



DEC 10 2012

The Honorable Mitchell E. Daniels, Jr.  
Governor of Indiana  
State House  
Room 206  
Indianapolis, Indiana 46204-2797

Dear Governor Daniels:

This letter provides approval of Indiana's State Integrated Workforce Plan for Title I of the Workforce Investment Act (WIA), the Wagner-Peyser Act (W-P), including the W-P Agricultural Outreach Plan, and plans for coordination with Trade Adjustment Assistance (TAA). The Employment and Training Administration (ETA) received the State Plan on September 14, 2012. This letter also responds to Indiana's WIA waiver requests.

Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, and TEGL No. 21-11, Change 1 issued on August 8, 2012, provide guidance for states to submit their State Workforce Plans and waivers for Program Year (PY) 2012 and beyond. We appreciate the State's responsiveness to this guidance.

#### Plan Review and Approval

ETA has reviewed the Indiana State Integrated Workforce Plan in accordance with Title I of WIA, the Wagner-Peyser Act, the Trade Act (as amended), the corresponding regulations, the State Integrated Workforce Plan Requirements for Workforce Investment Act Title I/Wagner-Peyser Act and Department of Labor Workforce Programs (<http://www.doleta.gov/usworkforce/wia-planning/docs/integrated-planning-guidance.pdf>), and TEGL No. 21-11 and the corresponding Change 1. Pursuant to 20 CFR 661.230(e), this letter constitutes a written determination under WIA Section 112 (29 USC 2822) that ETA is approving the WIA Title I, W-P and TAA portions of Indiana's State Plan for the period July 1, 2012 through June 30, 2017, PY 2012-PY 2016. The annual W-P Agricultural Outreach Plan is approved for the period July 1, 2012 through June 30, 2013.

The State is eligible to receive WIA formula allotments for Adult, Dislocated Worker, and Youth programs, and W-P program allotments, effective July 1, 2012 through June 30, 2017.

#### Performance Levels

Program performance goals for PY 2012 WIA and Wagner-Peyser have been reached in negotiations between the ETA Regional Administrator and your state workforce agency. Indiana's goals were transmitted to the agency in the Regional Administrator's letter dated November 21, 2012. This letter also indicates that Indiana's final performance goals for PY 2012 will be incorporated into the Regional and National Office copies of the State

Integrated Workforce Plan. Please include these final PY 2012 goals in the State's official copy of the State Plan. For your convenience, your final negotiated performance goals are enclosed with this letter.

### Waivers

As part of Indiana's State Integrated Workforce Plan, the State submitted waiver requests for waivers of statutory and regulatory requirements under WIA (copy enclosed). The State's requests for waivers are 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 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.

#### 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 requested a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The State is granted approval of this waiver through June 30, 2017. Under this waiver, the State can use ITAs for older youth and out-of-school youth program participants. The State must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The State should ensure that funds used for ITAs are tracked and that the ITAs are reflected in the individual service strategies for these youth.

#### 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 requested 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 approval of this waiver through June 30, 2017. 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.

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

The State requested 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, 2017. Under this waiver, the State is permitted to allow local areas 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 layoff aversion strategy. Use of Adult funds must be restricted to serving lower 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), 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 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 requested 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 approval of this waiver through June 30, 2017. 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 layoff 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.

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

The State requested a waiver that allows the State to replace the 17 performance measures under WIA Section 136(b) with the common measures. The State is granted approval of this waiver through June 30, 2017. This waiver permits the State to negotiate and report WIA outcomes against the common performance measures only, rather than the performance measures described at WIA Section 136(b). The State will no longer negotiate and report to ETA on the following WIA measures: WIA adult and dislocated worker credential rates; participant and employer customer satisfaction; older youth measures; and younger youth measures. The State will use the three adult common performance measures to negotiate goals and report outcomes for the WIA Adult and WIA Dislocated Worker programs. The State will use the three youth common performance measures to negotiate goals and report outcomes for the WIA Youth program. Workforce Investment Act Standardized Record Data system (WIASRD) item 619, Type of Recognized Credential, should be completed for each individual as appropriate, regardless of this waiver to report on common performance measure outcomes only.

