U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

JUN 30 2010

The Honorable Jennifer M. Granholm
Governor of Michigan
Post Office Box 30013
Lansing, Michigan 48909

Dear Governor Granholm:

This letter provides approval of an extension of Michigan's current Workforce Investment Act (WIA) and Wagner-Peyser Act (W-P) State Plan and waivers for Program Year (PY) 2010. This letter also responds to Michigan's requests for new and extended waivers.

Training and Employment Guidance Letter (TEGL) No. 21-09, issued on April 15, 2010, provides guidance for states to secure approval of their WIA/W-P State Plans and waivers for PY 2010, and included the option to receive an extension of the existing State Plan and waivers for an additional year without submitting a formal request.

Extension of State Plan

Michigan's existing State Plan will expire on June 30, 2010. This letter constitutes a written determination under WIA Section 112 (29 USC 2822) that the Employment and Training Administration (ETA) is extending the approval of Michigan's State Plan for WIA Title I and the Wagner-Peyser Act for Program Year 2010, July 1, 2010 through June 30, 2011.

The Grant Officer will issue a Notice of Obligation for the "July portion" of the WIA formula allocations for Adult and Dislocated Worker programs, effective July 1, 2010, under the PY 2010 Annual Funding Agreement. The W-P program's Annual Funding Agreement for PY 2010/Fiscal Year 2011 will be sent to the designated state grantee agency for signature and return to the Grant Officer for execution, effective July 1, 2010. The W-P Annual Funding Agreement will provide for the initial base allocation of PY 2010 funds.

Performance Levels

Michigan has decided to extend its existing PY 2009 WIA and W-P performance goals for PY 2010. ETA has incorporated these performance goals, identified as PY 2010 performance goals, into the Regional and National Office copies of the State Plan. Please include these PY 2010 goals in the State's official copy of the

State Plan.

Waivers

As part of the State's extension of the WIA/W-P State Plan, and as described in TEGL 21-09, ETA has made determinations regarding an extension of Michigan's PY 2009 waivers of statutory and regulatory requirements under WIA for PY 2010. The State also submitted a request for new waivers (copy enclosed). The State's request for new waivers is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c). The disposition of the State's waiver extensions as well as its submission of new waiver requests is outlined below. This action is taken under the Secretary's authority at WIA section 189(i) to waive certain requirements of WIA title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. 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.

Extension of Waivers

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

The State was previously granted a waiver to permit use of rapid response funds to conduct allowable statewide activities as defined under WIA section 134(a)(3), specifically incumbent worker training. The State is granted an extension of this waiver through June 30, 2011. Under this waiver, the State is permitted to use up to 20 percent of rapid response funds for incumbent worker training only as part of a lay-off aversion strategy. ETA believes limiting incumbent worker training to 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. The State is required to report performance outcomes for any incumbent workers served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD), field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver. TEGL No. 14-08, Section 19, issued on March 18, 2009, explained that in order to apply this waiver to funds made available through the American Recovery and Reinvestment Act of 2009, states needed to submit a detailed justification. Because record numbers of unemployed individuals continue to seek the services of the workforce system, ETA believes that the use of Recovery Act funds for

incumbent worker training would be inappropriate, and these funds should be devoted to serving those participants without jobs. Therefore, this waiver does not apply to funds made available through the American Recovery and Reinvestment Act of 2009.

Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The State was previously granted a waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530. The State is granted an extension of this waiver through June 30, 2011. Under the waiver, the State is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the State to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers. In its request, the State is also seeking to use this waiver to continue to pilot an ITA Tiered Provider System in which the local workforce area designates a training provider as meeting different levels of quality based on performance, cost, quality and other characteristics. Continuation of the pilot does not require a waiver and is permissible under the condition that the local workforce area continues to follow all WIA statutory and regulatory requirements for training provider eligibility, including that all providers meet WIA initial eligibility requirements described at WIA Section 122(a) and (b), and CFR 663.505 and 663.515.

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

The State requested a waiver of the requirement to record outcomes and all participant characteristics in WIASRD for incumbent workers served with waivered WIA funds. The State was previously granted a waiver for PY 2009 of the requirements to reduce the data collection burden for employers participating in WIA-funded incumbent worker training programs. The waiver permits the State to discontinue the collection of the following WIASRD elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). The State is granted an extension of the PY 2009 waiver through June 30, 2011 to discontinue the collection of the above-named elements only; the State must continue to record all other applicable fields in WIASRD for incumbent workers served with waivered funds. It is vital that ETA knows the outcomes of its investments for distinct worker populations, and the WIASRD is the resource the agency uses to understand the effect of those investments.

New Waiver Requests

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, 2011. 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 TEGL No. 14-08, Section 19, issued on March 18, 2009, this waiver does not apply to funds made available through the American Recovery and Reinvestment Act of 2009. 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.

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, 2011. 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.

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, 2011. 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.

Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The State is requesting a waiver to permit local areas to conduct allowable statewide activities as defined under WIA section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The State is granted this waiver through June 30, 2011. Under this waiver, the State will be permitted to allow local areas to use up to 20 percent of local Dislocated Worker funds for incumbent worker training only as part of a lay-off aversion strategy. 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 WIASRD, field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The State is requesting a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older and out-of-school youth program participants. The State is granted this waiver through June 30, 2011. Under this waiver, the State can use ITAs for older and out-of-school youth program participants. The State should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

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 equitable reallocation among local areas.

Work-Flex Designation: Termination of the State's work-flex plan.

In keeping with WIA Section 192(c), which restricts approval of a state's work-flex plan to a period of not more than five years, ETA is terminating approval of Michigan's work-flex designation. Michigan received its initial work-flex designation in PY 2005, and therefore is no longer eligible for such designation. The State must terminate all waivers granted to local workforce investment areas under its work-flex designation effective June 30, 2010.

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 working together as you implement your State Plan for PY 2010. If you have any questions related to the issues discussed above, please contact Malcolm Jackson, the Federal Project Officer for Michigan, at 312-596-5414 and jackson.malcolm@dol.gov.

Sincerely,

Jane Oates

Jane Oates
Assistant Secretary

Enclosure

cc: Stanley Pruss, Director, Department of Energy, Labor & Economic Growth (DELEG)
Liza Estlund Olson, Director, Bureau of Workforce Transformation, DELEG

Janet Howard, Deputy Director, Bureau of Workforce Transformation, DELEG
Byron Zuidema, Regional Administrator, ETA Chicago Regional Office
Janet Sten, Federal Coordinator for Plan Review and Approval
Thomas Martin, Grant Officer
Malcom Jackson, Federal Project Officer for Michigan

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
LANSING

STANLEY "SKIP" PRUSS
DIRECTOR

May 14, 2010

Division of Workforce System Support
Attention: Ms. Janet Sten
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, NW, Room S-4231
Washington, DC 20210

Dear Ms. Sten:

In accordance with Training and Employment Guidance Letter (TEGL) 21-09, the State of Michigan seeks to extend our approved Workforce Investment Act (WIA)/Wagner-Peyser Act state plan for one additional year to include Program Year (PY) 2010. In addition to extending our approved WIA/Wagner-Peyser state plan, the State of Michigan is requesting approval of statutory waivers in accordance with WIA regulation at 20 CFR 661.420(c) for PY 2010 as a result of the state's work-flex authority expiration on June 30, 2010.

The following WIA waiver requests will continue to assist the state in developing its workforce investment system while continuing to align the state's workforce development efforts under the Governor's No Worker Left Behind (NWLB) strategy.

Your review and immediate consideration of the attached waiver requests is appreciated.

Please contact Ms. Liza Estlund Olson, Director, Bureau of Workforce Transformation, Michigan Department of Energy, Labor & Economic Growth at (517) 335-5858 with any questions regarding the attached waiver requests.

Sincerely,

Andrew S. Levin
Chief Workforce Officer, State of Michigan
Deputy Director, Michigan Department of Energy, Labor & Economic Growth

ASL:RD:tk
Attachments
cc: Liza Estlund Olson, Director, Bureau of Workforce Transformation
Janet Howard, Deputy Director, Bureau of Workforce Transformation
Gary Clark, Director, Accelerating Employment Division
Stephanie Beckhorn, Manager, WIA Section
Brian Marcotte, Manager, Welfare Reform/Wagner-Peyser Section
Ryan Doll, WIA State Coordinator

DELEG is an equal opportunity employer/program.
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

BUREAU OF WORKFORCE TRANSFORMATION
VICTOR OFFICE CENTER • 201 N. WASHINGTON SQUARE, 5TH FLOOR • LANSING, MICHIGAN 48913
www.michigan.gov/dleg • (517) 335-5858 • TTY 1-888-605-6722

Identification of statutory and/or regulatory requirements:

Michigan requests waiver from 20 CFR 661.140, placing a 20 percent transfer limitation between the Adult and DW funding allocated under Sections 133(b)(2)(A) and 133(b)(2)(B) respectively. This waiver would grant local Workforce Investment Boards (WIB), with the Governor's approval, the ability to transfer up to 50 percent between the Adult and DW programs for PY 2010. This waiver would provide the state with greater flexibility best aligning resources with current demand for services. Transfer authority of up to 50 percent between the Adult and DW programs will allow both programs to more effectively and efficiently respond to changes in demand for services, increase capacity, and improve customer service.

This waiver request aligns with the Governor's NWLB strategy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

- Improve the ability of WIBs to develop workforce strategies that align with economic realities within their service delivery area.
- Increase local control over program delivery.
- Improve the ability for WIBs to design programs in response to the needs of their customers.
- Enhances WIBs ability to respond to fluctuating need for training services.

Individuals impacted by the waiver:

This waiver has the potential to impact all service delivery areas and their WIA participants. During program year 2009, 10 of the 25 local areas requested and received a waiver to transfer adult and dislocated worker funds in excess of the 30 percent maximum allowed under state policy in order to meet the needs of their customers. In general, local areas transferred funds from the dislocated worker program to the adult program during program year 2009. We anticipate a similar number of transfer waiver requests for program year 2010.

