

NOV 13 2009

The Honorable Jim Doyle  
Governor of Wisconsin  
State Capitol  
Madison, Wisconsin 53702-7863

Dear Governor Doyle:

As part of Wisconsin'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 Wisconsin 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 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 Wisconsin'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 134(a) to permit local areas to use a portion of local funds for incumbent worker training and other statewide activities.

The State is requesting a waiver to permit local area formula funding to be used for statewide activities, including incumbent worker training and other activities. The State is partially granted this waiver through June 30, 2010. Under this waiver, the State will be permitted to use up to 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training only as part of a lay-off aversion strategy. Use of Adult funds must be restricted to serving low-income adults under this waiver. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA section 134(d), and the State is required to report performance outcomes for any individual served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD).

The State also requested the use of local funds for other statewide activities for the purpose of innovative training and service delivery approaches. ETA denies the portion of the waiver request to fund other statewide activities. ETA believes maximizing the use of formula funding at the local level for WIA services is the best use of those funds in the current economic climate.

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

The State is requesting a waiver of the requirement for competitive procurement of service providers for all ten youth program elements. The State is partially granted this waiver through June 30, 2010. Under this waiver, the State is permitted to allow its One-Stop Career Centers or partner agencies to directly provide the youth program elements of supportive services, follow-up services, and work experience. In utilizing this waiver for these elements, the State and local areas must still meet Office of Management and Budget requirements (codified in 29 CFR 95.40-95.48 and 97.36) and

all state and local procurement laws and policies. ETA denies this waiver for these elements: tutoring, study skills training, and instruction; alternative secondary school services; summer employment; occupational skills training; leadership development; mentoring; and guidance and counseling. This waiver had been granted in the past due to insufficient providers. ETA believes that regular competitive procurement is the most efficient and cost-effective way to ensure the development of high-quality service providers. The approval for this waiver for these elements expires on the date of this letter. Obligations made while the waiver was in effect may be fulfilled. No new non-competitive obligations may be made for the denied elements effective the date of this letter, and a competitive procurement process must be initiated within 60-days of the date of this letter. Exceptions to this timeframe may be negotiated with the ETA Regional Office.

Requested Waiver: Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State is requesting a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. The State is granted this waiver through June 30, 2010. Under the waiver, the following sliding scale is permitted: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State may provide customized training to low-income adults with WIA Adult funds, and may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

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

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

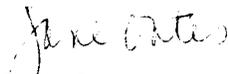
Requested Waiver: Waiver of the reallocation provisions at WIA Sections 128(c)(2) and 133(c)(2), and 20 CFR 667.160.

The State is requesting a waiver of the reallocation provisions at WIA Sections 128(c)(2) and 133(c)(2), and 20 CFR 667.160. ETA denies this waiver. ETA believes that maintaining the statutory provisions of the law ensures that local areas have sufficient time to obligate and expend funds in a manner that best supports the needs of the customers in that area.

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: Catherine Brooks, Federal Project Officer for Wisconsin, ETA Chicago Regional Office

## Attachment L

### **Wisconsin WIA Waiver Plan - June 2009 Attachment to the ARRA Addendum WIA Wisconsin State Plan Modification**

#### **Background**

Governor Doyle submitted a State Workforce Investment Act (WIA) Waiver Plan on August 29, 2008 to the U.S. Department of Labor. The waiver requests that were approved for program year 2008 by DOL on November 28, 2008 include the following WIA sections:

Waiver to permit the State to replace the performance measures with only common performance measures reporting, WIA Section 136 (b).

Waiver to transfer funds up to 100 percent between the Adult and Dislocated Workers local formula funds, WIA Section 133(b)(4).

Waiver to use up to 10 percent of local formula funds to provide statewide employment and training activities, including incumbent worker training, WIA Section 134.

Waiver on the competitive procurement process for youth providers, WIA Section 123.

A previously approved waiver, the latest DOL extension being July 25, 2007 for program year 2008 is:

Waiver to extend the period of initial eligibility of training providers which postpones the implementation of the subsequent eligibility provision 20 CFR § 63.530.