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

The State requested a waiver of the WIA Section 123 requirement for competitive procurement of service providers for four of the ten youth program elements: supportive services; follow-up services; work experience; and comprehensive guidance and counseling. ETA believes that competitive procurement of these elements is the most efficient and cost-effective way to ensure the development of high-quality service providers, but we agree with the state that for some elements competitive procurement impacts continuity of services to youth and connections to work experience/internship host agencies and employers. Therefore, we are approving this waiver through June 30, 2017.

We approve the waiver to permit the State to allow its American Job Centers or partner agencies to directly provide the youth program elements of guidance and counseling, supportive services, follow-up services, and work experience. However, we approve the waiver for the element of guidance and counseling on the condition that the State may make this waiver available to local areas on a case-by-case basis to those areas that demonstrate a cost savings and ensure that its implementation provides equitable services to all customers regardless of background. The State must provide guidance outlining the criteria for obtaining such flexibility and must ensure that it reviews the following factors in assessing such requests:

- Description of the alternative service delivery arrangement
- Name of the AJC Operator or partner program that will provide the service
- Justification in support of the determination to not select the provider through a competitive procurement
- How customer service will be improved, including how the local area will leverage and coordinate services with community based organizations that serve diverse populations
- How the benefits will be measured

The State must monitor the implementation of this waiver on an ongoing basis and include its oversight in local area compliance monitoring.

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 requested a 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 this waiver effective through June 30, 2013.

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 requested a waiver 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 this waiver effective through June 30, 2013.

Waiver of 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.

The State requested a waiver of the requirement to disseminate training provider performance and cost information. The State is granted this waiver through June 30, 2013.

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 has indicated that it does not want to renew this waiver. The waiver approval period will lapse and the waiver will expire December 31, 2012.

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 are incorporated into the State Integrated Workforce Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and with the approved State Plan. In addition, as described in TEGl 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 working together as you implement your State Integrated Workforce Plan for PY 2012 and beyond. As discussed in TEGl 36-11, we strongly encourage State WIA grantees to adopt the use of the American Job Center brand for your physical One-Stop Career Centers and online tools. We are available to provide technical assistance. 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 or [Okeefe.Stacy@dol.gov](mailto:Okeefe.Stacy@dol.gov).

Sincerely,



Jane Oates  
Assistant Secretary

Enclosures

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

<b>Workforce Investment Act and Wagner-Peyser Act Performance Levels for PY 2012</b>
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**Indiana**

Workforce Investment Act Performance Levels

<u>Adult Measures</u>	<u>PY 2012</u>
Adult Entered Employment Rate	60.0
Adult Employment Retention Rate	83.0
Adult Six-months Average Earnings	\$13,000
<u>Dislocated Worker Measures</u>	<u>PY 2012</u>
Dislocated Worker Entered Employment Rate	65.5
Dislocated Worker Employment Retention Rate	88.0
Dislocated Worker Six-months Average Earnings	\$15,750
<u>Youth Measures</u>	<u>PY 2012</u>
Youth Placement in Employment or Education	60.0
Youth Attainment of Degree or Certificate	58.0
Youth Literacy and Numeracy Gains	35.0

Wagner-Peyser Act Performance Levels

<u>Measures</u>	<u>PY 2012</u>
Entered Employment Rate	60.0
Employment Retention Rate	83.0
Six-months Average Earnings	\$13,900

**From:** Klinck, Nate [nklinch@dwd.IN.gov]  
**Posted At:** Friday, September 14, 2012 3:45 PM  
**Conversation:** Indiana's Integrated Workforce Plan Submission  
**Posted To:** WIA.PLAN

**Subject:** Indiana's Integrated Workforce Plan Submission

Attached, please find Indiana's Integrated Workforce Plan for the Workforce Investment Act of 1998 and the Wagner-Act, covering Program Years 2012 – 2017.