This waiver will maximize the impact of WIA dollars by allowing both the adult and dislocated worker programs to more effectivitly and efficiently respond to the changing demands for training, and increase capacity in response to individual participant training needs. Responsiveness and funding flexibility in the workforce investment system has become a necessity in Michigan's volatile economic climate.

Monitoring progress and implementation:

Annual WIA on-site programmatic reviews will include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met.

The WIA state coordinators dedicated to the administration of WIA programs will continually examine the effectiveness of the implementation of this waiver throughout the program year. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests were provided to all local WIBs and their association. During the review period, no comments were received.

Waiver of the Requirement for a 50 Percent Employer Contribution for Customized Training; to Permit a Sliding Scale Contribution for Small and Medium Sized Employers

Identification of statutory and/or regulatory requirements:

Michigan requests a waiver from 20 CFR 663.715(c) requiring an employer pay not less than 50 percent of the cost of customized training as defined in Section 101(8), with the Governor's approval.

The requested scale for customized training would permit the minimum required employer match to be determined based on a graduated scale based on the size of the employer. Under the proposed waiver, the following employer match will be permitted: (1) a match of no less than 10 percent of the cost of customized training for employers with 50 or fewer employees, and (2) employers with 51 employees but no more than 250 employees must provide no less than 25 percent funding match. For employers with 251 or more employees, the current statutory requirements will continue to apply.

The statutory required 50 percent minimum employer contribution has shown to be the single greatest barrier for employers considering customized training as a means to access or develop workforce skills necessary to retain their current workforce or expand within their respective industries. Customized training is often sought by high growth, leading edge companies seeking training in emerging sectors such as battery, solar, and wind technology and where standardized training may not be readily available through standard training channels. A sliding scale for the employer matching cost component will create more incentive for employers to participate in customized training that achieves high-skill, high-demand and/or high wage attainment.

This waiver request aligns with the Governor's NWLB strategy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

The goal of this waiver is to increase the number of employers who take advantage of customized training. Utilizing a sliding scale when determining employer contributions will provide significant benefit to small and medium sized employers and subsequently their employees by increasing access to training services. Reducing the required employer contribution necessary to receive customized training will provide increased access to training services for small and medium sized employers. Their workers will gain additional training resources that have previously been limited to larger employers due to the costs associated with the mandated fifty percent employer contribution associated with customized training. Increased access to customized training will assist employers to be more competitive and workers to be more skilled, which will result in increased employment retention and assist in developing a highly skilled workforce. Given today's fast paced economy, the need for access to training is critical for employers to remain competitive.

Allowing sliding scale contributions for small and medium sized companies for customized training will greatly improve and increase access to the workforce system for small and medium sized companies. Companies seeking customized training are identified through multiple channels including local delivery staff (business service representatives) and partner referrals (local economic development representatives and chamber of commerce), company contacts, marketing, website traffic, et al. Once an eligible employer has been identified, local areas assess the needs of the company to determine the specifics of the training requested and how many employees will participate.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Monitoring progress and implementation:

Annual WIA on-site programmatic reviews will include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met.

The WIA state coordinators dedicated to the administration of WIA programs will continually examine the effectiveness of the implementation of this waiver throughout the program year. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests were provided to all local WIBs and their association. During the review period, no comments were received. During the review period, no comments were received.

Waiver to Increase Employer Reimbursement for On-the-Job (OJT) Training for Small and Medium Sized Employers

Identification of statutory and/or regulatory requirements:

Michigan requests a waiver from 20 CFR 663.710(b), limiting employer reimbusrments for OJT to 50 percent of the wage rate of the participant receiving OJT as described in Section 101(31).

The requested scale for OJT reimbursements to employers would permit reimbursement on a graduated scale based on the size of the employer. Under the requested waiver, the following reimbursement amounts will be permitted: (1) up to 90 percent reimbursement for employers with 50 or fewer employees, and (2) up to 75 percent reimbursement for employers with more than 50 employees but no more than 250 employees. For employers with 251 or more employees, the current statutory requirements will continue to apply.

This waiver request aligns with the Governor's NWLB strategy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

Obtaining this waiver would allow local WIBs to provide additional assistance to area employers in creating jobs for WIA participants. The area is experiencing significant layoffs and job creation is at a minimum. This waiver would also provide assistance to employers in creating jobs and will move the cusp of job creation to sooner rather than later by reimbursing more of the costs of training new workers.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Monitoring progress and implementation:

Annual WIA on-site programmatic reviews will include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met.

The WIA state coordinators dedicated to the administration of WIA programs will continually examine the effectiveness of the implementation of this waiver throughout the program year. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests were provided to all local WIBs and their association. During the review period, no comments were received. During the review period, no comments were received.

Identification of statutory and/or regulatory requirements:

Michigan requests a waiver to allow local WIBs to use up to 20 percent of their DW funding allocated under section and 133(b)(2)(B) to provide Incumbent Worker Training as described under Section 134(a)(3)(A)(iv)(I) and consistent with 20 CFR Sections 665.210 and 665.220.

