilize up to 10 percent Local Activity Funds to be used for Statewide Activities
2. Transfer up to 50% of Funds between Local Adult and Dislocated Worker Funds
3. Increase OJT Employer Reimbursement for Businesses
4. Minimize Data Capture Requirements for Incumbent Worker Training
5. Utilize Local Dislocated Worker Funds/State Rapid Response Funds for Incumbent Worker Training Programs and Other Statewide Activities

The State of Missouri has not experienced the level of waiver activity anticipated from the local workforce investment boards. To date, the most requested waiver has been the transfer between adult and dislocated worker funding. However, research has not found a significant change in performance outcomes due to using this waiver, but local regions have seen increases in enrollments into WIA. While this has been a surprising discovery, DWD strongly supports maintaining these waiver opportunities for the local regions in their strategies for stimulating their local economic region. New accountability measures are now being developed to monitor all requested waivers through MoPerforms, Missouri's decision support tool.

The Training and Employment Guidance Letter (TEGL) 14-08 specifies two waivers that Missouri currently uses, as waivers that are exempted from the requirements to submit a full waiver plan, "since they have become fundamental aspects of the operation of the workforce system". Missouri plans to continue using these two waivers, 1) Waiver to permit implementation of, and reporting only for, the common measures in place of the previous WIA measures; and 2) Waiver of the prohibition on the use of Individual Training Accounts for youth.

All of these waivers have a strong link to one of the goals of Governor Nixon, and that is forging a strong relationship between the federal and state level governments in moving our state forward in these challenging economic times so that Missouri can do its part in energizing the nation's economy.

A priority of the Governor is creating new jobs and turning Missouri's economy around. Through waiver approvals, Missouri's public workforce system stands ready to provide immediate flexibility to businesses and job seekers to assist in this mission.

**STATE OF MISSOURI
WAIVER REQUEST
WORKFORCE INVESTMENT ACT**

Waiver to Utilize up to Ten Percent Local Activity Funds to be used for Statewide Activities

The Division of Workforce Development (DWD), as the State of Missouri's administrator for the Workforce Investment Act (WIA) and the American Recovery and Reinvestment Act (the Recovery Act), is requesting that local regions continue to be allowed to take up to ten percent of their annual Adult, Dislocated Worker and/or Youth formula funds and develop innovative projects that meet the guidelines for eligibility under statewide activities.

Missouri views this waiver as enhancing the flexibility of its public workforce system. Through this waiver, Workforce Investment Boards (WIB) can use up to ten percent of these funds allocated to them under sections 127, 128, 132 and 133 of WIA in the same manner as statewide activity funds are used under WIA sections 129 and 134 and 20 CFR 667.130. This flexibility will give Missouri's WIBs an opportunity to meet the demands of their local economic conditions by expanding the allowable uses of formula funds in a timely fashion.

Justification for this Waiver

The local WIBs continue to make use of the additional flexibility in the use of these ten percent WIA formula funds to meet demands of local employers, such as the Incumbent Worker Training (IWT) program. Other WIBs found this waiver to be helpful in meeting the needs of customers who do not fit into the statutorily defined populations under WIA, and allowed local regions to increase their services and become more responsive and innovative in meeting existing and new customers' needs.

It is envisioned that some WIBs may see the need to expand local Rapid Response services in the current economy or establish specific programs targeted toward spouses of dislocated workers as Displaced Homemakers. Another potential pilot program that the state is pursuing is in nontraditional employment where females are trained in weatherization programs.

Accountability and Transparency

It is understood that the program funds must remain designated to the original program (Adult funds will be used to serve adults only, Dislocated Workers serve only dislocated workers, etc.). Also, the original negotiated performance measures for that program year continue to apply to these funds, as well as any additional benchmarks the local WIB establishes.