The Plan was made available for public review and comment on the Indiana Department of Workforce Development's website on August 31, 2012, and comments from the public will be accepted through September 30, 2012. To date, no comments have been received, but upon closure of the public comment period, DWD will transmit a summary of comments received to the USDOL-ETA.

Thank you for the opportunity to develop a new five-year plan. DWD and the State Workforce Innovation Council respectfully submit this Plan and Waiver Requests, and request approval of its contents.

Should you have any questions or need additional information, please contact me at your convenience.

Sincerely,

*Nate Klinck*  
*Director of Policy*  
*Department of Workforce Development*  
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## **Section IV – Waiver Requests**

### **Waiver Request 1**

#### **Indiana Department of Workforce Development**

#### **Waiver of Section 136(b)**

#### **Replacing Current WIA Performance Measures with Common Measures**

**Effective: September 15, 2012 to June 30, 2017**

The State of Indiana is requesting a waiver of the core indicators of performance and the customer satisfaction indicators (a total of 17 measures), as specified in Section 136(b) of the Workforce Investment Act of 1998 (WIA), as well as accompanying regulatory provisions in Section 666.100 of the WIA Final Rules, which are currently in force. Through this waiver, the State is also requesting approval to use United States Department of Labor (US DOL) “Common Measures” (as defined in Training and Employment Guidance Letter 17-05, Change 2 dated May 9, 2009) for WIA program performance reporting.

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

The State of Indiana is seeking a waiver of the core indicators of performance and the customer satisfaction measures required in WIA Section 136(b), as well as accompanying regulations in 20 CFR 666.100. Indiana is requesting a waiver of the state and local requirements to report on these measures and to instead adopt and report on the Common Measures, as delineated in TEGL 17-05, Change 2, operational guidance for federal job training and employment programs. If granted this waiver, Indiana would operate solely under the six common measures for adults and dislocated workers (entered employment, employment retention and average earnings) and three common measures for youth (placement in employment or education, attainment of a degree or certificate and numeracy/literacy gains).

The purpose of this waiver is to remove the burden (i.e., known substantial inconsistencies) inherent in current WIA performance reporting requirements. This would also allow Indiana to align accountability within the workforce investment system, by holding programs administered by the Indiana Department of Workforce Development to a consistent set of performance criteria.

This request supports Indiana’s Strategic Plan to align strategy, services to customers and accountability across the workforce investment programs administered by the Indiana Department of Workforce Development. It should be noted that, effective July 1, 2007 (PY 2007), the Department integrated services across the WIA and Wagner-Peyser programs. Customers are co-enrolled in all funding streams for which they are both eligible and receive services.

WIA program performance has been based on the 17 performance measures defined in the WIA legislation (cited above). Approval of this waiver request will permit Indiana to continue solely using the

9 common measures and will be consistent with implementation of the accountability system envisioned by US DOL.

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

There are no state or local barriers.

### **Goals and expected programmatic outcomes of waiver**

The Governor's priorities for the workforce investment system include grow Hoosier jobs and employment and growing Hoosier personal income. This waiver will enable the State to measure how well the workforce investment system performed towards meeting these priorities. Goals are set each year for each common measure and they may stay the same or be increased 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**

Implementation of this requested waiver would permit Indiana, its workforce investment boards, regional workforce boards and service providers to operate under a single and consistent set of performance measures, thus simplifying and integrating program design, delivery and reporting. It would eliminate conflicting and contradictory data collection requirements and would allow local areas to operate under clearer performance directives. Multiple programs would use the same performance measures, so there would be standardization of participant performance assessment across programs. Case management would be facilitated and barriers to coordination would be reduced. Other programmatic outcomes include:

- All youth would be measured by the same set of measures, eliminating the need to track and report older and younger youth separately.
- The credential measure for adults and dislocated workers would be removed, allowing certificate attainment to be a focus for youth.
- "Skill Attainment" would be eliminated as a measure for youth.
- Academic and occupational outcomes for all youth would be improved by the inclusion of in-school youth in the "Placement in Employment and Education" and "Attainment of a Degree or Certificate" youth common measures. In-school youth are excluded in the youth performance standards.
- Customer Satisfaction would be removed from the measures.

