



AUG 28 2013

The Honorable Brian Schweitzer  
Governor of Montana  
State Capitol  
P.O. Box 200801  
Helena, Montana 59620-0801

Dear Governor Schweitzer:

The Employment and Training Administration (ETA) is pleased to respond to your request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. The original request was written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and meets the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's waiver extension request (copy enclosed).

Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State is requesting a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is granted this waiver through June 30, 2017. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local area may provide on-the-job training to individuals age 18 and older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local area 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.

The approved waiver is incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as required by Training and Employment Guidance Letter No. 29-11, the State should address the impact this waiver has had on the State's performance in the WIA annual performance report, due on October 1 of each year.

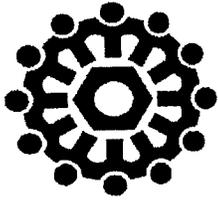
We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Jesus Morales, the Federal Project Officer for Montana, at (972) 850-4616 and Morales.Jesus@dol.gov.

Sincerely,

  
Eric M. Seléznov  
Acting Assistant Secretary

Enclosures

cc: Nickolas Lalpui, Acting Regional Administrator, ETA Dallas Regional Office  
Jesus Morales, Federal Project Officer for Montana ✓



# Montana Department of LABOR & INDUSTRY

Governor Steve Bullock  
Commissioner Pam Bucy

## Workforce Services Division

August 2, 2013

Mr. Nickolas Lalpui, Acting Regional Administrator  
USDOL – ETA, Region IV  
525 Griffin Street Room 317  
Dallas TX 75202

Dear Mr. Lalpui:

The Montana Department of Labor and Industry, Workforce Services Division, as the Administrative Entity for the Workforce Investment Act, is submitting a request for a waiver to be able to use a sliding scale wage reimbursement for On-The-Job Training in the State of Montana. Montana received one of the On-The-Job Training National Emergency grants that had the sliding scale wage reimbursement and we were very successful with that grant. Recently, we received a Dislocated Worker Training National Emergency Grant and a portion of that grant is dedicated to On-The-Job-Training.

Current statute allows reimbursement to the employer for On-The-Job Training of up to 50 percent of the wage rate. Montana is proposing a sliding scale for wage reimbursement as follows:

- Up to 90%: Employers with 50 or fewer employees
- Up to 75%: Employers with 51-250 employees
- Up to 50%: Employers with more than 250 employees

Please consider this waiver request to continue to effectively deliver Workforce Investment Act program services in Montana. The waiver is requested to take effect immediately upon approval.

Thank you for your consideration of this request. Please let Suzanne Ferguson know if you have any questions. She can be reached at (406) 444-2883 or [sferguson@mt.gov](mailto:sferguson@mt.gov).

Sincerely,

Mike Cooney  
Administrator  
Workforce Services Division



Enclosure: Waiver Request

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## **Waiver of Limits on Employer Reimbursement for On-the-Job Training**

**Statutory Provisions to be Waived:** WIA Section 101(31)(B) provides reimbursement to the employer for On-the-Job Training (OJT) of up to 50 percent of the wage rate of the participant, and for the extraordinary costs of providing for the training and additional supervision related to the training.

The Montana Department of Labor and Industry's Statewide Workforce Programs and Oversight Bureau (Bureau) as the Administrative Entity for the State Workforce Investment Board (SWIB) is proposing a sliding scale of reimbursement to the employer of up to 90% of the wage rate and extraordinary costs defined by the law, based on the following criteria:

- Up to 90%: Employers with 50 or fewer employees
- Up to 75%: Employers with 51-250 employees
- Up to 50%: Employers with more than 250 employees

Allowing businesses and industry to be reimbursed on a sliding scale will increase employer participation in WIA On-the Job Training. Montana has successfully operated one of the OJT NEG grants with a sliding scale employer reimbursement similar to what is contained in this waiver. Policy guidance was issued for the OJT NEG and similar guidance will be issued statewide regarding implementation of the sliding scale, which will adhere to the principles of training workers in high-demand, higher skill, and higher wage occupations.

**State or Local Statutory Regulatory Barriers:** There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State WIA policies are currently in compliance with Federal guidelines. Upon notification of approval of this waiver request, State WIA policies will be amended as appropriate to comply with the terms of the waiver.

### **Goals and Programmatic Outcomes to be Achieved by This Waiver**

- Maximize the flexibility needed to ensure speedy implementation of formula and discretionary grants
- Increase business usage of the workforce system
- Create additional opportunities for new workers, and for unemployed and underemployed workers to speed their return to full-time employment
- Reduce the length of time for a UI claim, and reduce the need for usage of other public assistance benefits

### **Individuals Impacted by the Waiver**

- Unemployed and underemployed workers who do not have transferrable or marketable skills
- Individuals entering the workforce for the first time
- Hard-to-serve low-income youth who are unable to compete for limited job openings
- Businesses needing to hire additional workers to sustain their productivity, who

do not have the resources to do so

**Process Used to Monitor Progress in Implementing the Waivers:** Montana has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing America's Job Centers in the State. On a quarterly basis, Montana reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from Montana's statewide databases. Should this waiver request be granted, Montana will ensure regular review of WIA programs and discretionary grants to monitor the outcomes and impacts of this waiver authority.

**Process for Notice of Local Boards and Opportunity to Comment:**

Consistent with general waiver requirements, the Bureau is adhering to publication requirements to ensure the broadest participation possible. Montana is a single statewide planning area, and as such, The Bureau will submit the waiver request to the SWIB Executive Board for approval along with posting the waiver for a 15 day public comment period.

On July 31, 2013, the Executive Committee of the State Workforce Investment Board met and approved the waiver for Limits on Employer Reimbursement for On-The-Job Training. There were no public comments received during the comment period or during the Executive Committee meeting.