

OFFICE OF THE GOVERNOR
STATE OF MONTANA

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April 14, 2011

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

RE: Montana WIA/Wagner-Peyser State Plan Extension Request

Dear Ms Sten:

December 10, 2010, the USDOL Employment and Training Administration (ETA) issued a Training and Employment Guidance Letter (TEGL) 17-10, Guidance for Submitting Workforce Investment Act and Wagner – Peyser Act State Plans and Waiver Requests for Program Year 2011. ETA has provided two options to extend or modify current Plans to enable states to have an approved State Plan in place for PY 2011 without engaging in full five-year planning.

Montana is seeking Plan approval under Option I in which ETA will approve an extension of the current WIA/W-P State Plan for an additional year, through PY 2011 (July 1, 2011 – June 30, 2012). ETA will also approve requests for waiver extensions for an additional year. The contents of this letter is Montana's formal request for an extension to our current Workforce Investment Act & Wagner-Peyser State Plan, along with our request to extend our current waivers aside from the American Recovery and Reinvestment Act waivers that expire June 30th. Montana is also submitting a new waiver request to allow for the use of Individual Training Accounts for WIA Eligible Youth. (attached) This waiver request has been vetted by the State Workforce Investment Board's WIA Committee, Youth Council and Executive Committee. In addition, the waiver request has been posted for a two week public comment period (attached). Montana's Regional Administrator will be notified regarding our waiver requests along with our wish to extend our current negotiated PY 2010 performance goals for an additional year.

Montana greatly appreciates the flexibility awarded through the use of waivers to address local workforce needs specific to a rural state and its rural communities. Montana's low population density, coupled with the nation's fourth largest geographic area, puts the State in a position to take advantage of the use of waivers to be innovative in our approach to meet these unique rural needs. Montana anticipated the waiver plan provides adequate accountability and improved performance for USDOL approval.

Wavier Requests (extensions)

1. Statewide Regional Planning Area – State Workforce Investment Board

a) Montana applied for and was awarded a Waiver in October 2005 and again in the 2007 Modified State Plan to apply 20 CFR 661.300(f), which permits a state board to carry out the roles of a local board in a single local area, to a statewide regional planning area. **Montana is formally seeking a Waiver renewal to apply 20 CFR 661.300(f), which permits a state board to carry out the roles of a local board in a single local area, to a statewide regional planning area.**

b) In the 2-Year Plan Modification approved in October 2005 and again in the Modified 2007 State Plan, Montana also formally requested and was granted a waiver of the requirements relating to local area performance in WIA sec. 136(c). Montana, in functioning as a single statewide planning area, reports statewide data and meets applicable state performance requirements. This enables the SWIB to monitor progress throughout the state, take appropriate corrective action promptly, and will lead to improved statewide performance. **Montana is formally seeking a Waiver renewal to report statewide data and meet applicable state performance requirements.**

2. Eligible Training Providers

a) In April 2005, the State was awarded an extension of the waiver for a **time limit on period of initial eligibility for training providers** at 20 CFR 663.530 thru June 30, 2007. The waiver was again approved in the 2007 Modified State Plan. **Montana is formally seeking a Waiver renewal to apply 20 CFR 663.530.**

3. Performance Measures

a) Montana applied for and was granted a waiver in 2007 to apply 20 CFR 666.100 (WIA Law Section 136(b)) which specifies the performance measures that must be included in state plans. This waiver allows Montana to stop reporting on the current 17 performance measures (15 core and 2 customer satisfaction) and to implement the nine common measures for WIA Title IB adult, youth and dislocated worker delineated in TEGL 17-05. MDLI will continue to track customer satisfaction. **Montana is formally seeking a Waiver renewal to apply 20 CFR 666.100.**

4. Performance and Eligible Training Providers

a) Montana applied for and was granted a waiver in 2007 to apply 20 CFR 663.530-540 (WIA Section 122(c)(5)), specifies the time limits for initial eligibility and/or subsequent eligibility. This waiver request will: waive performance in subsequent eligibility determination process for eligible training providers which began in PY2007; as well as waive the eligibility determination process for a State University, Community or Tribal College, or Center of Applied Technology who is adding new programs to their training curriculum. **Montana is formally seeking a Waiver renewal to apply 20 CFR 663.530-540 (WIA Section 122(c)(5)),**

