U.S. Department of Labor

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

DEC 12 2012

The Honorable Rick Snyder
Governor of Michigan
P.O. Box 30013
Lansing, Michigan 48909

Dear Governor Snyder:

This letter provides approval of Michigan'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 Michigan'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 Michigan 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 Michigan'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. Michigan's goals were transmitted to the agency in the Regional Administrator's letter dated October 19, 2012. This letter also indicates that Michigan'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 Michigan's State Integrated Workforce Plan, the State submitted waiver requests for waivers of statutory and regulatory requirements under WIA (copy enclosed). The State's request for 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 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 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 the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State requested 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 approval of this waiver through June 30, 2017. 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 and local areas may provide customized training to individuals 18 years of age or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local areas 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 requested 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 also requested to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the length of time of the participant's dislocation from the workforce. The State is granted approval of this waiver through June 30, 2017.

Under this 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.

Alternatively, the state may choose to use a sliding scale to permit an increase in employer reimbursement for on-the-job training based on the length of the participant's unemployment spell. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent employer reimbursement where on-the-job training is provided to individuals unemployed for 52 weeks or more, and 2) up to 75 percent employer reimbursement where on-the-job training is provided to individuals unemployed for 26 – 51 weeks. Where on-the-job training is provided to individuals unemployed for less than 26 weeks, 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 and local areas may provide on-the-job training to individuals age 18 or older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local areas 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 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 approval of this waiver through June 30, 2017. Under this waiver, the State is 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 layoff 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 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 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 the WIA regulations at 20 CFR 666.100 to exempt the state from including credential attainment outcomes for participants enrolled in on-the-job training in the credential performance measure calculations.

The State requested a waiver to exempt it from including credential attainment outcomes in the credential performance measure calculations for participants enrolled in on-the-job training. The State is granted approval of this waiver through June 30, 2017. The State must continue to report outcomes in the Workforce Investment Act Standardized Record Database (WIASRD) for participants enrolled in on-the-job-training.

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

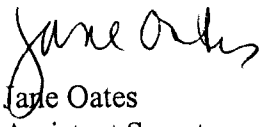
Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) to exempt the state from the requirement to conduct evaluations.

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. ETA is unable to make a determination with the information provided in the request. TEGL 26-09, Change 1, provides guidance on the required information for this waiver, and the ETA Regional Office is available to answer questions regarding additional needed information.

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 Malcom Jackson, the Federal Project Officer for Michigan, at 312-596-5414 or Jackson.Malcom@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosures

cc: Byron Zuidema, Regional Administrator, ETA Chicago Regional Office
Malcom Jackson, Federal Project Officer for Michigan

Workforce Investment Act and Wagner-Peyser Act

Performance Levels for PY 2012

Michigan

Workforce Investment Act Performance Levels

Adult Measures	PY 2012
Adult Entered Employment Rate	89.0
Adult Employment Retention Rate	90.0
Adult Six-months Average Earnings	$16,000
Employment & Credential Rate	81.0

Dislocated Worker Measures	PY 2012
Dislocated Worker Entered Employment Rate	94.0
Dislocated Worker Employment Retention Rate	93.0
Dislocated Worker Six-months Average Earnings	$16,000
Employment & Credential Rate	83.0

Older Youth Measures	PY 2012
Enter Employment Rate	83.0
Employment Retention Rate	85.0
Earnings Change	$4,100
Credential/Certificate Rate	78.0

Younger Youth Measure	PY 2012
Skill Attainment Rate	94.0
Diploma or Equivalent Attainment	90.0
Retention Rate	81.0

Customer Satisfaction	PY 2012
Participants	93.0
Employers	85.0

Wagner-Peyser Act Performance Levels

Measures	PY 2012
Entered Employment Rate	53.0
Employment Retention Rate	79.0
Six-months Average Earnings	$13,200

STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

September 13, 2012

The Honorable Hilda L. Solis
Secretary
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Dear Secretary Solis:

It is my pleasure to submit the State of Michigan's Workforce Investment Act of 1998 and Wagner-Peyser Act State Plan for Program Years 2012-2016. The State Plan was created in accordance with Training and Employment Guidance Letter 21-11. The Plan was approved by the State Workforce Investment Board after review and comment from workforce partners and the general public. I am confident the Plan meets the prescribed requirements of the U.S. Department of Labor and look forward to your approval.

If you have any questions, please contact Ms. Christine Quinn, Director, Workforce Development Agency, at (517) 335-5858 or quinnc1@michigan.gov.