Under this waiver extension request, allocation of funds to local regions will still follow the provisions described in Sections 128 and 133 of WIA. The Governor will still reserve not more than 15 percent each

of the amounts allotted to the State for the statewide activity fund, leaving the remainder of the funds to be allocated by formula to each of the 14 local regions. After the allocation process is complete, under this waiver request, a board having a need for additional flexibility would, under the guidelines established by the waiver, request to use up to ten percent of its formula funds as allowable statewide activities at the local level. These formula funds will continue to be tracked by funding stream and the local areas will be responsible for meeting programmatic outcomes that are specific to the nature of the activities they are conducting under this approved waiver. Local regions will still be required to meet performance goals for adult, dislocated workers, and youth and there would be no separate amount set aside for administration of these activities.

This waiver request adheres to the format provided in WIA §189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

1. Statutory or Regulatory Requirement to be Waived

The State of Missouri requests a waiver from the provisions of WIA section 129 (Use of Funds for Youth Activities) and WIA section 134 (Use of Funds for Employment and Training Activities), as well as a waiver from the provisions of WIA regulation at 20 CFR 663.145 regarding the use of WIA title 1 adult and dislocated worker formula funds. Missouri requests the waiver under the authority of the Secretary of Labor to waive certain requirements of WIA, title 1, subtitles B and E and sections 8-10 of the Wagner-Peyser Act. This authority is granted to the Secretary by WIA section 189 (i)(4)(A), and in the implementing regulations at 20 CFR 661.420.

2. State or Local Statutory or Regulatory Barriers

There are no known state or local statutory or regulatory barriers to implementing this waiver. Upon notification on the approval of this waiver, DWD will incorporate it into policy and distribute it to the WIBs.

3. Goals and Expected Programmatic Outcomes of this Waiver

Goals to be achieved by this waiver would be to improve the flexibility in not only designing and implementing WIA programs for local boards, but would also improve the ability of the boards to respond quickly to employers, nontraditional workers, job seekers and youth.

4. Individuals Affected by this Waiver

WIBs would be able to request to use up to ten percent of their local area allocation of formula funds for adults, dislocated workers and/or youth to provide certain identified services, which

will be tracked by funding stream. WIBs would specify a dollar amount, type of project and activities to be delivered through new policy guidance being developed.

The following statewide activities are being requested for approval, as possible uses for these ten percent local area formula allocation funds by local boards:

1. innovative incumbent worker training programs (WIA section 134 (a)(3)(A)(iv)(I));
2. innovative programs for displaced homemakers (WIA section 134 (a)(3)(A)(vi)(I));
3. programs to increase the number of individuals trained for and placed in non-traditional employment (WIA section 134 (a)(3)(A)(vi)(II));
4. carrying out activities for youth (WIA section 129 (b)(3));
5. development of exemplary program activities (WIA section 134 (a)(3)(A)(ii));
6. conduct research and demonstrations for a variety of populations including youth, adult, and dislocated workers (WIA section 134 (a)(3)(A)(iii));
7. rapid response activities which connect to and support state rapid response activities (WIA section 134 (a)(2)(A));
8. programs targeted to Empowerment Zones and Enterprise Communities (WIA section 134 (a)(3)(A)(iv)(II));
9. aversion of layoff activities (20 CFR 665.320 (d)(1)); and
10. other such adult, dislocated worker and youth activities as determined by the local areas via request to the state for approval, except for the activities excluded below (WIA section 134 (a)(3)(A)(vii)).

Missouri would not apply the waiver to the following activities, which DWD will continue to provide at the state level:

1. the provisions of WIA section 134 (a)(2)(B)(i) to (iv) pertaining to disseminating the statewide eligible training provider list, conducting evaluations for the purposes of state workforce activities, providing state incentive grants, and providing technical assistance for local areas that fail to meet performance standards;
2. assisting in the establishment and operation of one-stop delivery systems (WIA section 134 (a)(2)(B)(v)); and
3. operating a fiscal and management accountability information system under WIA section 136 (f) (WIA section 134 (a)(2)(B)(vi)).

5. Processes Used to:

Monitor the Progress in Implementing the Waiver

Should this extension request be granted, DWD is the entity responsible for monitoring any ten percent statewide activities. This waiver will be incorporated into a policy issuance that DWD will distribute to all local regions.

