



AUG - 8 2013

The Honorable Michael R. Pence  
Governor of Indiana  
State House  
Room 206  
Indianapolis, Indiana 46204-2797

Dear Governor Pence:

The Employment and Training Administration (ETA) is pleased to respond to your requests for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). 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 original requests were written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c), and meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's waiver extension requests (copy enclosed).

Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) to exempt the State from the requirement to conduct evaluations.

The State has requested an extension of the waiver of the requirement to conduct evaluations of workforce investment activities for adults, dislocated workers, and youth in order to establish and promote continuous improvement of the statewide workforce investment system. The State is granted an extension of this waiver through June 30, 2014. The State must continue to comply with customer satisfaction measurement requirements discussed in WIA section 136(b)(2)(B).

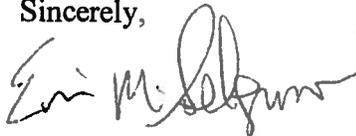
Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt a State from the requirement to provide local workforce investment area incentive grants.

The State has requested an extension of the requirement to provide local workforce investment areas incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance. The State is granted an extension of this waiver through June 30, 2014.

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 TEGP No. 29-11, 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 Stacy O'Keefe, the Federal Project Officer for Indiana, at (312) 596-5527 and [O'Keefe.Stacy@dol.gov](mailto:O'Keefe.Stacy@dol.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Eric M. Seleznow". The signature is fluid and cursive, with a large initial "E" and "S".

Eric M. Seleznow  
Acting Assistant Secretary

Enclosure

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



INDIANA  
**WORKFORCE**  
DEVELOPMENT  
AND ITS **WorkOne** CENTERS

June 28, 2013

Federal Coordinator  
Division of Workforce System Support  
Employment and Training Administration  
US Department of Labor  
200 Constitution Ave, NW Room S-4231  
Washington, DC 20210

Dear Federal Coordinator:

The State of Indiana's is pleased to submit a modification request for its Strategic State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act.

This modification request consists of an updated waiver request: "Waive Certain Mandatory Uses of Governor's Reserve Funding." This waiver will provide the State the ability to maximize the usage of Governor's Reserve funding by not requiring the State to perform certain functions established under 134(a) of the WIA. The State of Indiana has been operating under this waiver throughout the current program year, and believes an extension of the waiver is necessary in order to enhance the primary and basic functions of its workforce investment system.

Attached, please find the updated waiver request, which provides the details required.

Thank you for your consideration of this request.

Sincerely,



Scott B. Sanders  
Commissioner

Attachment: Indiana Department of Workforce Development Waiver Request: Waiver of Section 134(a)

Cc: Byron Zuidema, Stacy O'Keefe

**Indiana Department of Workforce Development Waiver Request**  
**Waiver of Section 134(a)**  
**Waive Certain Mandatory Uses for Governor's Reserve Funding**  
**Effective: July 1, 2013 to June 30, 2017**

The State of Indiana is requesting a waiver of WIA Section 134(a) to waive certain mandatory uses for Governor's Reserve funding.

**Statutory and/or regulatory requirements to be waived**

The State of Indiana is requesting the following two waivers concerning Governor's Discretionary funding:

- Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) requiring the completion of evaluations on workforce investment activities for adults, dislocated workers, and youth.
- Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.

Congressional action has decreased the percentage of Governor's Discretionary funding for states from 15 percent down to 5 percent. Consequently, funding has become severely limited while the costs of operating the One-Stop system and the fiscal and management accountability information system (mandatory activities) continue to rise.

*Estimated Costs to Carry Out the Required Activities associated with this Waiver*

The State estimates that the annual costs of carrying out these activities at \$650,000, with \$50,000 being attributed to the completion of evaluation of WIA activities, and \$600,000 for the provision of incentive grants to local areas.