Sincerely,

Rick Snyder
Governor

cc: Jane Oates, Assistant Secretary, Employment and Training Administration, USDOL
Christine Quinn, Director, Workforce Development Agency, State of Michigan

Enclosures

From:	Cooper, Janice (WDA)
Date:	Friday, September 14, 2012 12:39:55 PM
Posted At:	WIA.PLAN
Conversation:	State of Michigan - WIA-WP State Integrated Plan
Subject:	State of Michigan - WIA-WP State Integrated Plan
Attachments:	9 13 12 MEDC HIlda Solis WPA State Plan (2).pdf WIA WP Integrated State Plan.pdf image001.png
Importance:	High

The State of Michigan is pleased to submit our Workforce Investment Act/Wagner-Peyser state plan and waiver requests. The plan was created in accordance with Training Employment Guidance Letter 21-11, and approved by the State Workforce Investment Board after review and comment from workforce partners and the general public.

Janice

Janice M. Cooper
Departmental Specialist, WIA Section
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WIA Waiver Requests

The State of Michigan seeks approval of statutory waivers in accordance with the WIA 189(i)(4)(B) and WIA regulation at 20 CFR 661.420(c) for Program Years (Program Year) 2012 through 2017. The waiver requests will assist Michigan to further develop our workforce investment system while continuing to align workforce development efforts. This request 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.

Statutory and/or regulatory requirements to be waived
The WIA Section 101(31)(B) and the WIA Regulation 20 CFR 663.710

Michigan requests a waiver of the 50 percent limitation on employer reimbursements for On-the-Job Training. This waiver would allow employer reimbursements to be based on the length of time of the participant's dislocation from the workforce.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes
The requested On-the-Job Training employer waiver would permit reimbursement on a graduated scale based on the length of time of the individual's dislocation from the workforce. Based on current Michigan Unemployment Insurance Agency data, prolonged unemployment is defined as 16 weeks or greater. Thus, under the requested waiver, the following reimbursement amounts would be permitted: (1) up to 90 percent employer reimbursement for individuals dislocated from the workforce for 52 weeks, or more; (2) up to 75 percent employer reimbursement for individuals dislocated from the workforce for 26 – 51 weeks, and (3) for individuals dislocated from the workforce for less than 26 weeks, the current statutory requirements will continue to apply.

Current economic conditions and excessive long-term unemployment throughout Michigan has resulted in a reduction in the state's workforce, a perpetual decline in business productivity, and significant business restructuring and/or closures. This waiver allows local Workforce Development Boards to provide additional assistance to area employers in creating jobs and attachment to the workforce for long-term dislocated workers. While Michigan's economy has seen some improvement, the state still continues to experience significant layoffs, with job creation at a minimum. This waiver provides assistance to employers by moving the benefit of job creation sooner, rather than later, by reimbursing the costs of training newly-hired workers, and assists longer-term dislocated workers by incentivizing employers to hire.

This waiver aligns with Michigan's strategic plan, which calls for retaining, attracting, and matching our exceptional talent base with guidance from the needs of Michigan's growing employers. This is accomplished by improving talent matching (employment), and developing, attracting, and retaining talent through training.

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 include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met. Fiscal monitoring is provided by the Workforce Development Agency's Office of Audit and Financial Compliance.

The WIA state coordinators, dedicated to the administration of the WIA programs, will continually examine the effectiveness of waivers 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, and federal and state regulations.

Notice to local boards and public comment
In accordance with the WIA regulations at 20 CFR 661.230(d), which provide requirements of public review and comment, Michigan's Program Year 2012 State Plan and Waiver Requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. One comment in support of the waiver was received during the review period..

Statutory and/or regulatory requirements to be waived
WIA Section 133(b)(4) and WIA Regulation 20 CFR 661.140

Michigan requests a waiver from the funds transfer limit between the Adult and Dislocated Worker programs.

The requested waiver will increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to local areas. The waiver allows an increase of up to 50 percent in the amount that local areas can transfer between the Adult and Dislocated Worker funding streams.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory, or regulatory barriers, exist.

Waiver goals and outcomes

This waiver will maximize the impact of WIA dollars, by allowing both the Adult and Dislocated Worker programs to more efficiently and effectively 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 economic climate.

Goals and outcomes include:

- Improving the ability of the local Workforce Development Boards to develop workforce strategies that align with economic realities within their service delivery area;

- Increasing local flexibility over program delivery;
- Improving the ability for Workforce Development Boards to design programs in response to the needs of their customers; and

- Enhancing the Workforce Development Boards' ability to respond to fluctuating needs for training services.