#### **Action Requested**

**I. The Governor is requesting that the above DOL granted waivers be extended for the full program year 2009- 2010 for WIA formula Funds and American Recovery and Reinvestment Act funds (with the exception that the waiver of up to 100 percent transfer of funds between the Adult and Dislocated Worker program funds is not applicable to ARRA funds.) As required in DOL's Training and Employment Guidance Letter 14-08, these waiver requests are included in this waiver plan (with the exceptions that the implementation of common measures, and the initial eligibility extension are exempt from the required submission of the full waiver plan.)**

**II. The Governor is requesting DOL's approval of three new waiver requests for the full program year 2009 - 2010 for WIA formula funds and ARRA funds, and are included in this waiver plan:**

Waiver to increase the employer reimbursement for on-the-job training for small and medium-sized businesses, WIA section 101(31)(B).

Waiver on the 50 percent employer match for customized training, WIA section 101(8).

Waiver on the youth performance measures for out-of-school youth ages 18-24 served with ARRA funds beyond the summer months who participate in work experience only, WIA section 136 (b) (2) (A).

**Waiver title/purposes:        On-the Job Training Employer Reimbursement and Customized Training Employer Match**

Wisconsin is requesting a waiver to increase the employer reimbursement for on-the-job training for small and medium-sized businesses and to waive the employer requirement to pay for not less than fifty percent of the cost of the training as required in customized training.

**Identify the statutory/regulatory requirements that are requested to be waived:**

WIA section 101 (31) (B) and WIA section 101 (8)

**Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:**

The Wisconsin ARRA WIA State Plan Addendum identifies customized training and on-the-job training (OJT) as a focused strategy to increase training options. In addition to providing a fuller array of training choices for participants, this waiver will expand the flexibility of WDBs to better address the needs of under-employed and unemployed persons as well as provide skills upgrade needs of employed workers.

Currently, WDBs have very small numbers of WIA Title I participants in OJT with seven of the 11 WDBs providing OJTs ranging from one participant to thirty-two within their WDA in calendar year 2008. For customized training, the number of services is even lower. There were six WDBs with a total of 15 participants in the same calendar year. This is primarily because WDBs have relied predominantly on the WIA Training Account system to serve participants.

The Milwaukee WIB has requested both of these waivers, and DET anticipates more WDB requests through the summer. In order to give the WDBs full flexibility for their waiver requests to the state, these requests do not have any constraints except that the OJT waiver would only be applicable to small and medium sized businesses. Based on Wisconsin covered employment by industry by size, this would entail 128,805 business "units" that have one- 40 employees making up a total of 1,053,090 workers in small businesses. For the medium sized businesses of 50- 99 employees, there are 386,325 workers in 5,710 units. The state wants to allow the WDBs the potential to tailor needed services to optimize training for participants and meet employer demand for skilled workers.

Given the economic circumstances, the state is actively creating ways to allow WDBs to provide a broader range of training to address the larger participant level and also better meet the needs of individuals for successful training leading to gainful employment. Wisconsin has a high labor force participation rate. Most of the readily employable workers are already in the workforce. As a consequence, one of the most important workforce development issues identified in Wisconsin is attracting and retaining more non-traditional labor in the workforce. This includes minority workers, people with disabilities, persons with problem civil and job histories, immigrants and older workers. Often this means addressing several barriers to training and employment such as transportation, childcare, education and training in both technical and soft skills. In addition, many of the people experiencing job losses are now needing to completely change their career path or require entirely new skills to meet advanced industry needs.

These two training methods are typically more attractive to people who have been disconnected from educational systems, those persons who have more unique learning needs with one-on-one assistance, and people who, (particularly formerly employed workers and

persons who dropped out of high school, or never attended school such as immigrants), are more comfortable in work settings than academic classrooms. The targeted populations identified in WIA may be better served in these more stimulating, smaller, contextual training environments. In addition, the more hands-on training will improve soft skills.

These two waiver issues would directly assist in the implementation of the Governor's *Next Steps* related to "worker training" and well-serve as implementation features of other Gubernatorial workforce initiatives. Second, the CWI made several recommendations to improve the participation of private sector employers for training, job placement and retention, including:

"Providing incentives to employers engage with on-site training and hiring of job center seekers via multiple strategies, including but not limited to:

1. Creating employer financial incentives to provide job seekers with on-site training for job readiness and "employability" skills prior to an employee hire, and/or targeting funds to workforce intermediaries for cross-program job readiness and "employability/ skills" training.
2. Requesting a waiver from DOL to eliminate the 50% employer contribution for WIA on-the-job training and customized training."