Provide Notice to any Local Board Affected by the Waiver

Prior to the submission of the waiver request, DWD will inform all WIBs of its intent via an email memorandum, with this waiver request attached. The Missouri Workforce Investment Board (MoWIB) will meet in June, 2009 and recommend approval to the Governor regarding the submission of the waiver package that Missouri will be incorporating through its state plan modification due June 30, 2009.

Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request

A two-week comment period from the date of written notification will be given to allow WIBs an opportunity to provide comment on the waiver request.

Ensure Meaningful Public Comment on the Waiver Request

A two-week comment period regarding the state plan, which includes this waiver, will be provided through posting on the state's website <http://ded.mo.gov/wfd/> and on Missouri's SHARE Network at <http://www.sharenetworkmo.org/>. The SHARE Network is a unique network, reaching out to workforce development partners, faith-based and community organizations, businesses and government agencies. DWD will also send an electronic memorandum advising the workforce system leaders of the opportunity to provide comment.

**STATE OF MISSOURI
WAIVER REQUEST
WORKFORCE INVESTMENT ACT**

Transfer of WIA Funds between Adult and Dislocated Worker Programs

The Division of Workforce Development (DWD), as the State of Missouri's administrator for the Workforce Investment Act (WIA) and the American Recovery and Reinvestment Act (the Recovery Act), is requesting a waiver to allow up to 50 percent transfer of funds between the WIA Adult and WIA Dislocated Worker programs. This waiver would allow Missouri to have more flexibility in serving the distinct needs of each local Workforce Investment Board (WIB).

According to Training and Employment Guidance Letter (TEGL) NO. 14-08, Change 1, funds may be transferred up to 30 percent between the WIA adult and dislocated worker funds allocated to a local area without requesting a waiver. Missouri is requesting a waiver to allow local regions to transfer up to 50 percent to make positive impact in local areas when economic situations arise that call for funding not readily available in a particular funding cycle.

Flexibility has also been provided through TEGL NO. 14-08, Change 1, in that it allows the 30 percent transfer limit to apply to Recovery Act funds because they are supplemental FY 2009 WIA funds. It is also understood that the Recovery Act funds are limited to a maximum of a 30 percent transfer between adult and dislocated worker funding cycles and cannot be waived.

Justification for this Waiver

Missouri WIBs who have utilized this waiver in the past have found the flexibility to transfer invaluable in meeting its customer base throughout the current economic turmoil that has been challenging to the public workforce system. It's also allowed certain WIBs to direct resources that they wouldn't have if they couldn't have been allowed to transfer. According to one WIB Director, "although it cannot be substantiated through the old Toolbox (case management) system as it was not available, the waiver provided an opportunity to increase the number served in training."

Accountability and Transparency

In the past, Missouri WIBs have requested this currently approved waiver by submitting a new Planning Budget Summary through a plan modification. Justification was required by the WIB, but a lack of follow-through in measuring performance through the previous case management system was not feasible. Through MoPerforms, DWD's decision support tool will be used to track performance. Staff will now be able to see if the WIB has increased services to a particular population (adult/dislocated worker) because of the requested waiver. Future requests for transfers will include an historical look at increases in the customer base.

This waiver request adheres to the format provided in WIA §189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

1. Statutory or Regulatory Requirement to be Waived

WIA Section 133(b)(4) provides the Governor the authority for local workforce areas to transfer up to 30 percent of the Adult Activities funds to Dislocated Worker Activities, and up to 30 percent of Dislocated Worker Activities funds to Adult Activities (based on FY 2009 Omnibus Appropriations Act increasing to 30 percent from 20 percent in the Act). The Recovery Act transfer limits as stated earlier, remain at the 30 percent level. DWD is asking for the previously approved waiver that allows WIA formula funds , outside of the Recovery Act, to be raised “up to 50percent” if substantiated through a local plan modification.

2. State or Local Statutory or Regulatory Barriers

There are no known state or local statutory or regulatory barriers to implementing this waiver.