This waiver aligns with our State's mission to provide the tools and environment to drive job creation and investment, and will be accomplished by continuing to focus on a demand-driven employment strategy, reorganizing around major industries, and leveraging resources to provide better employment services.

Individuals impacted by the waiver
This waiver may potentially impact all service delivery areas and their WIA participants. During Program Year 2011, fifteen of the twenty-five 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.

Monitoring progress and implementation
Annual WIA on-site programmatic reviews include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met. Fiscal monitoring is provided by the Workforce Development Agency's Office of Audit and Financial Compliance.

The WIA state coordinators, dedicated to the administration of the WIA programs, will continually examine the effectiveness of waivers 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, and 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 2012 state plan and waiver requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. No comments were received during the review period.

Statutory and/or regulatory requirements to be waived state plan and waiver request

WIA Section 101(8)(C) and WIA Regulation 20 CFR 663.715(c)

Michigan requests a waiver of the required 50 percent employer contribution for customized training; to permit a sliding scale employer contribution, based on the size of the business.

The requested scale for customized training would permit the minimum required employer match to be based on a graduated scale, determined by the size of the employer. Under the proposed waiver, the following employer match will be permitted: (1) a match of no less than ten percent of the cost of customized training for employers with 50 or fewer employees, and (2) a match of no less than 25 percent of the cost of customized training for employers with 51 employees but no more than 250 employees. 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 technologies, and where a standardized training may not be readily available through standard training channels. A sliding scale for the employer matching cost component creates more incentive for employers to participate in customized training that results in high-skill, high-demand and/or high wage positions.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes
The goal of this waiver is to increase the number of employers who take advantage of customized training. Utilization of 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. Workers will gain additional training resources that have previously been limited to larger employers, due to the costs associated with the mandated 50 percent employer contribution requirement. Increased access to customized training will assist employers with becoming more competitive and assist workers with becoming more skilled, resulting in increased employment retention and development of 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 their use of the public workforce system Companies seeking customized training are identified through multiple channels including: local delivery staff (business service representatives), partner referrals (local economic development representatives and chambers of commerce), company contacts, marketing, Web site 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.

This waiver aligns with Michigan's strategic plan. The strategic plan calls for developing, retaining, attracting, and matching an exceptional talent base with guidance from Michigan's growing employers. This is accomplished by improving talent matching (employment), and developing, attracting and retaining talent through training.

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 include an evaluation of how local waivers are being utilized, and ensure programmatic goals and outcomes are being met. Fiscal monitoring is provided by the Workforce Development Agency's Office of Audit and Financial Compliance.

The WIA state coordinators, dedicated to the administration of the WIA programs will continually examine the effectiveness of waivers 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, and 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 2012 state plan and waiver requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. No comments were received during the review period.

Statutory and/or regulatory requirements to be waived
WIA Section 101(31)(B) and WIA Regulation 20 CFR 663.710(b)

Michigan requests a waiver of the limit for employer reimbursements for On-the-Job Training to 50 percent of the wage rate of the participant receiving On-the-Job Training. On-the-Job Training is restricted to skill attainment activities.

The requested scale for On-the-Job Training 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 would 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 51 to 250 employees, (3) for employers with 251 or more employees, the current statutory requirements will continue to apply.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes
This waiver allows local Workforce Development Boards to provide additional assistance to area employers in creating jobs for WIA participants. While Michigan's economy is improving, the state continues to experience significant layoffs, with job creation at a minimum. This waiver provides assistance to employers in creating jobs and will move the benefit of job creation to sooner, rather than later, by partially reimbursing the costs of training new workers.

This waiver aligns with Michigan's strategic plan. The strategic plan calls for developing, retaining, attracting, and matching an exceptional talent base with guidance from the needs of Michigan's growing employers. This is accomplished by improving talent matching (employment), and developing, attracting and retaining talent through training.

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 include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met. Fiscal monitoring is provided by the Workforce Development Agency's Office of Audit and Financial Compliance.

The WIA state coordinators, dedicated to the administration of the WIA programs will continually examine the effectiveness of waivers 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, and federal and state regulations.

Notice to local boards and public comment
In accordance with the WIA regulations at 20 CFR 661.230(d), which provide requirements of public review and comment, Michigan's Program Year 2012 state plan and waiver requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. One comment in support of the waiver was received during the review period.

Statutory and/or regulatory requirements to be waived
WIA Section 134(a)

Michigan requests a waiver to permit the use of a portion of local area formula allocations to provide incumbent worker training.