Incumbent Worker Programs will be targeted to specific employers or industries that are experiencing a decline and have the potential to undergo layoffs.

This waiver will create capacity for local WIBs to respond to specific company training needs and aid in averting layoffs within their service delivery area as needed and appropriate. Locally targeted industries and sectors include manufacturing, health care, skilled trades, life sciences, homeland security, and other industries of state or regional importance.

This waiver request aligns with the Governor's NWLB strategy, which emphasizes life-long learning and the state's lay-off aversion strategy by connecting Incumbent Worker Training with existing regional skills alliances (alliances comprised of business, labor, and educational leaders focused on workforce development to support the creation and retention of jobs) and existing regional and sectoral strategies (strategies to assist employers in key industries solve workforce challenges while simultaneously providing workers with new skills and career pathways).

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

Local Incumbent Worker Training opportunities are identified via multiple pathways throughout the state including in conjunction with the local service delivery areas, the Michigan Economic Development Corporation, local economic development agencies, Chamber of Commerce, and other business organizations and partners.

Like other WIA programs, incumbent worker training operates on a demand driven basis. Through the analysis of labor market information, including wages and long-term employment forecasts, local areas identify priority industries/sectors to target. At risk companies are identified via multiple channels including local delivery staff (business service representatives) and partner referrals (local economic development representatives and chamber of commerce), company contacts, marketing, website traffic, et al. Once an at-risk company has been identified, local areas assess the needs of the company to determine which services are needed and how many employees will participate. Incumbent worker training will be

provided as a lay-off aversion strategy where return-on-investment of federal (and state) funds is anticipated. That is, training will assist in the retention of jobs and prevent or reduce the severity of dislocations.

The impact of this waiver allowing the use of local area funds should not be underestimated. With the loss of traditional employers and increased global completion, the need for flexibility in providing incumbent worker training is growing as companies struggle to avoid layoffs. This waiver provides local areas with the necessary responsiveness and funding flexibility to meet the needs of their business customers within their service delivery area.

Additionally, local service delivery areas will work with businesses to up skill incumbent workers by creating partnerships with two and/or four year educational institutions to design and deliver the required training to incumbent workers. Training tailored for incumbent workers must emphasize overall layoff aversion strategies and may include job specific retraining or skills upgrading related to layoff aversion, on-the-job training, customized training, and/or classroom training. In addition to Incumbent Worker Training for employees, the selected employer will be offered access to a full array of One-Stop services, including tailored recruitment, assessment, and hiring services. Employees participating in the program will receive, in addition to training, other necessary supportive services and follow-up services following training completion.

Goals of this waiver include:

- Bolster layoff aversion efforts.
- Increase local control over program design.
- Aid in creation of new organizational strategies to avert layoffs.
- Increase capacity to serve incumbent workers.

Training provided under this waiver will include:

- Employee skills assessment and testing.
- Classroom training.
- Customized training.
- Instructor wages.
- Resource materials.
- On-the-Job Training consistent with the WIA and the WIA Regulations.

Preference will be given to training that result in certificates or credentials of value in the local service delivery area.

Incumbent Worker Training will be used as part of the local area's overall layoff aversion strategies.

- Training must be designed to avert layoffs,
- Job specific retraining or skills upgrading related to layoff aversion, or
- New organizational strategies designed to avert layoffs.

The following are identified strategies the state will use when approving local service delivery area's Incumbent Worker Training programs:

- Programs are reasonably expected to avert layoffs;
- Programs provide training to employers and/or industries and workers that need assistance to retain jobs;
- Programs serve as a catalyst for additional economic and workforce development, and result in additional economic benefits to the region and the state;
- Programs coordinate existing training programs for incumbent workers;
- Programs link workforce policies to economic development policies in priority sectors;
- Programs foster and/or further the development of regional skills alliances and/or regional and sectoral strategies; and
- Programs elevate the role community colleges undertake regarding workforce and economic development.

Monitoring progress and implementation:

Annual WIA on-site programmatic reviews will include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met.

The WIA state coordinators dedicated to the administration of WIA programs will continually examine the effectiveness of the implementation of this waiver throughout the program year. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests were provided to all local WIBs and their association. During the review period, no comments were received. During the review period, no comments were received.

Identification of statutory and/or regulatory requirements:

The state seeks to request a waiver that allows the utilization of a portion, up to 20 percent, of the funds reserved for Rapid Response activities as "local activity funds" to operate an Incumbent Worker Training Program as described under Section 134(a)(3)(A)(iv)(I) and consistent with 20 CRF Sections 665.210 and 665.220, at the local WIB level. These funds will be utilized in the same manner as statewide activities funding.