*Description of Current Uses of Statewide Funds*

Over the most recent three years in which the State had access to 15 percent Governor's Discretionary Funds, it utilized over 96%, or over \$20 million, of those funds to provide additional funding to local areas in order to enhance and improve local programs and performance. Some examples of these activities were providing additional funding for Individual Training Accounts and On-the-Job Training, as well as funding to support additional staff for business service outreach and provision of career counseling and case management services to eligible WIA participants. Additionally, funding has been utilized to support a statewide, comprehensive electronic case management system, TrackOne, and to expand the Jobs for America's Graduates (JAG) programs at the local level.

*Description of How Statewide Funds are Prioritized*

Traditionally, Governor's Discretionary funds have been used to support local programs and initiatives that increase the availability and quality of services provided to WIA participants. Additionally, the State has used these funds to ensure that it conducts those activities that are required within Section 134 of WIA. With the shifting of these funds from Governor's Discretionary Funds to local formula funds, the State has prioritized usage of these funds to 1) Ensure that the State remains compliant with administrative functions, including oversight and

management of the State's workforce investment system, required by WIA; 2) Maintain common electronic information systems throughout Indiana's workforce investment system; and 3) Promote and expand WorkOne services to business and individuals throughout the State.

*Description of How Current Funding Levels are Insufficient to Cover the Statewide Activities Covered by this Waiver*

Were the State to have the ability to withhold 15% (5% Administrative and 10% Statewide Activities) of funds for Governor's Discretionary Funds as allowed in WIA, it would have had approximately \$7.39 million during PY2013 to conduct all administrative activities required and statewide activities required by Section 134 of WIA. However, with the decrease from 15% to 5%, for PY2013, the State has approximately \$2.46 million. With the estimated costs of the three activities covered in the waiver being \$650,000, this would mean that the State would be left with approximately \$1.81 million to conduct all administrative activities required by WIA, as well as the other statewide activities required within Section 134 of WIA, including providing technical assistance to local areas, assisting in the operation of the one-stop delivery system, and operating a fiscal and management accountability information system. Simply put, these funds would be insufficient to carry-out all of these activities.

**Actions undertaken to remove state or local barriers**

No state statutory or regulatory barriers exist at this time.

**Goals and expected programmatic outcomes of waiver**

Approval of this waiver will help achieve the following strategic goal set by the State Workforce Innovation Council: Achieve a cohesive workforce investment system that focuses on delivering high quality services with great efficiency. With this waiver, Governor's Discretionary funding will be used to enhance those primary and basic functions of the system.

Common Measures will be the mechanism that measures the affect of this waiver. Goals are set each year for each common measure and they may stay the same or be increased for the following year. The goals set standards for achievement within the workforce system. They are set through a negotiation process between the US Department of Labor and DWD and are based on a combination of economic factors.

**Individuals impacted by waiver**

It is not anticipated that this waiver will impact any services provided to WIA participants. Because the 10% normally withheld at the State-level for statewide activities is now included in local formula funds, local Workforce Investment Boards have already received these funds. The local WIBs have been able to utilize them for participant services in the same manner that they are able to use local-level WIA funds. For that reason, the State does not believe that this waiver will comprehensively affect any services provided to WIA participants throughout Indiana.

Further, to the extent possible, the State is committed to conducting these activities should the estimates contained within this document not bear out, or in the case that congressional action restores the ability for the State to withhold these funds at the levels established within WIA.

**Process for monitoring progress in implementation**

The Indiana Department of Workforce Development administers the WIA Title IB, Wagner-Peyser Act and Trade Adjustment Assistance programs. DWD also administers Track One – an on-line electronic case management system. It is the mechanism for local areas to manage services to customers. It is also the system that DWD uses to collect the participant data for the federally mandated reporting requirements. DWD will monitor the progress of the waiver implementation through analysis of local performance results as well as through ongoing oversight and exchanges with local area management and staff.

**Notice to affected local boards**

DWD will publish this waiver request on the Department's website ([www.in.gov/dwd](http://www.in.gov/dwd)). Notice of publication and invitation for public comment will be disseminated to all individuals involved in or affected by Indiana's workforce system.

**Public Comment**

Individuals will have 30 days to comment on the Strategic State Plan, including all submitted waiver requests. All comments on this waiver will be provided to the USDOL upon the closing of the review and comment period.