The waiver permits local areas to utilize up to 20 percent of local dislocated worker funds allocated under Section 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.

The waiver will create capacity for local Workforce Development Boards to respond to specific company training needs and aid in averting layoffs within their service delivery area, as needed and appropriate. Incumbent worker training programs will be targeted to specific employers or industries that are experiencing a decline and will be utilized as part of an overall layoff aversion strategy. Locally targeted areas and sectors include manufacturing, healthcare, information technology, energy, agriculture, and other industries of state or regional importance.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes
Local incumbent worker training opportunities are identified via multiple pathways throughout the State, and in conjunction with the local service delivery areas, the Michigan Economic Development Corporation, local economic development agencies, chambers of commerce, training institutions, and other businesses and partners.

Incumbent worker training continues to be a viable tool to assist in Michigan's economic recovery. Like other WIA programs, incumbent worker training operates on a demand-driven basis. Michigan's incumbent worker training strategy focuses on industries that yield the highest return on investment by prioritizing funding investments and expenditures on services, education, and training around targeted industry clusters and related high priority occupations. Through the analysis of labor market information, including wages and long-term employment forecasts, local areas identify priority industries to target. Targeted industries include manufacturing, healthcare, information technology, energy, agriculture, and other industries of state or regional importance.

At-risk companies are identified via early warning networks that include: local service delivery staff (business services representatives), partner referrals (local economic development representatives), company contacts, marketing, Web site 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 part of a layoff 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 dislocation.

The impact of this waiver allowing the use of local funds should not be underestimated. With the reduction in State discretionary funding, the loss of traditional employers, and increased global competition, 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 have relationships with two and/or four year educational institutions, as well as proprietary schools to design and deliver the required training to incumbent workers. Training tailored to 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:

- Bolstering layoff aversion efforts;
- Increasing local control over program design;
- Aiding in the creation of new organizational strategies to avert layoffs; and
- Increasing capacity to serve incumbent workers.

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

- Workforce Development Boards ability to respond quickly to immediate employer training needs,
- Participants skills are upgraded, and
- Participants' wages increase.

Training under this waiver will include:

- Skills assessment and testing,
- Classroom training,
- Customized training,
- Instructor wages,
- Resource materials, and
- On-the-Job Training consistent with the WIA and WIA regulations.

All training is restricted to skill attainment activities with preference given to training resulting in industry-recognized certificates or credentials of value, within the local service delivery area.

Incumbent worker training will be used as part of a local area's overall layoff aversion strategy.

- 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 strategies will be used by the State when approving local areas' 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 industries;
- Programs foster and/or further the development of industry sectors in targeted areas and other industries of state or regional importance; and
- Programs elevate the roles of community colleges in regard to workforce and economic development.

All incumbent worker training must include a contract or written agreement with each participating employer. In addition to specifics about the number of participants and training activities being provided, the contract or written agreement must also include "at-risk" indicators, identified as justification for incumbent worker training for layoff aversion, documentation of training outcomes for each incumbent worker, including skill attainment goals and the amount of employer matching support, if applicable.

This waiver aligns with Michigan's layoff aversion strategy by connecting incumbent worker training to industry sectors, whose strength has the most significant impact on the future of the workforce area and the most appropriate target for layoff aversion efforts. The waiver request also is in alignment with Michigan's strategic plan of shifting to a demand-driven employment strategy by reorganizing around our major industries, and to better collaborate with businesses, colleges and universities.

Individuals impacted by the waiver
This waiver may potentially impact all service delivery areas and their WIA participants.

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 local dislocated worker formula funds, enabling Workforce Development Boards 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 of this program with waiver approval. Furthermore, incumbent worker layoff aversion strategies provided by this waiver will afford the 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 include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met. Fiscal monitoring is provided by the Workforce Development Agency's Office of Audit and Financial Compliance.

The WIA state coordinators, dedicated to the administration of the WIA programs, will continually examine the effectiveness of waivers throughout the program year. Additionally, WIA state coordinators will monitor participating service delivery areas through the review and analysis of data collected by the state's One-Stop Management Information System. This strategy ensures 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, and 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 2012 state plan and waiver requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. One comment was received during the review period. To review the Workforce Development Agency's response, please refer to Attachment D, comment 7.

Statutory and/or regulatory requirements to be waived
WIA Section 134(a)(1)(A)

Michigan requests a waiver to permit the State to use a portion of rapid response funds to provide incumbent worker training.