*There are no State or local regulatory barriers to implement this waiver. If the waiver request is granted, it would not preclude the state or local areas to develop and implement additional measures to assess performance.*

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

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The expectations for successful outcomes include

- Increased training participation of disconnected youth and adults and persons who need contextual training;
- Improve the talent match of participants with local employer needs; and
- Relieve the pressure on the technical college and two-year university system in order to provide optimal training with proper instructor-student ratios.

Long-term goals:

- Infuse career pathways and apprenticeship to further broaden training options.

***Describe the individuals impacted by the waiver:***

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- Out-of-school youth who need real world of work experiences with a link to the occupational skills and academic requirements;
- Older Dislocated Workers who have been in the world of work and are not desiring to "go back to school";
- Other participants also not comfortable in the traditional academic setting;
- People with low skills who may not be able to qualify for higher wage training.

***Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:***

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DET will be issuing a new state policy on OJT and customized training in anticipation of these waiver approvals. WDBs will submit their waiver requests unique to their areas either as a separate plan or through the ARRA Addendum Local Plan process. DET will review those requests based on the state waiver policy that will be updated should this waiver be approved. WDBs will record the participants in the state's reporting system, ASSET, that separates the WIA and ARRA funds. These training strategies will be included in the Local Program Liaison's annual monitoring.

**Waiver title/purpose: Youth Performance Measures for Out-of-School Youth**

Wisconsin is requesting a waiver on the youth performance measures for out-of-school youth ages 18 to 24 served with ARRA funds beyond the summer months who participate in work experience only. This waiver would use the Work Readiness Indicator as the only indicator of performance for youth ages 18 – 24 served with ARRA funds who participate in a paid work experience only during the time period October 1, 2009 to March 31, 2010.

**Identify the statutory/regulatory requirements that are requested to be waived:**

WIA section 136(b) (2) (A)

**Describe the actions that the State or local area, as appropriate, have undertaken to remove State for local statutory or regulatory barriers:**

There are no state or local barriers to implementing the requested waiver.

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

The waiver is intended to facilitate implementation of WIA Youth Services under ARRA and support the intent of Congress to serve 18 – 24 year olds through a paid work experience in a time of difficult economic conditions. The waiver would also increase integration of services to customers, increase accountability at the state, local and service provider levels, provide greater flexibility to local boards in designing and implementing services, and improve services to youth and increase participation of out-of-school youth.

Extending the program design flexibility articulated in section 16A of TEGL 14-08 from the summer youth component to those older, out-of-school youth beyond September 30 would allow local service providers to devote more time and resources to the specific needs of these customers. Many local service providers have established local partnerships to service 22 – 24 year olds, and several boards are considering having these youth continuing in age-appropriate projects beyond September 30. By securing this waiver, local staff would be better positioned to work with youth to determine which program would best meet their needs.

During the time this waiver is in effect, youth service providers will be actively working to connect these youth to further education and training opportunities through the WIA Youth, WIA Adult and/or other programs as appropriate.

**Describe the individuals impacted by the waiver:**

Approval of this waiver would give youth service providers greater flexibility in determining appropriate services for the older youth population, ages 18 – 24, served with ARRA funds. This increased flexibility will maximize the number of older youth serviced with these funds.

**Continued Service Plans for Participants:**

For older and out-of-school youth who are not returning to school following the summer months, WDBs should consider work experiences and other appropriate activities beyond the summer months, including training opportunities and reconnecting to academic opportunities through multiple education pathways. Use of the career pathway model as defined in DWC's RISE initiative will help ensure this. The career pathway is a new way of organizing a postsecondary program as a sequence of modules that leads learners in steps toward a degree or technical diploma. Each step increases skills and improves the learner's career and earning opportunities. Industry sectors that are appropriate for pathway development are those that need skilled workers and contribute to the economic growth of the region. Bridge instructional programming helps adults with basic skills or English Language Learning (ELL) needs take the first step onto career pathway learning and work. Bridge programs explicitly link Adult Basic Education (ABE) and ELL instruction with preparation for postsecondary education and occupational skill attainment. To support low-income workers in career pathway learning, employers, workforce development agencies, educational institutions, and other community organizations actively collaborate to provide training resources and wrap-around support services to the learner as well as reinforce the value of continuing along the pathway.

**Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:**

DET will issue a policy on the state-wide implementation of this waiver. It will be included in the Local Program Liaison's annual monitoring as well as ARRA-specific on-site reviews. Individuals served with ARRA and WIA funds will be tracked in ASSET.

**Waiver title/purpose:            *Transfer of Funds between Adult and Dislocated Worker***

This waiver request increases the current 30% cap to an unlimited ability for WDBs to transfer funds between the WIA Adult and Dislocated Worker WIA Title Ib formula allocation funds. The waiver would give local boards the ability to respond to on-going changes and significantly increase the WDBs' flexibility over program delivery to best address the specific geographic, demographic and industry needs that change from community to community.

The State understands that this waiver is not applicable to ARRA funds.

**Identify the statutory/regulatory requirements that are requested to be waived:**

WIA §133(b)(4) and 20CFR §667.140 allows local boards with the approval of the Governor to transfer up to 20 percent of a program year allocation for adult employment and training activities as well as the dislocated worker activities between the two funding streams. The percentage was increased to 30 percent through a Congressional appropriation.

**Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:**

This waiver will remove a current federal impediment to implement the Governor's Grow Wisconsin - The Next Steps: Accelerate - Innovate Reform Regulations that includes the outcome of eliminating barriers in order to maximize program effectiveness. The funding flexibility will avail WDBs, those with the most knowledge and expertise, to optimally use the funds available for improved service delivery. Dovetailing the Governor's Grow efforts, the C/WI recommended to "streamline the funding process" and, "increase participation for job seekers and employers in a sustainable, comprehensive, training and employment system with streamlined administrative roles at the state and local levels."

WDBs have exercised their option under the law to transfer funds on a limited basis due to the current constraints. Given that Wisconsin has a few metropolitan pockets with a relatively high number of manufacturing industries undergoing major re-engineering and product development, and, conversely, large rural areas, WDB expenditures between the programs vary. The waiver will support better responsiveness to changes within each area.

DWD approved the South Central Wisconsin WDB April 6, 2009, requested implementation of this waiver, and anticipates further WDB requests through program year 2009 - 10.

There are no State or local regulatory barriers to implement this waiver.

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

The general waiver goal is to eliminate a barrier in order to maximize program effectiveness. Additional goals that will be achieved include:

- Enhancing the flexibility of the WDBs to respond to workforce and economic conditions within their local areas to meet customer needs as well as improving targeted assistance efforts;

- Increasing collaboration between industry needs and worker training will improve with the expanded ability of WDBs to plan and respond accordingly; and,
- Performance outcomes will be improved through better targeting of funding.

***Describe the individuals impacted by the waiver:***

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All customers serviced by WIA Title I B and those co-enrolled in partner programs will be positively affected by this waiver through increased responsiveness. WDBs will benefit with additional fiscal flexibility and local control. Also, more efficient use of resources where funds are most needed will likely result in more customers served.

***Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:***

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DET issued a revised state policy providing guidance to the WDBs in implementing this waiver and revised the fiscal procedures. Each quarter, DET staff will review participant and performance data via ASSET, and generate special reports when deemed necessary. Monthly expenditure reports will also be a monitoring tool.

**Waiver title/purpose:            *Use of Formula Funds for Incumbent Worker Training***

Wisconsin is requesting the use of up to 10% of the local youth, adult and dislocated worker formula funds to provide activities as allowable in the same manner as the statewide activity funds with an emphasis on incumbent worker training. The purpose is to expand the flexibility of the WDBs to address the skill upgrade needs of job seekers to meet the requisite skills for current employers and anticipated emerging industries.