3. Goals and Expected Programmatic Outcomes of this Waiver

This waiver would have the following goals and programmatic outcomes:

- Local WIBs would be allowed to better use state and federal funds to meet the needs of their local economy as they occur.
- Local WIBs will have more flexibility to utilize funds for serving customers when they are most needed, which will then improve state and local performance outcomes.
- Local regions will be able to better meet the training needs of the region’s high-skilled, high-demand jobs through more flexible funding.
- Missouri has experienced numerous layoffs and business relocations in recent years due to a changing global economy. The flexibility to transfer funds between programs impacts the individuals affected from the loss of employment by providing funding in a timely manner.

4. Individuals Affected by this Waiver

Adult and Dislocated Workers would be positively affected by this waiver because the local workforce investment boards would be able to move funding to the program with the greatest need.

5. Processes Used to:

Monitor the Progress in Implementing the Waiver

Should this request be granted, DWD is the entity responsible for ensuring that regular reviews of the funds utilized for these activities are scheduled to ensure that local services to dislocated workers will not be negatively impacted by this waiver. The state will monitor the implementation of the waiver through oversight and local reporting. The state will review applicable policies and procedures developed for this waiver and modify as necessary.

Provide Notice to any Local Board Affected by the Waiver

DWD will inform all WIBs of its intent via an email memorandum, with this waiver request attached. The Missouri Workforce Investment Board (MoWIB) will meet in June, 2009 and recommend approval to the Governor regarding the submission of the waiver package that Missouri will be incorporating through its state plan modification due June 30, 2009.

Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request

A two-week comment period from the date of written notification will be given to allow WIBs an opportunity to provide comments on the waiver request.

Ensure Meaningful Public Comment on the Waiver Request

A two-week comment period regarding the state plan, which includes this waiver, will be provided through posting on the state's website <http://ded.mo.gov/wfd/> and on Missouri's SHARE Network at <http://www.sharenetworkmo.org/>. The SHARE Network is a unique network, reaching out to workforce development partners, faith-based and community organizations, businesses and government agencies. DWD will also send an electronic memorandum advising the workforce system leaders of the opportunity to provide comment.

**STATE OF MISSOURI
WAIVER REQUEST
WORKFORCE INVESTMENT ACT**

Increase OJT Employer Reimbursement for Businesses

The Division of Workforce Development (DWD), as the State of Missouri's administrator for the Workforce Investment Act (WIA) and the American Recovery and Reinvestment Act (the Recovery Act), is requesting an extension of this previously approved waiver to increase the employer reimbursement for On-the-Job Training (OJT) to a higher percentage of reimbursement based on the size of the business.

As expressed by Governor Nixon, one focus he has is helping small businesses thrive within the current economy. OJT attracts smaller businesses and enables them to create more training opportunities due to the upfront training costs provided through WIA. Businesses of all sizes are feeling the burden of the economic recession, and by offsetting the training investment, this can support the local economy, particularly in training individuals who do not need classroom training. This waiver will provide greater flexibility as one of the tools within the region's economic development incentives.

At this time, WIA provides employer reimbursement for on-the-job training up to 50 percent for any business who participates in the program. We currently have a waiver that will expire on June 30, 2009 that allowed DWD more flexibility in rates for certain sizes of businesses. DWD is asking to revise this waiver and apply it to the following situations:

- 50 or fewer employees: OJT reimbursement rate would be 90%
- 51 – 250 employees: OJT reimbursement rate would be 75%
- 251+ employees: OJT reimbursement rate would be 50%

Justification for this Waiver

WIBs choosing to target small businesses could benefit from this waiver because it could enhance the attractiveness of OJT. Many times, businesses often view programs such as OJT as a "government program," filled with too many regulations and too much paperwork. Historically, the state has found that some businesses do not feel it is worth the effort to utilize the OJT program when they are only hiring one or two people. This waiver could enhance the attractiveness of OJT to small businesses, showing that the benefits of the increased reimbursement might outweigh the upfront paperwork. This waiver also gives the WIBs additional flexibility with the higher percentage rates for training reimbursement so that it will further entice small businesses in their regions to train customers that have challenging barriers, such as youth and public assistance recipients. This waiver would also allow small businesses to utilize their limited resources in other areas, such as capital improvements and overhead.