The waiver 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 consistent with 20 CFR Sections 665.210 and 20 CFR 665.220 at the Workforce Development Board level, as part of an overall layoff aversion strategy.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes
Incumbent worker training is identified via an early warning network that includes local service delivery areas, the Michigan Economic Development Corporation, local economic development agencies, chambers of commerce, training institutions, or other business organizations.

Incumbent worker training has become a viable tool to assist in Michigan's economic recovery. Incumbent worker programs, provided under this waiver, are targeted to specific employers or industries that are experiencing declines and have the potential to undergo layoffs, or are

experiencing skill gaps that impact their ability to compete and retrain workers. Targeted industries include manufacturing, healthcare, information technology, energy, agriculture, and other industries of state or regional importance.

This waiver aligns with Michigan's layoff aversion strategy by connecting incumbent worker training to industry sectors whose strength has the most significant impact on the future of the workforce area and the most appropriate target for layoff aversion efforts.

Michigan's incumbent worker training strategy focuses on industries that yield the highest return on investment by prioritizing funding investments and expenditures on services, education, and training around targeted industry clusters and related high priority occupations. High priority occupations are:

- Occupations within the state's five targeted industry clusters (manufacturing, healthcare, information technology, energy, and agriculture);
- Currently in-demand by employers or are new, emerging occupations identified by industry;
- Occupations with higher skill needs and/or skill gaps;
- Likely to provide family-sustaining wages; and
- Occupations that offer advancement opportunities or have visible career-ladders.

The Workforce Development Agency is working with businesses to up-skill incumbent workers, by creating partnerships with local Workforce Development Boards and two 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 and supportive services and follow-up services following training completion.

The goals of this waiver are:

- Bolstering layoff aversion efforts;
- Increasing local control over program design;
- Aiding in the creation of new organizational strategies to avert layoffs;
- Increasing capacity to serve incumbent workers;
- Increasing employer exposure and use of the state's public workforce system, and
- Improving the state's overall economic and business climate.

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

- Workforce Development Boards ability to respond quickly to immediate employer training needs;
- Participants' skills are upgraded, and
- Participants' wages increase.

Training provided under this waiver includes:

- 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.

This waiver request is consistent with our Governor's vision to transform our economy by growing and attracting business. The reinvention of Michigan includes collaboration with our partners and delivering services that create opportunities for growing businesses in Michigan.

Individuals impacted by the waiver

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

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 Workforce Development Boards 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 of this program with waiver approval. Furthermore, incumbent worker layoff aversion strategies provided by this waiver will afford the 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 include an evaluation of how local waivers are being utilized and ensure programmatic goals and outcomes are being met. Fiscal monitoring is provided by the Workforce Development Agency's Office of Audit and Financial Compliance.

The WIA state coordinators, dedicated to the administration of the WIA programs, will continually examine the effectiveness of waivers throughout the program year. Additionally, 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. 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, and federal and state regulations.

Notice to local boards and public comment
In accordance with the WIA regulations at 20 CFR 661.230(d), which provide requirements of public review and comment, Michigan's Program Year 2012 state plan and waiver requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. No comments were received during the review period.

Statutory and/or regulatory requirements to be waived
WIA Regulations 20 CFR 664.510

Michigan requests a waiver of the prohibition on the use of Individual Training Accounts for out-of-school youth.

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 ultimately 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. Services requiring traditional, year-round contracting often result in delaying access to training, and subsequent employment. Additionally, the real-life, informed, decision-making involved in using Individual Training Accounts and an eligible training provider list provide out-school youth with the experience of responsibility that is necessary as an adult.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes
Goals and outcomes include:

- Improve the ability of Workforce Development Boards to develop strategies to align with workforce and economic realities within their service delivery areas;

- Increase local control over program delivery;

- Improve the ability for Workforce Development Boards 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 the use of Youth program funds instead of Adult program funds for Individual Training Accounts, as part of the 30 percent out-of-school youth expenditure requirement;

- Reduces the paperwork and tracking processes requirement in dual enrollment (WIA Youth and Adult programs); and

- Provides out-of-school youth more choice.

Funds utilized for older and out-of-school youth Individual Training Accounts are tracked and reflected in the individual service strategies. The ten youth program elements will continue to be available to all youth, as described in the WIA Section 129(c)(2).

This waiver request is consistent with the Governor's vision to transform the Michigan economy by growing and attracting businesses, keeping talented residents here, and revitalizing urban centers. To that end, the development of talent, along with retention of our youth is one of the key steps in reinventing Michigan. Developing the next generation of talent is critical to Michigan's ability to compete.

Individuals impacted by the waiver
The waiver may potentially impact all service delivery areas and their WIA participants.