Current economic conditions and excessive long-term unemployment throughout Michigan industries has resulted in the reduction in the state's workforce, a perpetual decline in business productivity, and significant business restructuring and/or closure. Incumbent Worker Training has become a viable tool to assist in the recovery of Michigan's economy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

Incumbent Worker Programs provided under this waiver shall be targeted to specific employers or industries that are experiencing a decline and have the potential to undergo layoffs, or are experiencing a skills gap that impacts their ability to compete and retain workers. Targeted industries and sectors include manufacturing, health care, skilled trades, life sciences, homeland security, and other industries of state or regional importance. This waiver aligns with the state's lay-off aversion strategy by connecting Incumbent Worker Training with existing regional skills alliances (alliances comprised of business, labor, and educational leaders focused on workforce development to support the creation and retention of jobs) and existing regional and sectoral strategies (strategies to assist employers in key industries solve workforce challenges while simultaneously providing workers with new skills and career pathways).

Incumbent Worker Training is identified via multiple pathways throughout the state including in conjunction with the local service delivery areas, the Michigan Economic Development Corporation, local economic development agencies, Chamber of Commerce, or other business organizations. Additionally, the state has developed an investment model that will provide an efficient systematic approach to managing ad hoc requests for Incumbent Worker Training funding. The planned model includes the following criteria:

Investment Model Minimum Eligibility Requirements/Pre-Qualifications:

- State of Michigan Business
- Training to Supplement not Supplant Existing Training Initiatives

- No Displacement of Current Workers
- No Federal Disbarment
- Current on All Tax Obligations
- Commitment to Retain Workers After Training
- Completion of Training within Two Program Years
- Post Job Openings with Michigan Department of Energy, Labor, & Economic Growth
- Provide 50 percent Match

Investment Model Application Components:

- Employer Name
- Industry
- Number of Current Employees
- Number of Employees Targeted for Training
- Amount of Funding Company has Set Aside for Employee Training
- Positions/Occupations Targeted for Training
- Institution Targeted to Deliver Training
- Identification of Industry Certification at Training Completion
- Budget Detail
- Outcome Detail

Additionally, requests from individual employers shall also include identification of innovative profit streams to diversify their portfolio to prove the need for Incumbent Worker Training. Often, new profit streams introduce processes and technologies that require new skills of their workforce. Individual employers shall also include evidence of workforce policies linked to economic development policies in priority industry sectors (e.g., manufacturing, health care, skilled trades, life sciences, homeland security, and other industries of state or regional importance).

DELEG is working with businesses to upskill incumbent workers by creating partnerships with local Michigan Works! Agencies and two/four year educational institutions to design and deliver the required training to incumbent workers. Training tailored for incumbent workers must emphasize overall layoff aversion strategies and may include job specific retraining or skills upgrading related to layoff aversion, on-the-job training, customized training, and/or classroom training. In addition to Incumbent Worker

Training for employees, the selected employer will be offered access to a full array of One-Stop services, including tailored recruitment, assessment, and hiring services. Employees participating in the program will receive, in addition to training, other necessary supportive services and follow-up services following training completion.

The goals of this waiver are:

1. Increase employer exposure and use of the state's public workforce system, and
2. Improve the state's overall economic and business climate.

In addition to the realization of the waiver goals, expected additional programmatic outcomes are:

1. WIBs ability to respond quickly and efficiently to immediate local needs,
2. Participant's skills are upgraded, and
3. Participant's wages increase.

Training provided under this waiver will include:

- Employee skills assessment and testing
- Classroom training
- Customized training
- Instructor wages
- Resource materials
- On-the-Job Training consistent with the WIA and the WIA Regulations

Individuals impacted by the waiver:

Participating employer and incumbent workers throughout the state will be positively impacted by this waiver.

The state will monitor participating service delivery areas through the review and analysis of data collected by the state's One Stop Management Information System.

Approval of this waiver will continue to enhance overall WIA programs and activities at the local level, and will provide additional flexibility for the use of state set-aside Rapid Response funds, enabling WIBs to tailor their programs to provide definitive layoff aversion strategies. This waiver will also assist in increasing retention rates and will avoid additional strain on the state's workforce, unemployment, and health and human services' resources.

The state anticipates continued support and implementation of this program with extension approval. Furthermore, incumbent worker layoff aversion strategies provided by this waiver will provide potential for deteriorating businesses to stay viable by saving jobs as well as potentially expanding and adding future employment through the creation of new profit streams.

Monitoring progress and implementation:

Annual WIA on-site programmatic reviews will include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met.

The WIA state coordinators dedicated to the administration of WIA programs will continually examine the effectiveness of the implementation of this waiver throughout the program year. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests were provided to all local WIBs and their association. During the review period, no comments were received. During the review period, no comments were received.

Waiver of the Prohibition on the use of Individual Training Accounts (ITA) for Youth

Identification of statutory and/or regulatory requirements:

Michigan is requesting a waiver from 20 CFR 664.510 prohibiting the use of youth funds to support Individual Training Accounts (ITA) for out-of-school youth participants.

The current focus of the WIA Youth program has transitioned from short term training into longer year round training programs when making the transition to postsecondary training and employment. Out-of-School youth continue to be one of the most difficult populations to serve because their interest often lies in obtaining self sufficient, full-time employment rather than being involved in a typical structured setting that youth contracts provide. Services requiring traditional year-round contracting often results in delaying access to training, and subsequent employment. In addition, the real-life informed decision-making involved in using ITAs and the eligible training provider list would provide out-of-school youth with the experience of responsibility that is necessary as an adult.