All customers and service providers in the statewide workforce investment system would be positively impacted by the elimination of a dual set of performance criteria. Individual customers will be presented with more consistent service offerings among programs and a common set of goals.

Providers will have clearer performance directives and will be able to focus on designing services around one set of performance criteria, thus spending less time on duplicate tracking and reporting and more time on direct customer service.

State and local WIA and partner staff will likewise benefit from facilitated case management and continuity of services among programs.

### **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 TrackOne – 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. TrackOne is configured to be fully capable of the data collection and reporting required for Common Measures.

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. Technical assistance on common measures data entry and reporting has been and will continue to be provided to key state and local WIA and partner program staff.

### **Notice to affected local boards**

DWD will publish this waiver request with the Strategic State Plan 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 the individuals associated with Indiana's workforce investment 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 request will be provided to the USDOL upon the closing of the review and comment period.

**Waiver Request 2**  
**Indiana Department of Workforce Development**  
**Waiver of WIA Section 133(b)(4)**  
**To increase the transfer amount between Adult and Dislocated Worker**  
**funding streams allocated to a local area**  
**Effective: September 15, 2012 – June 30, 2017**

The State of Indiana 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 as permitted in WIA Section 133(b)(4). Indiana requests that the transfer authority be increased to up to 50 percent.

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

Indiana requests a waiver to Section 133(b)(4) and 20 CFR 661.420(c) – the authority to transfer up to 30 percent of the allocation between the Adult and Dislocated Worker programs. The State requests this waiver to specifically eliminate the 30 percent limitation on transferring funds between the Adult and Dislocated Worker programs at WIA Section 133(b)(4) and to allow the transfer percentage be increased to up to 50 percent.

The primary goal that the State intends to achieve with this waiver is the continuation of its integrated service strategy where all customers are co-enrolled into all programs for which they are both eligible and receive services -- customers are provided services based upon their needs, rather than from programmatic silos. Allowing the 50 percent transfer of funds between the Adult and Dislocated Worker programs ensures that funds are maximized at the local and regional levels, and that the areas are able to apply the funds where they are needed the most, based upon the changing economic conditions. In addition, this waiver allows the local and regional areas to maximize the use of WIA Adult and Dislocated Worker funds for direct client services and training, rather than for unnecessary and duplicative administrative overhead costs.

**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**

This waiver will help DWD achieve the strategic goal set by the State Workforce Innovation Council – “Identify, align and connect Indiana employers with qualified workers” - by having the ability to transfer funding to better meet the needs of employers. Specifically, approval of this waiver will enable customers to be trained so they have the skills needed by Indiana employers. This waiver will be measured through attainment of the Common Measures.

**Individuals impacted by the waiver**

The waiver benefits local and regional boards, employers, WIA Adult and Dislocated Worker participants and service providers. Because this waiver allows local and regional boards through Indiana to have greater flexibility to design programs based on regional needs and priorities which maximize the use of a

limited amount of funds, all WorkOne customers benefit from expanded access to a comprehensive mix of integrated services.

### **Process for monitoring progress in implementation**

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

### **Notice to affected local boards**

DWD will publish this waiver request with the Strategic State Plan 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 interested in Indiana's workforce development 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.