Accountability and Transparency

DWD is the entity responsible for ensuring that regular reviews of the funds utilized for these activities are scheduled to ensure that local services to dislocated workers will not be negatively impacted by this waiver. The state will monitor the implementation of the waiver through oversight and local reporting. The state will review applicable policies and procedures developed for this waiver and modify as necessary. Monitoring is the responsibility of the program operator. The duty may be assigned to another designated entity or individual. The monitoring will include participant training and corresponding employer payroll records. To ensure validity and propriety of the reimbursement amounts claimed, on site monitoring of OJT employers and other subcontractors is required. On site monitoring of trainees for program compliance must also be done.

In evaluating employer performance for pre-contracting and re-contracting purposes, the following criteria should be considered when possible:

- Number of positions funded;
- Number of positions filled;
- Appropriate retention rate;
- Participant turnover rate;
- Percent of money obligated;
- Identification of poor or incomplete training;
- Decrease in wages after training;
- Participant dismissal after training or during follow-up period;
- Layoffs;
- Participant grievances;
- Collective bargaining agreements;
- Displacement of currently employed workers by WIA participants; and
- Business relocations to utilize area WIA trainees.

This waiver request adheres to the format provided in WIA §189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

1. Statutory or Regulatory Requirement to be Waived

The State of Missouri requests a waiver of WIA Section 101(31)(B) that currently provides for up to 50% reimbursement to the employer. Missouri requests that this be waived and the following reimbursement rate be followed:

- 50 or fewer employees: OJT reimbursement rate would be 90%
- 51 – 250 employees: OJT reimbursement rate would be 75%
- 251+ employees: OJT reimbursement rate would be 50%

2. State or Local Statutory or Regulatory Barriers

There are no known state or local statutory or regulatory barriers to implementing this waiver. Upon notification on the approval of this waiver, DWD will incorporate it into policy and distribute it to the local regions.

3. Goals and Expected Programmatic Outcomes of this Waiver

This waiver would have the following goals and programmatic outcomes:

- Allows the local WIBs to continue improving services to customers seeking training and improve the capacity of local boards to market demand-driven services and build beneficial relations with the private sector; and
- Increases employment opportunities for those harder to serve, such as youth and public assistance customers, by allowing the small business to receive higher reimbursement for this population that may take longer to train; and
- Increases opportunities to enhance the relationships with local economic developers in collaborating on small business projects.

4. Individuals Affected by this Waiver

WIBs would have the opportunity to serve more small businesses because the training costs would be reduced for the business.

5. Processes Used to:

Monitor the Progress in Implementing the Waiver

Should this request be granted, DWD is the entity responsible for monitoring all OJT projects. This waiver will be incorporated into a policy issuance that DWD will distribute to all local regions.

Provide Notice to any Local Board Affected by the Waiver

Prior to the submission of the waiver request, DWD will inform all WIBs of its intent via an email memorandum, with this waiver request attached. The Missouri Workforce Investment Board (MoWIB) will meet in June, 2009 and recommend approval to the Governor regarding the submission of the waiver package that Missouri will be incorporating through its state plan modification due June 30, 2009.

Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request

A two-week comment period from the date of written notification will be given to allow WIBs an opportunity to provide comments on the waiver request.

Ensure Meaningful Public Comment on the Waiver Request

A two-week comment period regarding the state plan, which includes this waiver, will be provided through posting on the state's website <http://ded.mo.gov/wfd/> and on Missouri's SHARE Network at <http://www.sharenetworkmo.org/>. The SHARE Network is a unique network, reaching out to workforce development partners, faith-based and community organizations, businesses and government agencies. DWD will also send an electronic memorandum advising the workforce system leaders of the opportunity to provide comment.