This waiver request aligns with the Governor's NWLB strategy.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

- Improve the ability of Workforce Investment Boards (WIB) to develop strategies to align with workforce and economic realities within their service delivery area;
- Increase local control over program delivery;
- Improve the ability for WIBs to design programs in response to the needs of their customers;
- Offer Youth the real-life learning experience of making an informed decision that has direct impact on his/her life;
- Allow for use of Youth funds instead of Adult funds for ITAs as part of the 30 percent Out-of-School Youth expenditure requirement;
- Reduces the paperwork and tracking processes requirement in dual enrollment (Out-of-School Youth and Adult) ; and
- Provides Out-of-School Youth more choice

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

Monitoring progress and implementation:

Annual WIA on-site programmatic reviews will include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met.

The WIA state coordinators dedicated to the administration of WIA programs will continually examine the effectiveness of the implementation of this waiver throughout the program year. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests were provided to all local WIBs and their association. During the review period, no comments were received. During the review period, no comments were received.

Waiver of the Time Limit on the Period of Initial Eligibility for Training Providers – Pilot for Thumb Area Michigan Works!

Purpose

The purpose of this waiver request is extend our waiver to continue providing an individual training account service provider performance and cost information requirement alternative in the Thumb Area Michigan Works! local service delivery area. The alternative process established an inclusive model for recruiting eligible training service providers, more fully empower individuals to obtain needed services and information to enhance their employment opportunities, and allows the local WIB to continue to address immediate and longer-term workforce needs as documented in their strategic plan.

Identification of statutory and/or regulatory requirements:

In an effort to continue quality client-customer service and evaluation of the alternative Individual Training Account (ITA) service methodologies, the state is requesting an extension to our existing waiver to extend the period of "Initial Eligibility of Training Providers" through PY 2010, thereby postponing the "Subsequent Eligibility of Training Providers" determination period for Thumb Area Michigan Works!. This request is a waiver from the WIA Section 122(c)(5) and 20CFR 663.530. The extension is needed to maintain the broadest range of eligible providers to enable individuals to make informed choices relating to their training goals.

This waiver request also seeks continuation, through program year 2010, of Thumb Area Michigan Works! pilot (Tiered Provider System) of the state's proposed eligible training provider rating system using providers from the initial eligible training provider list.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

The goals of this waiver have been established as a result of a combination of interrelated factors, including the limitations of the Individual Training Account system, the current and anticipated shortfalls in the State budget, recent plant closings, and the outcomes of the local WIB's strategic plan that found a severe gap in the number of training programs addressing high demand occupations. Waiver goals include:

1. Expanded client-customer employment training options and innovative individual service choice.
2. Greater participation by training service providers in the WIA career development system.
3. Improved consistency in service provider evaluation and cost information.
4. Creation of an inclusive service provider system, which denotes quality via a tiered ranking system.

The Tiered Provider System is open to all training institutions. The system rankings are:

Tier #1 – Excellent
Tier #2 – Good
Tier #3 – Average
Tier #4 – Minimal
Tier #5 – Lacking

Classifications and beginning criteria for the Tiered Provider System include:

Quality

- Has certified, trained staff
- Has earned industry or professional accreditation
- Cleanliness is maintained
- Provides customer service training for employees
- Has quality improvement process for customer service

Timeliness

- Offers flexible scheduling
- Admissions/course advisory appointments available

Accessible

- Near public transportation
- Meets ADA accessibility requirements
- Serves the Thumb area

Cost

- Charges posted and itemized
- Payment plans offered
- Discounts available to One-Stop Customers

Customer Satisfaction

- Friendly Staff
- Knowledgeable staff
- Satisfaction with services received
- Ratings of quality, timeliness, accessibility, cost

Business Results

- Customer outcomes are measured
- Customer outcomes are used to inform continuous improvement process
- Performance information is disseminated regionally

Ranking data from each training institution is gathered by an independent agent and submitted to the local WIB for final tier assignments. Data is collected yearly, however, each provider has the option of submitting any changes that may affect its ranking throughout the year.

The Thumb Area Tiered Provider System's structure and organization facilitates greater training provider participation, establish a more applicable rating criteria, encourage vertical mobility for progressive institutions, retains an operation and management openness to all involved, and is more consistent and adaptable for regular evaluation and monitoring.

Since its inception, the ITA Tiered Provider System has:

- Increased customer choice in the area of training opportunities
    - 736 programs have been authorized under the system
    - 1,627 participants have benefited from new training available under the system
- Built a stronger partnership base with job training institutions, and
- Encouraged innovative initiatives among providers to maximize workforce development service availability.