**Waiver Request 3**  
**Indiana Department of Workforce Development**  
**Waiver of WIA Section 123**  
**Allow Older and/or Out-of-School Youth to Use Individual Training Accounts**  
**Effective: September 15, 2012 – June 30, 2017**

The State of Indiana is requesting a waiver for Section 123 of the Workforce Investment Act (WIA) – the competitive selection of youth providers - and 20 CFR 664.510 – to allow Individual Training Accounts (ITAs) for older and/or out-of-school youth.

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

Indiana requests a waiver to Section 123 of the Workforce Investment Act (WIA) and 20 CFR 664.510. This would allow the selection of training providers for older and/or out-of-school youth from the State's eligible training provider list, IN Training. This waiver allows, but does not mandate, these youth the flexibility to utilize ITAs.

The US Department of Labor (USDOL) issued a strategic vision on the delivery of youth services under WIA. USDOL emphasized that youth services be demand-driven, and that WIA services prepare those youth most at-risk and also the neediest for job opportunities with upward mobility. Approval of this waiver will assist Indiana achieve our goals and will assist us in implementing USDOL's strategic vision for youth. It will also allow us to reduce much of the administrative costs of procuring training providers for youth. Older and/or out-of-school youth will no longer need to meet adult or dislocated worker eligibility requirements to pursue their occupational goals. Eligibility will no longer need to be determined twice due to having to co-enroll in both the WIA Youth and Adult/Dislocated Worker programs in order to receive ITAs.

This waiver will allow older and/or out-of-school youth to select training institutions and courses through the statewide eligible training provider system named "IN Training." Indiana believes these youth will benefit from the training provided by these certified training providers. Allowing youth to use ITAs will streamline services, will increase customer choice and will increase local flexibility.

Indiana is committed to ensuring that the appropriate youth services be provided through the ten youth program elements. Local areas will be monitored by the State to ensure all ten program elements will be made available. Monitoring will include checking for compliance with federal and state policy and guidance and local policy.

**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 assist Indiana in meeting the following strategic goal established by the State Workforce Innovation Council – "Ensure Hoosiers understand and achieve occupational goals that

advance Indiana's economy." Approval of this waiver will help the workforce system provide career development to at-risk youth that includes occupational training and workplace-skill development with a focus on high-wage and high-demand jobs. Youth will have optimal flexibility in selecting their occupational category. It is anticipated that this waiver will enable the State to improve the WIA Youth attainment of a degree or certificate common measure.

### **Individuals impacted by the waiver**

- Older and/or out-of-school youth will benefit because they will be able to select a training program from a listing of certified providers and will receive these services more quickly.
- Local areas will benefit because they will not have to direct local resources to costly and time consuming competitive procurements.
- Training providers will benefit because they will not have to follow two separate procedures to provide training for adults and dislocated workers and for youth.

### **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 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 with the Strategic State Plan 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.

**Waiver Request 4**  
**Indiana Department of Workforce Development**  
**Waiver of Section 134(a)(1)(A)**  
**To use 20 percent of Rapid Response funding for Incumbent Worker Training**  
**Effective: September 15, 2012 to June 30, 2017**

The State of Indiana is requesting a waiver of WIA Section 134(a)(1)(A) to be permitted to use up to 20 percent of the funds reserved for rapid response activities to be used for incumbent worker training only as part of a lay-off aversion strategy.

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

This waiver would permit Indiana to use up to 20 percent of rapid response funds for incumbent worker training as part of a lay-off aversion strategy. The training will be limited to layoff aversion due to the present economic climate where training laid off workers is of paramount importance. The training will also be restricted to skill attainment activities only. Indiana will report performance outcomes for incumbent workers served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD). Indiana will also follow the policy guidance provided in TEGL 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver."

**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**

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

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**

Incumbent workers who are in danger of lay off or plant closure are most affected by this waiver. These incumbent workers will have increased opportunities to learn high tech, high wage skills, thus increasing their potential for employment or better employment. Workforce investment boards and regional

workforce boards will have additional training resources available to them. The employer community will have a larger pool of trained applicants.