Monitoring progress and implementation
Annual WIA on-site programmatic reviews 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 the WIA programs, will continually examine the effectiveness of waivers 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, and federal and state regulations.

Notice to local boards and public comment
In accordance with the WIA regulations at 20 CFR 661.230(d), which provide requirements of public review and comment, Michigan's Program Year 2012 state plan and waiver requests were

posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. No comments were received during the review period.

Statutory and/or regulatory requirements to be waived
WIA Regulations 20 CFR 666.100

Michigan requests a waiver to exempt the state from including credential attainment outcomes for participants enrolled in On-the-Job Training in the credential performance calculations.

Actions undertaken to remove state or local statutory or regulatory barriers:
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes
This waiver would grant local Workforce Development Boards the ability to exclude On-the-Job Training participants from the credential attainment performance indicator. Thus, the credential result for On-the-Job Training participants would not count against overall credential attainment performance.

Additionally, the waiver would provide the state and local Workforce Development Boards greater flexibility and access to use On-the-Job Training programs without negatively impacting credential-related performance standards.

Waiver goals and outcomes include:

- Increased local control over program delivery;
- Allow individuals enrolled in On-the-Job Training programs to forgo a credential when employment begins; and
- Improve the state's overall economic and business climate.

The waiver would apply for all participants enrolled in On-the-Job Training, regardless of the funding source. The state will continue to report outcomes in the WIA Standardized Record Data for participants enrolled in On-the-Job Training.

This waiver aligns with Michigan's strategic plan. The strategic plan calls for developing, retaining, attracting, and matching an exceptional talent base with guidance from Michigan's employers. This is accomplished by improving talent matching (employment), and developing, attracting and retaining talent through training.

Individuals impacted by the waiver
This waiver has the potential to impact all service delivery areas. All participants enrolled in an On-the-Job Training program would be impacted.

Monitoring progress and implementation
Annual WIA on-site programmatic reviews 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 the WIA programs will continually examine the effectiveness of waivers 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, and federal and state regulations.

Notice to local boards and public comment
In accordance with the WIA regulations at 20 CFR 661.230(d), which provide requirements of public review and comment, Michigan's Program Year 2012 state plan and waiver requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. One comment in support of the waiver was received during the review period.

Statutory and/or regulatory requirements to be waived
WIA Section 122(C)(5) and WIA Regulations 20 CFR 663.530

Michigan requests a waiver of the time limit on the period of initial eligibility for training providers.

The waiver extends the period of "Initial Eligibility of Training Providers," thereby postponing the "Subsequent Eligibility of Training Providers." The waiver maintains the broadest range of eligible providers to enable individuals to make informed choices relating to their training goals.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes
This waiver request is to continue providing an alternate performance and cost information requirement to Individual Training Account service providers. The alternative process establishes an inclusive model for recruiting eligible training service providers; more fully empowers individuals to obtain needed services and information to enhance employment opportunities, and allows the local Workforce Development Board to continue to address immediate and longer-term workforce needs as documented in local strategic plans. The waiver request maintains the broadest range of eligible providers to enable individuals to make informed choices relating to their training goals.

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

- Expanded client-customer employment training options and innovative individual service choice;

- Greater participation by training service providers in the WIA career development system; and

- Improved consistency in service provider evaluation and cost information;

Individuals impacted by the waiver
This waiver positively affects public and private training providers and improves customer choice when selecting training providers. Without the waiver, mandated reporting requirements are burdensome and costly; therefore some providers find it necessary to end their WIA participation, thus reducing consumer choice.

Monitoring progress and implementation
Monitoring of this waiver is achieved through the review and analysis of quarterly reports submitted by the local service delivery areas, as well as the state's eligible training provider contractor.

The WIA state coordinators, dedicated to the administration of the WIA programs, will continually examine the effectiveness of waivers 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, and 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 2012 state plan and waiver requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. No comments were received during the review period.

Statutory and/or regulatory requirements to be waived
WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d)

Michigan requests a waiver from the requirement to conduct evaluations of WIA activities for Adult, Dislocated Worker, and Youth programs.

Actions undertaken to remove state or local statutory or regulatory barriers
Currently, no state or local statutory or regulatory barriers exist.

Waiver goals and outcomes

The reduction to five percent in the WIA allotment for Program Year 2012 Governor's Reserve funds, and further reductions anticipated for subsequent program years through 2017, restricts the State's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current and anticipated funding levels for future Program Years is insufficient to cover the cost of evaluations. Our goal in seeking this waiver is to ensure that the State may prioritize the use of the Governor's Reserve funds for the required activities deemed most essential to the basic functions of the workforce investment system.