Although this waiver has achieved established goals (i.e., improved program performance and training services for the individuals impacted [WIA customers within the affected local area]), additional time is necessary to gain appropriate customer and training provider outcomes and feedbacks. With the extension of the Tiered Provider System, the following waiver-related research, improvements, and/or expansion outcomes are planned:

- The introduction of an agri-business alliance, which would benefit from the multiple training opportunities available on the system.
- The continued growth of the training choices.
- Completion of a review of ITA-waiver impacts experienced during the incidence of local plant closings.
- Initiation of comparative analyses of contiguous Michigan Works! Regions with regard to client-customer choices and outcomes.
- Determination of the strategic planning benefit offered via the system as a result of the region's involvement in the Mid-Michigan Workforce Innovation in Regional Economic Development (WIRED) project.
- Continued data collection to determine overall system impact.

State strategies and initiatives will be furthered through the continuation of this waiver by increasing participants' skills levels and, subsequently, employability.

Individuals impacted by the waiver:

This waiver will only apply to Thumb Area Michigan Works! This waiver will positively affect public and private training providers within Thumb Area Michigan Works! service delivery area as well as

improve customer choice when selecting training providers. The mandated reporting requirements are so burdensome and costly that some providers have found it necessary to end their WIA participation thus reducing consumer choice.

Monitoring progress and implementation:

This waiver would extend initial eligibility to include all of program year 2010. Monitoring of this waiver is achieved through the review and analysis of quarterly reports submitted by the local service delivery area.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests we provided to all local WIBs and their association. During the review period, no comments were received. During the review period, no comments were received.

Identification of statutory and/or regulatory requirements:

The state seeks a waiver allowing the redistribution of recaptured local area Adult, Dislocated Worker, and Youth funds based on a WIB's requested amount, demonstrated capacity to expend formula funds, and performance in the current and prior program years, rather than redistribution based solely on a federally mandated formula as described in the WIA Sections 128(c) and 133(c) and the provisions of 20 CFR Section 667.160. Providing the state with greater flexibility in the administration of WIA funding and aligning limited workforce development resources with current demands, will further the state's workforce system and will increase the rate of investment of WIA funding.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers to implementation of this proposed waiver exist. Pre-approval of the required procedure to be followed under this waiver request, has been obtained.

Through its continued implementation, the waiver will ensure that federal funds will be more efficiently and effectively managed. Furthermore, maximum service provisions and program performance will be enhanced by redistribution to workforce areas where the greatest potential impact may be needed.

Waiver goals and outcomes:

This waiver seeks to change the methodology of how recaptured local area funds are redistributed. This waiver would allow the state to redistribute recaptured local area funds based on local expenditures, obligations, and waiting lists rather than strictly by formula which does not accurately access real-time need.

Per state policy, local area funds are recaptured based on a 15 percent carry-forward limitation for each funding source (adult, dislocated worker, and youth). Any carry-forward in excess of 15 percent is recaptured and redistributed on an annual basis, at the end of the program year.

The goal of this waiver is to ensure that WIA formula funds are redistributed to those WIBs with the greatest need. When applying this waiver, the following will occur:

1. Increased number of individuals in need of service will be served,
2. WIBs identifying unmet needs or experiencing the sudden need for increased services in their area, may have access to additional resources, and
3. The rate of investment of WIA funds will increase.

The state will determine the amounts of funding to be redistributed to WIBs based on factors such as:

1. Requested amount,
2. Demonstrated capacity to expend the formula funds, and

3. Performance in the current and prior program years.

Individuals impacted by the waiver:

This waiver may potentially impact all service delivery areas and their WIA participants.

The state seeks to continue to redistribute WIA formula funds to WIBs that have achieved not only required expenditure levels, but also established performance levels. Redistribution of funds based solely on whether a WIB achieves its expenditure level does not address a WIB's funding needs or performance outcomes.

Monitoring progress and implementation:

Annual WIA on-site programmatic reviews will include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met.

WIA State Coordinators will continuously monitor agency expenditures levels to ensure the waiver goals are met and funding is maximized.

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests were provided to all local WIBs and their association. During the review period, no comments were received. During the review period, no comments were received.

Identification of statutory and/or regulatory requirements:

The State is seeking a waiver from regulation 667.300 for PY 2010, waiving the requirement to report outcomes for incumbent workers, served under the requested incumbent worker training waivers (regular rapid response funds to support IWT rapid response funds, and local dislocated worker formula funds to support IWT), in the Workforce Investment Act Standardized Record Data (WIASRD) system. Written guidance from USDOL mandated the reporting requirement in the 'Requests for Incumbent Worker Training Waivers' document.

The current economic conditions and excessive long-term unemployment throughout Michigan industries has resulted in the reduction in the state's workforce, a perpetual decline in business productivity, and significant business restructuring and/or closure. IWT has become a viable tool to assist in the recovery of Michigan's economy.

Requiring employers to provide the necessary data to meet WIASRD reporting requirements would make IWT a far less effective lay-off aversion strategy due to:

- Increased administrative costs;
- Decreased employer participation; and
- Fewer overall employees receiving training.

Mr. Lawrence S. Alpert, Executive Director of Shiawassee Area Transportation Area (SATA) stated "EBA-IWT has benefited SATA by providing cost-effective training opportunities which has allowed us to not only avert layoffs but, in fact, expand our workforce. This is especially important given the high unemployment rate in Michigan and in Shiawassee County."