**STATE OF MISSOURI
WAIVER REQUEST
WORKFORCE INVESTMENT ACT**

Waiver to Minimize Data Capture Requirements for Incumbent Worker Training

The Division of Workforce Development (DWD), as the State of Missouri's administrator for the Workforce Investment Act (WIA) and the American Recovery and Reinvestment Act (the Recovery Act), is requesting an extension of our previously approved waiver to minimize data capture requirements for individuals enrolled in an Incumbent Worker Training (IWT) program, using either 15 percent statewide activity funds or 10 percent local formula funds as statewide activity funds (providing that the recently submitted 10 percent waiver is approved).

The IWT program is based on employer application, rather than individual trainee eligibility. Under current law, strenuous eligibility documentation is required and individual demographic data gathering causes undue hardship and often leads to a lack of interest by businesses to become involved in these training programs. If Missouri was able to minimize the data capture requirements, then perhaps more businesses would think the paperwork involved would be worth their effort.

One of the goals of IWT is to assist incumbent workers to succeed and advance in the workplace. Through IWT, Missouri provides funding to assist businesses with skills upgrade training for current, full-time workers. Priority is given to innovative and collaborative training projects that increase employee opportunities, and enhance company growth and productivity. IWT is for the purpose of improving employee earning potential through the upgrade of skills and training on new technology and to assist in keeping businesses competitive to promote growth and avoid layoff. IWT must be designed in cooperation with the industry and its workers, and must assure that workers remain skilled, employed, and competitive in the workplace. It must also compliment the state's existing Incumbent Worker Training Program.

Justification for this Waiver

If Congress is intent on increasing businesses' involvement in the workforce system, then the system has to be more flexible in meeting the needs of business. Additional paperwork gives an impression to a business that this is just another government program burdened by government bureaucracy.

Since the Incumbent Worker Training program seeks to upgrade the skills of existing workers employed by businesses operating in our state – and in many cases this training is sought to improve the competitiveness of both the employer and the worker – data capture requirements should be based on employer application, rather than individual trainee eligibility. A hindrance to the usage of these programs is the federal data requirements.

All individuals served with WIA funds must be included in the state's performance report. When using local funds to serve the participants for an employer a full application is required to be completed by the employer. The full application includes program elements such as education attainment levels, family status and income. A full application is appropriate for individual trainee eligibility or the unemployed, but it is too cumbersome when working with employed workers and employers to achieve skills upgrade training.

Accountability and Transparency

DWD will monitor the implementation of this waiver through oversight and local reporting. The state will review applicable policies and procedures developed for IWT projects and coordinate the data capture requirements with each project. DWD will need to approve all IWT projects to ensure there is no duplication. Should this waiver request be granted, DWD is the entity responsible for ensuring that regular reviews of the funds are followed through.

This waiver request adheres to the format provided in WIA §189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

1. Statutory or Regulatory Requirement to be Waived

The State of Missouri requests that WIA Regulations at 20 CFR 666 and 20 CFR 667.300 be waived so that the data capture requirements can be minimized to attract more Missouri businesses to utilize the IWT program. This will provide opportunities for further support of businesses, retain jobs, perhaps avert potential layoffs, as well as improve economic conditions for the local economies through further flexibility by the state.

2. State or Local Statutory or Regulatory Barriers

There are no known state or local statutory or regulatory barriers to implementing this waiver. DWD is required by state statute to ensure that no federal funds duplicate state-funded programs. Since Missouri has a state-funded Incumbent Worker Training Program, DWD will need to approve all IWT projects to ensure there is no duplication.

3. Goals and Expected Programmatic Outcomes of this Waiver

This waiver would have the following goals and programmatic outcomes:

- Training will be provided to increased numbers of individuals.
- Linkages with employers and economic developers will be improved and they will be better prepared to respond to the skills upgrade training needs of their local employers.

- Given the economic downturn in the economy, IWT will be an important tool to ensure job retention and prevent additional layoffs.
- Elimination of excessive data capture requirements would assist the regional allocated funds that are used to provide incumbent worker training.
- Greater coordination of state and local workforce board activities with state and local economic development efforts.

4. Individuals Affected by this Waiver

All WIA customers, as well as the state's regional workforce boards, will be positively affected. WIBs will improve linkages with employers and local economic development representatives in their areas resulting in an increased investment of WIA funds.