**Identify the statutory/regulatory requirements that are requested to be waived:**

Allow the WDBs to use funds allocated to them under WIA Sections §127, §128, § 129, §132 and §133 in the same manner and fashion as statewide activity funds are now used under WIA Section §134(a)(3)(iv)(I), and 20 CFR §665.210(d)(1) "establishing and implementing innovative incumbent worker training programs" as well as exclusion of participants served under this waiver from the performance measures reporting WIA Section §136, TEGL 29-05 and all other related sections.

The waiver was approved by DOL with a broadened scope to permit the use of up to 10 percent of WDB formula funds for any statewide employment and training activities in the section.

DOL's conditions are:

- (a) track the funds by funding stream the same as is currently required;
- (b) track all participants served with these funds for performance; and
- (c) continue to conduct the required local employment and training activities in WIA section 134(d)

**Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:**

DET has approved the South Central Wisconsin WDB's April 6, 2009 waiver request for program year 2008- 09. DET has received a request from the North Central WDB through the local plan process, with more requests anticipated through the summer.

Larger scale incumbent worker training and certain other activities, such as WIA investments in Manufacturing Skills Standards Certification, have been limited due to the current law. This waiver will allow DWD to help ensure that Wisconsin's workforce system is demand-driven and that WDBs are given maximum flexibility in tailoring service delivery and making strategic investments in workforce development activities to meet the needs of state and local economies and labor markets. This waiver is vital to help facilitate the implementation of the Governor's Sector Strategies Initiatives discussed in the ARRA Addendum State Plan.

Allowing WDBs the authority to use a limited portion (up to 10%) of their allocated funds for incumbent worker training programs permits them to develop a fuller continuum of training services that address the needs of the growing numbers of persons unemployed and the existing employed/underemployed workforce. Expanded local service delivery options could include establishing an employer loan program to assist in skills upgrading, increasing the number of individuals trained for non-traditional employment, targeting areas in immediate response to economic conditions and developing exemplary program activities.

The Governor's Grow Wisconsin - The Next Steps includes priorities for "worker training," "advancing industry-led training initiatives" and "emerging industry skills partnerships," all of which support innovative incumbent worker training activities. The Governor emphasized that "By strengthening partnerships among schools, technical colleges, workforce development boards, labor unions, businesses and the state, we can deliver the training our workers need to improve their skills, knowledge and productivity and at the same time provide business with the qualified workers they need." Furthermore, this waiver supports the CWI's recommendation to "improve the participation of private sector employers for training, job placement and retention..."

There are no State or local regulatory barriers to implement this waiver.

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

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A shift in service delivery strategies described in the ARRA Addendum State Plan, with an additional emphasis on targeted and innovative incumbent worker training to build the skills and employment options for workers, will focus on the following goals:

- Increased business sustainability by reducing the risk of laying off employees or business closure because workers have not kept current with new skills and technologies;
- Increased participation in career pathways and life-long learning models;
- Meet industry needs dovetailing the Sector Strategies Initiative; and
- Increased shift to on-the-job and customized training, and other more employer-directed short-term training programs that will ensure appropriate skill-set attainment to match the employer's job needs

***Describe the individuals impacted by the waiver:***

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WIA participants involved in any statewide activities. Assistance will be provided to local employers to upgrade the skills of the existing workers, enabling them to remain competitive. All customers of the workforce system will benefit from increased flexibility in service delivery.

***Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:***

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DET issued a revised state policy to the WDBs implementing this waiver, and internal fiscal reporting. Participants will be tracked through ASSET, and WDBs will continue to work under the current 10% limit on local administration. Local Program Liaisons will provide on-going oversight and on-site monitoring with the WDBs that choose to participate in this waiver. Monthly expenditure reports will also be a monitoring tool.

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**Waiver title/purpose:            *Youth Program Procurement Requirements***

Wisconsin is requesting to have waived the requirement of awarding grants or contracts to eligible providers of youth activities on a competitive basis with the previous DOL conditions. This waiver request would simplify procurement requirements for youth services where there are few providers to compete, as is the case in many rural Wisconsin communities.

The waiver was approved only for rural areas, and on a case-by-case Division of Employment Training (DET) review of documented justification from the local area. DOL's conditions are:

- (a) Applicable only to rural areas;
- (b) DET review WDB waiver requests on a "case-by-case basis and approval is granted only when the local area documents that there are no viable providers or that all current providers are underperforming"; and
- (c) DET provide ongoing oversight and onsite monitoring.