Michigan began delivery of WIA funded IWTs in PY 2003. Each year the number of employers and employees served has continued to grow. The table below provides specific IWT data by PY.

Program Year	Funding Allocated	Employers Served	Employees Served
2003	$3.0M	260	7,468
2004	$3.0M	253	4,576
2005	$3.0M	400	6,925
2006	$5.0M	585	11,157
2007	$5.0M	697	13,065
2008	$5.0M	771	14,126
2009	$3.7M	TBD	TBD

Previous IWT waivers allowed local service delivery areas the ability to provide lay-off aversion training, so long as the training is in-demand, in a flexible and responsive manner. If the state is required to report all individuals served with IWT funding in the WIASRD, it will significantly reduce the number of employers and workers served in Michigan, as well as shift the emphasis from providing assistance to the employer/employee in need, to a focus on data entry. Many local service delivery areas have informed the state that employers are not interested in providing all of the necessary data required to meet WIASRD reporting requirements (i.e. social security number, date of birth, prior/current wages, etc.). Rather, employers see the required information as another example of "bureaucratic red tape," and are choosing to not participate in the program. Furthermore, the innovative regional partnership (EBA) created two years ago (covering eight counties) between three local service delivery areas, to deliver a unique training option, will be dismantled due to the demand of excess reporting requirements. The local service delivery area, which takes the lead in the regional partnership, does not have the staffing necessary to input the required data elements for participants served. Based on figures from Program Year 2008, if WIASRD reporting were required last PY, the service delivery area would have had to input data on 2,431 employees.

Individuals impacted by the waiver:

If the State is required to report IWT data in the WIASRD, we anticipate over a 75 percent statewide reduction in the number of employers and employees served for the current and subsequent PYs. This means that potentially hundreds employers and over thousands of employees in need of training, will not be served in Michigan.

Actions undertaken to remove state or local barriers:

Currently, no state or local statutory or regulatory barriers exist for implementation of this proposed waiver. Pre-approval of the required procedure to be followed under this waiver request has been obtained.

Waiver goals and outcomes:

DELEG is working with businesses to upskill incumbent workers by creating partnerships with local Michigan Works! Agencies (MWAs) and two/four year educational institutions to design and deliver the required training. The training for incumbent workers is tailored and must emphasize overall layoff aversion strategies and may include job specific retraining or skills upgrading related to layoff aversion, on-the-job training, customized training, and/or classroom training. In addition to incumbent worker training for employees, the selected employer will be offered access to a full array of One-Stop services.

The goals of this waiver are:

1. Increase employer exposure and use of the state's public workforce system, and
2. Improve the state's overall economic and business climate.

Approval of this waiver will allow local service delivery areas to focus on providing incumbent workers with training and services based on individual need, continue to enhance overall WIA programs and activities at the local level, and will provide additional flexibility for the use of state set-aside rapid response funds, effectively enabling local boards to tailor their programs to avoid additional strain on the state's workforce, unemployment, and health and human service resources. With approval, we anticipate increased numbers of employers and employees served over PY 2008 figures throughout each of the 25 local service delivery areas.

Furthermore, IWT is just one of the layoff aversion strategies provided by the State and local areas (please see detailed information under the rapid response waiver described earlier in this document). IWT funded by this waiver, will provide potential for deteriorating businesses to stay viable by saving jobs as well as potentially expanding and adding future employment, which is critical to the State's economic recovery efforts.

Existing and future dislocated workers and under-employed workers' services will not be disrupted as those populations will continue to be served throughout the state if this waiver is approved.

Monitoring progress and implementation:

Annual WIA on-site programmatic reviews will include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met.

The WIA state coordinators dedicated to the administration of WIA programs will continually examine the effectiveness of the implementation of this waiver throughout the program year. This strategy will ensure that goals of the described waiver, as well as those outlined in the existing state and local WIA and

Wagner-Peyser Strategic Plans, are consistent with established objectives of the WIA, federal, and state regulations.

In lieu of capturing data through the WIASRD system, the state will capture and report by service delivery area, the following IWT outcomes on a quarterly and yearly basis:

- Number of Employees Served
- Number of Employers Served
- Employer Industry
- Reason for Training
- Type of Training
- Length of Training
- Number Completed Training
- Training Provider
- Outcomes (i.e. certificate, credential, license)
- Employer Satisfaction Survey

Notice to local boards and public comment:

In accordance with the WIA regulations at 20 CFR 661.230(d), which provides requirements of public review and comment, Michigan's program year 2010 waiver requests were posted at www.michigan.gov/mdcd , from May 10, 2010 through May 13, 2010 for comment and review by local WIBs and the general public.

In addition to posting proposed program year 2010 waiver at the website listed above, copies of the waiver requests were provided to all local WIBs and their association. During the review period, no comments were received. During the review period, no comments were received.

Please be advised that all 25 local service delivery areas and their state Association have requested that the State seek this waiver.