5. Processes Used to:

Monitor the Progress in Implementing the Waiver

Should this extension request be granted, DWD is the entity responsible for monitoring all IWT projects. This waiver will be incorporated into a policy issuance that DWD will distribute to all local regions.

Provide Notice to any Local Board Affected by the Waiver

Prior to the submission of the waiver request, DWD will inform all WIBs of its intent via an email memorandum, with this waiver request attached. The Missouri Workforce Investment Board (MoWIB) will meet in June, 2009 and recommend approval to the Governor regarding the submission of the waiver package that Missouri will be incorporating through its state plan modification due June 30, 2009.

Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request

A two-week comment period from the date of written notification will be given to allow WIBs an opportunity to provide comments on the waiver request.

Ensure Meaningful Public Comment on the Waiver Request

A two-week comment period regarding the state plan, which includes this waiver, will be provided through posting on the state's website <http://ded.mo.gov/wfd/> and on Missouri's SHARE Network at <http://www.sharenetworkmo.org/>. The SHARE Network is a unique network, reaching out to workforce development partners, faith-based and community organizations, businesses and government agencies. DWD will also send an electronic memorandum advising the workforce system leaders of the opportunity to provide comment.

**STATE OF MISSOURI
WAIVER REQUEST
WORKFORCE INVESTMENT ACT**

**Waiver to Utilize WIA Dislocated Worker/Rapid Response Funds
for Incumbent Worker Training and Other Statewide Activities**

The Division of Workforce Development (DWD), as the State of Missouri's administrator for the Workforce Investment Act (WIA) and the American Recovery and Reinvestment Act (the Recovery Act), is requesting a waiver to permit the state to use up to 20 percent of Rapid Response funds and up to 20 percent of Dislocated Worker funding, to offer the local Workforce Investment Boards (WIBs) the opportunity to provide statewide employment and training activities, and in particular, operate Incumbent Worker Training (IWT) programs. The Recovery Act funds are also being requested within this waiver for the purpose of utilizing incumbent worker training as part of lay-off aversion strategies. Statewide IWT projects funded as a result of this waiver must receive prior approval from the state.

Governor Nixon is concerned about worker training in industries that are struggling with the recession, and is very interested in what IWT projects can provide to the state. It is a great opportunity for improving employee earning potential through the upgrade of skills and training on new technology, thus keeping businesses competitive and growing while avoiding layoff/and or company closures. WIBs wanting to request IWT can design projects in cooperation with the industry, its workers, community colleges, economic developers and other stakeholders working collaboratively to assure that workers remain skilled, employed, and competitive in the workplace. The WIB will submit an application prior to implementation of the project for approval from the state.

The state, through this waiver request, assures the U.S. Department of Labor (DOL) that it will continue to carry out all required rapid response activities and will maintain its ability to respond to worker dislocations in collaboration with employers, labor unions and other stakeholders.

Justification for this Waiver

In Missouri, as well as the nation, too many families are struggling to make ends meet. Many workers are unsure when they arrive at work each day, whether the business will be open or not. To help alleviate those fears, Governor Nixon is applying for this waiver to assist those workers already working to upgrade their skills so that companies can continue to grow and compete in today's recession. The Governor views this waiver as another opportunity to ensure that our state has a workforce that is trained, ready and prepared for highly skilled positions. It will compliment the State's Incumbent Worker Training Program by targeting industries or occupations not covered through that program. This waiver will be designed to assist incumbent workers to succeed and advance in the workplace, keeping them employed and as business grows when the recession turns around, these workers will have averted layoffs and can continue to reap the benefits of upgrading their skills and benefits. This can be a

real bolster to the local economies of the state, particularly small businesses who can't afford the training costs in upgrading their employees. This in turn can provide new employment opportunities when incumbent workers are provided promotions, allowing new workers to be hired.

Transparency and Accountability

An IWT project would have the following goals and programmatic outcomes that would be documented so that utilizing this waiver would hold the state accountable to the public workforce system:

- Increase the number of businesses assisted through an IWT project;
- Increase the number of jobs saved and corresponding wage rates;
- Increase in productivity; and
- Increase higher post-training wages of participating employees.