**Identify the statutory/regulatory requirements that are requested to be waived:**

WIA Section §123 from funds allocated under Section §128 (b).

**Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:**

DET has approved two local waivers for the West Central Wisconsin WDB and the North West Wisconsin Workforce Investment Board for program year 2008- 09. DET anticipates extension requests from these WDBs and additional requests for program year 2009-2010 through the local plan process or separate waiver plans.

There have been three notable problems associated with the existing competitive model:

- Over the years there has been progressively less competition and an increasingly limited pool of willing sub-recipients;
- Sub-recipients provide some of the required ten elements well, but not all; and,
- The cost to provide services in this manner is administratively burdensome and expensive.

The existing model has resulted in a delivery system that serves a very low number of youth, one that relies on a network of service providers who are not equipped to deliver all ten youth program elements in a comprehensive and efficient manner. Secondly, given that two-thirds of Wisconsin is comprised of rural areas, there are an insufficient number of eligible providers.

It is the intent of this waiver request that when these services can be provided by existing staff and/or through existing or prospective partner arrangements, then the option should exist for the WDBs to use these services. If services cannot be provided by existing program staff or partner agencies, there would be a competitive procurement in compliance with Section 123 of the regulations so that all ten program elements would always be available to eligible youth.

This waiver will contribute to the Governor's effort to reform Wisconsin's workforce system by allowing better service delivery for youth. The waiver would also allow WDBs to provide some service to youth through the virtual Job Center, JobCenterofWisconsin.com.

There are no State or local regulatory barriers to implement this waiver.

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

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This waiver will accomplish the following goals:

- Establish an easy-to-navigate, coherent case management system for youth that requires minimal movement among service providers;
- Create partnerships to serve youth similar to the partnerships that currently exist by memoranda of understanding to serve Adults in the One-Stop Centers;
- Improve performance levels and monitoring service delivery;
- Create points of collaboration for all youth service providers (public and non-public) affording seamless services to youth; and,
- Increase access to youth services under WIA by better utilizing Youth Centers in the existing One-Stop Career Centers, and creating appropriate satellite centers and website.

This waiver creates an opportunity for WDBs to use current program staff and partner agreements to provide required services and seek competitive procurement of outside services when needed. This is critical and necessary given the current state of resources and limited number of providers in some parts of State, and results in the maximum investment of available resources to directly serve youth.

***Describe the individuals impacted by the waiver:***

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The waiver will directly impact WIA eligible youth.

***Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:***

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DET provided guidance to the WDBs in implementing this waiver. Local Program Liaisons will provide on-going oversight and on-site monitoring of the WDBs with this approved waiver. Monthly expenditure reports will also be a monitoring tool.

## Attachment M

### Public Comment Process

In accordance with WIA Section 189(l)(4)(B)(v), CFR 20 §661.420(c)(5), and related guidance, the Division of Employment and Training (DET) provided numerous opportunities for participation in the development of, and comment on, the draft ARRA Addendum Plan and draft Waiver Plan. The draft ARRA Addendum Plan and the draft Waiver Plan were formally issued on May 19, 2009 to workforce partners for a public review and comment period, and they were posted on the workforce website. In order to ensure broad input on the Plans, and increase awareness of the State's workforce ARRA activities, WDB Executive Directors were requested to forward the drafts to other people within their regional business, labor and community and faith-based training and employment network.

The following activities highlight key partner involvement throughout statewide conversations on draft state Plans and waiver issues:

- Wisconsin Association of Job Training Executives (WAJTE) is comprised of the WDBs' executive directors. Their discussions related to common measures waiver opportunity began in September 2007 with the DET Bureau Director, Gary Denis. The DET Administrator, Ron Danowski, was also part of these discussions and met with the directors on April 2, 2008, to further vet waiver issues for the development of the final draft Waiver Plan;
- A WAJTE survey was completed April 14, 2008. The directors identified common measures, increasing the 30% cap on formula fund transfers and incumbent worker training as the three most important waivers to improve their service delivery. On the issue of waiving the youth competitive procurement process, 66.7% of the directors endorsed this waiver;
- ASSET User's Group composed of local and state staff discussed the common measures waiver at their meeting in January 2008 and provided input on the pros and cons; and,
- As mentioned in the Plan text, the Council on Workforce Investment reviewed waiver possibilities while developing their March 2006 and June 2007 recommendations to the Governor on systemic improvements with the workforce infrastructure and in areas of service delivery. The Council's Executive Committee was consulted about the pending draft Waiver Plan at their May 7, 2008, meeting.
- For the second state Waiver Plan and ARRA Addendum, these previous conversations and questionnaires were taken into account, in addition to individual WDB requests. The CWI's June 12, 2009, March 27, 2009, and December 2, 2008 agendas included reports by the DET Administrator for members' input on the draft Plans.
- DET issued a revised state waiver policy on February 10, 2009 to encourage WDBs to request waivers and provide guidance on the DOL waiver approvals for PY 08-09.
- Through the Spring of 2009, the DWD Secretary and DET Administrator have discussed waiver issues at the WAJTE meetings, and DET staff provided technical assistance for WDB Waiver Plan requests.

**Wisconsin WIA Waiver Request # 5**

**1. Waiver title/purpose: *Use of Unspent Formula Allocation Funds***

Wisconsin is requesting a waiver relating to the recapturing of unspent formula allocation youth, adult and/or dislocated worker funds and redistributing those funds. This waiver would provide flexibility in disbursing WDBs' WIA Title I unspent carry-over allocation formula funds to other WDBs, or to provide state set-aside discretionary activities.

**2. Identify the statutory/regulatory requirements that are requested to be waived:**

WIA Section §133(c) and 20 CFR Sections §667.107(b) and §667.160.

**3. Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:**

The waiver would encourage WDBs to spend their allocations more quickly. While historically Wisconsin has consistently ranked among the top states for expending WIA funds within the allotted three-year funding cycle, this waiver could spur local areas that do not readily disburse funds for participant and employer needs. The funds could be redirected to WDBs that need additional resources or for statewide activities that help promote the Governor's employment and training priorities in the Governor's *Grow Wisconsin* initiatives. Additionally, funding could be directed to reward areas who have high obligations to training. There are no State or local regulatory barriers to implement this waiver.

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

The primary goals that will be accomplished by this waiver are:

- Resources allocated to meet high need around the state when necessary; and
- Geographically balance funds distribution based on short-term and long-term goals rather than by a prescribed formula.

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

Unspent funds could be redirected to high need areas for the benefit of WIA participants and/or prospective participants.

**6. Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:**

DWD/DET will be providing guidance to the WDBs in implementing this waiver including factors that will be considered for fund redistribution. DET will review applicable policies and procedures, modify or rescind them and/or develop new guidance accordingly. Local Program Liaisons will provide on-going oversight and on-site monitoring with the WDBs. Monthly expenditure reports will be a monitoring tool.

### **Public Comment Process**

In accordance with WIA Section 189(l)(4)(B)(v), CFR 20 §661.420(c)(5), and related guidance, the Division of Employment and Training (DET) provided numerous opportunities for participation in the development of, and comment on the draft waiver plan. The public comment process for meaningful public input into the development of the plan and opportunities to comment on the draft by local boards, business, organized labor, job service and other partners began in September 2007. The draft plan was formally issued on July 1, 2008 to partners for a 30-day public review and comment period, and it was posted on the workforce website. No comments were received during this review period.

The following activities highlight key partner involvement throughout this process:

- Wisconsin Association of Job Training Executives (WAJTE) is comprised of the Workforce Development Board's Executive Directors. Their discussions related to common measures waiver opportunity began in September 2007 with the DET Bureau Director, Gary Denis. The DET Division Administrator, Ron Danowski, was also part of these discussions and met with the Directors on April 2, 2008, to further vet waiver issues for the development of the final draft Waiver Plan;
- A WAJTE survey was completed April 14, 2008. The Directors identified common measures, increasing the 30% cap on formula fund transfers and incumbent worker training as the three most important waivers to improve their service delivery. On the issue of waiving the youth competitive procurement process, 66.7% of the Directors endorsed this waiver;
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