### **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 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 with the Strategic State Plan 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.

**Waiver Request 5**  
**Indiana Department of Workforce Development**  
**Waiver of Section 134(a)**  
**To Permit Local Areas to Use a Portion of Local Funds for**  
**Incumbent Worker Training**  
**Effective: September 15, 2012 to June 30, 2017**

The State of Indiana is requesting a waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

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

This waiver would permit local workforce investment areas in Indiana to use up to 10 percent of local Dislocated Worker formula allocated funds and up to 10 percent of local formula allocated Adult funds for incumbent worker training as part of a lay-off aversion strategy. The training will be limited to layoff aversion due to the present economic climate where training laid off workers is of paramount importance. The training will also be restricted to skill attainment activities only. Indiana will report performance outcomes for incumbent workers served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD). Local areas will continue to conduct the required local employment and training activities at WIA Section 134(d).

**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**

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

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**

Incumbent workers who are in danger of lay off or plant closure are most affected by this waiver. These incumbent workers will have increased opportunities to learn high tech, high wage skills, thus increasing their potential for employment or better employment. Workforce investment boards and regional

workforce boards will have additional training resources available to them. The employer community will have a larger pool of trained applicants.

**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 online 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 with the Strategic State Plan 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.

**Waiver Request 6**  
**Indiana Department of Workforce Development**  
**Waiver of Section 134(a)**  
**To waive certain mandatory uses for Governor's Reserve funding**  
**Effective: September 15, 2012 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 three waivers concerning Governor's Discretionary funding:

- Waiver of WIA Section 134(a)(2)(B)(i) and 20 CFR 665.200(b)(3) requiring dissemination of training provider performance and cost information.
- 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.

Recent Congressional action 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. Also, this allows Indiana to redirect funds normally set aside for those activities listed above to those activities that preserve the basic functions of the system.

**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**

All individuals associated with Indiana's workforce investment system will be affected by this waiver.

**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 online 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 with the Strategic State Plan 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.

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Recent Congressional action 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. Also, this allows Indiana to redirect funds normally set aside for those activities listed above to those activities that preserve the basic functions of the system.

*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 \$725,000, with \$75,000 being attributed to the dissemination of training provider performance and cost information, \$50,000 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 approximately \$7.2 million during the current program to conduct all administrative activities required and statewide activities required by Section 134 of WIA. However, with the decrease from 15% to 5%, for the current program year, the State has approximately \$2.44 million. With the estimated costs of the three activities covered in the waiver being \$725,000, this would mean that the State would be left with approximately \$1.7 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 with the Strategic State Plan 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.

## **Waiver Request 7**

### **Indiana Department of Workforce Development Waiver of Section 123**

#### **The requirement that providers of WIA Youth program elements be selected on a competitive basis**

**Effective: September 15, 2012 to June 30, 2017**

The State of Indiana is requesting a waiver of WIA Section 123 that requires providers of WIA Youth program elements to be selected on a competitive basis.

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

Indiana is requesting a waiver of WIA Section 123 to allow the WorkOne Centers or partner agencies to directly provide the following four (4) of the ten (10) program elements for youth:

- Paid and unpaid work experiences, including internships and job shadowing, as appropriate;
- Supportive services;
- Follow-up services for not less than 12 months after the completion of participation, as appropriate; and
- Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate.

Indiana and its regional areas will 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.

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

No statutory or regulatory barriers exist at this time.

#### **Goals and expected programmatic outcomes of waiver**

Approval of this waiver will help achieve the following priority of the Governor for the workforce system: growing Hoosier jobs and employment. With this waiver, the workforce system will have greater flexibility and improve service delivery to youth, thus placing additional youth into employment.

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**

Workforce investment boards and regional workforce boards will have the opportunity to lessen administrative costs and redirect those funds to additional program activities to assist youth participants and strengthen performance.

**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 with the Strategic State Plan 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.