5. Incentive Grants

a) Montana applied for and was granted a waiver January 30, 2009 to apply 20 CFR 665.200 WIA 134(a)(2)(B)(iii) (Incentive Grants to Local Areas for Exemplary Performance Requirement). **Montana is formally seeking a Waiver renewal to apply 20 CFR 665.200.**

Waiver Request (new)

6. Individual Training Accounts for WIA Eligible Youth

The status effected by this requests are at Sec 122, Sec 123, Sec 129(c)(2) & (3)(A)(iii). The WIA statute at 129 does not provide youth access to ITAs. Regulations at 20 CFR Part 664.510 specifically prohibit the use of ITAs for youth participants unless the youth are 18 years of age and co-enrolled in either the Adult or Dislocated Worker programs set forth in 20 CFR Part 664.500. This waiver request has been vetted by the State Workforce Investment Board's WIA Committee, Youth Council and Executive Committee. In addition, the waiver request has been posted for a two week public comment period (attached). Montana's Regional Administrator will be notified regarding our waiver requests. **Montana is formally seeking a Waiver renewal to apply 20 CFR 664.500.**

WIA Negotiated Performance Levels for PY 2011

Pertaining to the WIA negotiated levels of performance for PY 2011: In the Fall 2008 the U.S. Department of Labor-Employment and Training Administration (USDOL-ETA) asked Montana to participate in a pilot project to help develop proposed performance targets based on statistically sound methods. USDOL-ETA contracted with a former Texas WIA employee to help Montana staff develop regression models to predict future performance for the WIA Youth, Adult, and Dislocated Worker performance measures.

The regression models were based on past performance and included approximately 33 demographic factors that may influence performance, such as percent of participants with disabilities, percent offenders, percent not employed at participation, etc.

USDOL-ETA stated if regression models were set up in the prescribed manner, projected performance levels from the models would be accepted during performance level negotiations. State staff finished regression model analysis for eight of nine performance measures. Projected levels for six of the eight measures were lower than current negotiated performance levels.

Based on results of the regression analyses, Montana asked for performance levels to be revised as follows and are again requesting an extension of current performance levels for the next program year.

Montana Negotiation of Levels of Performance (based on analysis of regression model results)

Measure	PY 2011 Level
Adult Entered Employment:	88%
Adult Employment Retention:	88%
Adult Average Earnings:	\$9,360
Dislocated Worker Entered Employment:	88%
Dislocated Worker Employment Retention:	92%
Dislocated Worker Average Earnings:	\$14,600
Youth Attain Degree/Certificate:	71%
Youth Place Employment/Education:	71%
Literacy and Numeracy Gains	30%

Montana Proposed Negotiated Targets for Wagner-Peyser and Services to Veterans for Program Year 2011

Wagner-Peyser wishes to extend their negotiated performance as follows:

- Entered Employment 84%
- Retention 88%
- Average Earnings \$11,700

The following outcome targets were approved September 21, 2011 and included in the approved Services to Veterans State Plan. Performance Negotiations are expected to take place the summer of 2011.

Performance Targets for Jobs for Veterans State Grant Funded Services	
DVOP:	
Disabled Veteran EER	61
Disabled Veteran ERR	80
LVER:	
Recently Separated Veteran EER	55
Recently Separated Veteran ERR	78
DVOP/LVER Consolidated:	
Veteran EER - Weighted	70
Veteran ERR	80
Veteran Average Earnings (AE)	13,500
Performance Targets for One-Stop Services for Veterans	
Veteran Entered Employment Rate (EER)	71
Veteran Employment Retention Rate (ERR)	82
Veteran Average Earnings (AE)	14,283
Disabled Veteran EER	61
Disabled Veteran ERR	78
Disabled Veteran AE	13,800

In closing, Montana's workforce development system is committed to improving the employability of our citizens in a vastly growing global economy coupled with turbulent economic times. We are dedicated to being partners in promoting the nations economic recovery, and assisting those most in need.

Please direct further questions on the contents of this letter to:

Leisa Smith, Director
 State Workforce Investment Board
 406-444-1609
 lsmith@mt.gov

Sincerely,

Brian Schweitzer, Governor

Cc: Keith Kelly, Commissioner, Department of Labor & Industry
 Gary Wright, Bureau Chief, Programs and Oversight Bureau
 Tiffany David, Bureau Chief, Job Service Operations Bureau
 Dave Morey, Bureau Chief, 21st Century Workforce Bureau
 Jesus Morales, FPO/Regional Monitor Advocate, Dallas Regional Office
 Joseph Juarez, Regional Administrator, ETA Dallas Regional Office