Michigan has seen an 80 percent reduction in Governor's Reserve funds since Program Year 2009. Funding utilized for incentive grants and for providing additional assistance to local areas that have high concentrations of youth has also been reduced proportionately. Additionally, the State has implemented cost savings measures, significantly reducing the costs associated with maintaining the state's list of eligible training providers and with the capturing of customer satisfaction information for customers and employers, as required under the WIA performance measures. Based on costs associated with previous evaluations, it is estimated that evaluation costs for WIA activities would range anywhere between $500,000 and $800,000, or approximately 15 percent of the available Governor's Reserve funds. Even with the cost savings already achieved, continued funding of the evaluation component will significantly reduce or eliminate funds for incentive grants, areas with high concentrations of youth, and the operation of one-stops; three areas that the state has strategically targeted and prioritized.

Keeping our youth here in Michigan is a key strategy for Governor Snyder. Ensuring areas with high concentrations of youth have the funding necessary to serve eligible youth and connect them to our workforce is key to our state's reinvention. Additionally, we recognize the importance of continuous improvement within the workforce system and the need to reward those areas meeting and exceeding performance by providing incentive grants on a yearly basis. Finally, Michigan continues to face higher than average levels of unemployment, resulting in high usage of our One-Stop system. Funding for our One-Stop delivery system must continue to be provided to meet both employer and jobseeker needs in order to continue to grow our economy, and create more and better jobs as outlined in the Governor's reinvention strategy.

The State's reduced funds are being used to cover the required activities under WIA 20 CFR 665.200:

- Required rapid response activities as described in Section 665.310;
- Disseminating:
    - The state's list of eligible providers of training services (including those providing non-traditional training services), for Adults and Dislocated Workers;
    - Information identifying eligible providers of On-the-Job Training and customized training;
    - Performance and program cost information about these providers, as described in 20 CFR 663.540, and

- The list of eligible providers of youth activities, as described in the WIA Section 123.

- Providing incentive grants for:
  - Regional cooperation among local boards, as described in 20 CFR 661.290;
  - Local coordination of activities carried out under WIA; and
  - Exemplary performance by local areas on the performance measures.
- Providing technical assistance to local areas that fail to meet local performance measures;
- Assisting in the establishment and operation of One-Stop delivery systems in accordance with the strategy described in the State Workforce Investment Plan (WIA Section 112(b)(140));
- Providing additional assistance to local areas that have high concentrations of eligible youth;
- Operating a fiscal and management accountability system, based on guidelines established by the Secretary after consultation with the Governors, chief elected officials, and One-Stop partners, as required by the WIA Section 136(f); (WIA Sections 129(b)(2), 134(a)(2), and 136(e)(2)); and
- Submitting required reports (WIA Section 136(f)); and
- Performance outcomes will continue to be captured and reported for the WIA participants.

Individuals impacted by the waiver

This waiver will provide the State agency with more flexibility in directing the Governor's Reserve funds to those activities and priorities that best preserve the functions of the statewide workforce investment system while meeting key actions outlined by the Governor. The cost savings associated with the waiver would help offset any further reductions in WIA services funded with Statewide Activities funds.

We anticipate limited to no impact by not funding the evaluation component. Since progress and outcomes of employers and jobseekers served through our workforce system will continue to be evaluated through the statutory WIA and Wagner-Peyser performance measures, the elimination of the evaluation component will not directly affect WIA participant services. Through the strategic expenditure of statewide activity funding, WIA services to areas with high concentrations of youth, performance incentive grants to local areas as a positive reward for successful efforts to improve service to the WIA customers, and funding for our One-Stop

delivery system will be maintained, rather than reduced. These identified activities offer the greatest positive impact on services to WIA participants.

Monitoring progress and implementation
The State monitors progress and ensures accountability for federal funds in connection with these waivers by reviewing quarterly expenditure, performance, and other reports through regular contact with the Employment and Training Administration Regional Office liaisons and through its monitoring and performance accountability system.

Notice to local boards and public comment
In accordance with the WIA regulations at 20 CFR 661.230(d), which provide requirements of public review and comment, Michigan's Program Year 2012 state plan and waiver requests were posted at http://www.michiganadvantage.org/Public-Notices-Requests-for-Proposals/ and www.michigan.gov/mdcd for comment and review by local Workforce Development Boards and the general public.

In addition to posting proposed Program Year 2012 waivers at the Web site, copies of the plan and waiver requests were provided to all local Workforce Development Boards, and their association. One comment was received during the review period. To review the Workforce Development Agency's response, please refer to Attachment D, comment 8.