This waiver request adheres to the format provided in WIA §189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

1. Statutory or Regulatory Requirement to be Waived

Missouri is requesting a waiver of the language limiting the authority to provide the activities at WIA Section 134(a)(1)(B) to statewide reserve funds. This waiver would permit the state to use up to 20 percent of the funds reserved for rapid response activities at WIA Section 133(a)(2), to provide the allowable statewide employment and training activities authorized at WIA Section 134(a)(3)(A), with the exception of administration. Missouri is also requesting this waiver to permit the state to use up to 20 percent of the funds reserved for the dislocated worker funding at WIA Section 133(b)(2)(B)(i).

2. State or Local Statutory or Regulatory Barriers

There are no known state or local statutory or regulatory barriers to implementing this waiver. Upon notification on the approval of this waiver, DWD will incorporate it into current policy and distribute the policy to the local regions.

3. Goals and Expected Programmatic Outcomes of this Waiver

As stated earlier, Missouri's primary focus for use of Rapid Response and Dislocated Worker Funds is to upgrade skills for workers in industries needing assistance in retaining their productivity during these economic challenges. The Governor is focusing on industries where opportunities for training for high-tech, high-paying industries is available and will therefore strengthen the state's competitive workforce and long-term economic growth.

The goals obtained by approval of this waiver include:

- WIBs would have access to additional funds by submitting a request to utilize these funds for allowable statewide activities, such as IWT.
- WIBs would be better equipped to handle the business needs in their communities with training that would provide more highly skilled employees.
- Local regions will be able to target more resources for layoff aversion activities involving incumbent worker training through the Recovery Act.
- Increase employer/WIB collaboration to address industry needs and worker training.

4. Individuals Affected by this Waiver

Program participants will benefit because local WIBs will have added flexibility to design programs based on local needs and priorities. The state and local WIBs will also be able to target more resources than the state has allocated at this time for layoff aversion activities involving incumbent worker training.

5. Processes Used to:

Monitor the Progress in Implementing the Waiver

Should this request be granted, DWD is the entity responsible for ensuring that regular reviews of the funds utilized for these activities are scheduled to ensure that local services to dislocated workers will not be negatively impacted by this waiver. The state will monitor the implementation of the waiver through oversight and local reporting. The state will review applicable policies and procedures developed for this waiver and modify as necessary.

Policy guidance will be developed that will establish goals and provide measurable objectives in each of the IWT projects implemented. In addition, DWD will establish priority areas of investment for IWT projects to maximize impact and avoid duplication. Projects will clearly demonstrate an increase in the skill levels of current workers to meet the needed workplace skill requirements. Performance measures will be established and monitored on a quarterly basis through MoPerforms, Missouri's decision support tool. WIBs will be responsible for all reporting requirements and performance measures set forth in the IWT project. Tracking of the IWT projects will be through Missouri's case management system, Toolbox 2.0.

Provide Notice to any Local Board Affected by the Waiver

Prior to the submission of the waiver request, DWD will inform all WIBs of its intent via an email memorandum, with this waiver request attached. The Missouri Workforce Investment Board (MoWIB) will meet in June, 2009 and recommend approval to the Governor regarding the submission of the waiver package that Missouri will be incorporating through its state plan modification due June 30, 2009.

Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request

A two-week comment period from the date of written notification will be given to allow WIBs an opportunity to provide comments on the waiver request.

Ensure Meaningful Public Comment on the Waiver Request

A two-week comment period will be published regarding this waiver on the state's website <http://ded.mo.gov/wfd/> and on Missouri's SHARE Network at <http://www.sharenetworkmo.org/>. The SHARE Network is a unique network, reaching out to workforce development partners, faith-based and community organizations, businesses and government agencies. DWD will also send an electronic memorandum advising the workforce investment board leaders of the opportunity to provide comment. The MoWIB will meet in June 2009 for its full board meeting and recommend approval for submission by the Governor to DOL by June 30, 2009.