Trade Adjustment Assistance

The Workforce Development Agency has data sharing agreements with the Unemployment Insurance Agency to provide wage record information for Trade participants for federal reporting purposes. The Unemployment Insurance Agency also provides Trade Readjustment Assistance data for inclusion in the Trade Activity Participant Report.

As a matter of process, the Unemployment Insurance Agency relies on information from the local Michigan Works! Agencies for Trade Readjustment Assistance payments. Michigan Works! Agencies provide individuals the Trade Adjustment Assistance / Trade Readjustment Assistance application, the Waiver of Trade Adjustment Assistance Training, and the Trade Adjustment Assistance training information.

The Unemployment Insurance Agency accesses information from the One-Stop Management Information System, particularly reviews and updates concerning the Trade Adjustment Assistance training waiver component when approving payments. As part of designing the benefits side of a new integrated system, the Unemployment Insurance Agency currently is seeking to interface electronically with the One-Stop Management Information System in order to obtain the Trade Adjustment Assistance-related information needed for processing payments in a more streamlined and efficient manner.

State Trade Act policy requires that Trade Act programs are delivered in coordination with other dislocated worker programs administered by the local workforce investment boards (Michigan Works! Agencies). Services are delivered in coordination to maximize program efficiency and prevent duplication of services. The Trade Act programs are used as the first option to support

approvable, training related costs for participants, eligible for and receiving services, under the Trade Act.

Michigan Works! Agencies are required to schedule Trade Act worker benefit orientation meetings within fifteen days of receiving notification of a certified worker group. Worker benefit orientation meetings are provided for the purpose of delivering information on all available services available under Trade; including how and when individual benefits and services may be accessed. Pre-separation training is also available to eligible workers who have received notice of termination but have not yet separated from employment.

Similarly, Rapid Response activities, such as worker orientations and rapid response meetings always include an overview and discussion of Trade Adjustment Assistance. If a trade petition has not been filed, the Rapid Response team will assist with the filing. If the workers are Trade Adjustment Assistance eligible, coordination of Dislocated Worker and Trade Adjustment Assistance services (dual enrollment) may occur to ensure maximum benefit to the dislocated worker.

If a company has already been trade certified at the time of the rapid response meeting, a joint Trade Adjustment Assistance and Rapid Response meeting may occur. The purpose behind the joint meeting is to provide an overview of services, initial unemployment insurance benefits, Trade Adjustment Assistance, and how all systems work together to benefit workers.

A full range of re-employment services, including mandated services, are provided to all Trade-eligible workers, regardless of allowable funding sources, to support case management activities. Services include training, job search, relocation allowances, and re-employment Trade Adjustment Assistance. All participants who are interested in seeking training are provided comprehensive assessments. Assessments are utilized to determine a worker's current skill levels, identify services needed, and are used to assist in satisfying the six training approval criteria established under the Trade Act. Assessments are also used in the development of individual employment plans to best assist in meeting the customer's service needs and to ensure that applicable services are provided.

Trade Adjustment Assistance participants are included in the states integrated One Stop Management Information System, which allows co-enrollment of Trade Adjustment Assistance participants into WIA and Wagner-Peyser programs. Integration into the One-Stop Management Information System allows the sharing of information on services provided to participants in these partner programs. The One Stop Management Information System includes an integrated Individual Employment Plan component, which facilitates electronic case management of all participants in the Trade Act, the WIA and Wagner-Peyser programs. One Individual Employment Plan is created per participant which is shared across multiple programs to ensure a cohesive integrated approach to service delivery is developed and provided and duplication of services are avoided.

Michigan Works! Agencies are highly encouraged to co-enroll Trade participants into WIA and Wagner-Peyser programs. Subsequently, Trade Act funds are used as the first option to support approvable training-related costs for participants eligible for, and receiving services under the

Trade Act who are co-enrolled in another dislocated worker program. Participants typically register with the Wagner-Peyser program for facilitated and mediated services prior to registration with Trade Adjustment Assistance, thus allowing the cross-reference for dual enrollment in the One-Stop Management Information System Additionally, participants who self-identify their Veteran status, are given priority of service and referred to the local area's veteran's representative for additional services. If a barrier to employment is identified through assessment, or the participant discloses a barrier, a referral is made to Michigan Rehabilitative Services for additional support and services.

Training, technical assistance, and program monitoring is conducted on a continual basis to ensure maximum program efficiency and to prevent duplication of services.

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