

STATE OF MAINE WAIVER REQUEST

To Permit the State Workforce Investment Board to Carry Out the Roles and Functions of a Local Workforce Investment Board

The Office of the Governor, in coordination with the State Workforce Investment Board (SWIB) and the Maine Department of Labor, submits this request for a waiver permitting the State Workforce Investment Board to assume the role of a Local Workforce Investment Board (LWIB).

The Governor is in the process of re-designating local workforce investment areas and intends to increase the number of local areas from the current four to eight. As part of this restructuring of Maine's workforce investment system, the Governor plans to have the SWIB assume the role and functions of an LWIB that would oversee all eight local areas. Originally, four local areas were designated to carry out activities related to the delivery of WIA funded services. Each local area operates under different policies and procedures, resulting in inconsistent service delivery from one area in the state to the next. For example, each local area has a different policy outlining the amount of support service funds a participant may receive and for what purposes those funds may be used. A participant may find that she is eligible for less or more support service funds, or may even find that she is no longer eligible for these funds at all, simply due to relocation to another part of the state which requires she visit a new One-Stop in a different area. Similarly, overall consistency in quality of services, interpretation of guidelines, hours of service, and other issues related to having four disparate LWIBs overseeing the services in their respective local areas has confused and frustrated our customers.

Under the proposal to have the SWIB also function as an LWIB, Maine will be able to dramatically decrease the WIA administrative dollars used to support four LWIBs and to apply those saved dollars to training assistance for participants.

The plan to expand the number of local areas includes formalizing a relationship with local Chambers of Commerce through Maine's existing eight Chamber of Commerce Regions. This relationship, reflected in the Five Year WIA Strategic Plan, will allow thousands of local businesses to provide input directly to the SWIB without needing to filter these communications through an LWIB. It will also allow the SWIB to communicate more directly with those businesses.

The Five Year WIA Strategic Plan we are submitting will reflect the new eight local areas. With the approval of this waiver, the SWIB will function as the LWIB for these eight areas, including all the functions of a local board as required under 20 CFR §661.305.

In alignment with the Governor's direction to the SWIB, the Board moved to adopt the Strategic Plan as presented with the inclusion of a provision to have the SWIB carry out

the role and functions of an LWIB for all eight workforce investment areas and include in the Strategic Plan a provision to apply for a waiver 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.

Date: September 5, 2012

State: Maine

Agency: Office of the Governor

Statutory and/or regulatory requirements to be waived

20 CFR § 661.300(f)

Workforce Investment Act Public Law

Actions undertaken to remove state or local barriers

On four separate occasions, December 13, 2011, January 27, 2012, March 3, 2012, and April 6, 2012, the Governor and his designees consulted with the State Workforce Investment Board on the subject of having the SWIB carry out the roles and functions of an LWIB. On the first two occasions, comments were solicited and recorded from both the SWIB members and guests who were present.

The Governor met with the Directors of the Local Workforce Investment Boards on October 6, 2011 to discuss the status of the workforce development system and its performance. The Governor asked the LWIB Directors to work with his staff to formulate a plan that increases available funds for training, and make the systems activities more relevant to the business community. Two follow-up meetings were scheduled but ultimately cancelled due to the LWIB Directors having scheduling conflicts.

The Governor met with the Chief Local Elected Officials on February 7, 2012, to consult with them regarding having the SWIB carry out the roles and functions of an LWIB.

Documentation of the Governor's Consultation with the State Board and Chief Local Elected Officials and Other Stakeholders

The current Workforce Investment System was designed in the late 1990s and is in desperate need of modernization. Using the benefit of over a dozen years of experience operating the system, Governor LePage is interested in reenergizing the workforce development system in Maine

The Workforce Investment Act requires that the Governor utilize a threefold collaborative process:

1. The Governor must consult with the SWIB Governor LePage and/or his designee, John Butera, Senior Policy Advisor for Workforce and Economic Development, met with the State Workforce Investment Board on four occasions to discuss the administration's vision for workforce and economic development in Maine. The Governor has highlighted key points to consider: a revitalized State Workforce Investment Board that is demand driven, a restructured workforce development system that is more relevant and responsive to private sector job creators, and performance measures that speak to Maine's workforce goals and guide the outcomes of the system. The Governor also stressed the importance of integrating education programs with the activity of the workforce development system. The Governor charged the SWIB with developing a new strategic plan that speaks to his vision.

2. The Governor must consult with the Chief Local Elected Officials Governor LePage met with the Chief Local Elected Officials that represent the current four Local Workforce Investment Areas concerning the re-designation of the Areas.

At the meeting, the Governor expressed his objective of maximizing the return on investment for participants and taxpayers. He spoke about his goal of having more funding available for actual occupational training to address the skills mismatch he has heard about over and over from Maine's employers, and to have more private sector input to the workforce system. As such the Governor wants to increase from four to eight Local Areas that align with the existing Chamber of Commerce Regions. This will allow all stakeholders greater access and opportunity to attend meeting, and to have more locally focused conversations regarding the regions' training needs. Chambers are natural business intermediaries that connect and communicate with the business community on a daily basis. Each region has multiple Chambers that can work collaboratively to the benefit of the region. This design allows for Chambers of various sizes and capacities to participate at that regional level and will engage more business in workforce development activity.

As a follow up, members of the Governor's team asked for time on the CLEO's monthly meeting agenda to discuss the Plan. The County Commissioners Association afforded just eight (8) minutes on the agenda to present the Plan. The Chair of the meeting then allowed two (2) minutes of questions. Clearly, the group did not have enough time to hear the plan, but had already formed a position based on misinformation from other sources.

The Governor also met with the Local Workforce Investment Board Directors, and asked them to work with his staff to develop a new strategy to utilize more of the funding for Training (On The Job Training, Tuition Assistance, and Customized Training) for Maine citizens. Multiple follow-up meetings were scheduled with the LWIBs, which ultimately

did not occur, due to Local Board Director schedule conflicts. Needless to say the Governor was disappointed at the lack of urgency and response communicated by the LWIB Directors.

3. The Governor must take into account the comments received regarding the modified WIA State Strategic Plan From August 18, 2012 to September 2, 2012, the SWIB accepted public comments regarding the new Plan. The public was notified of the comment period by e-mail announcements to interested parties as well as posting on the old Maine Jobs Council website and the new State Workforce Investment Board website. The Governor received and considered all public comments submitted during the 8/18/12 to 9/2/12 comment period. (See the section on Public Comments for a summary of the consideration of the public comments.)

WIA State Strategic Plan Development Process - The Governor and/or his staff attended SWIB meetings to inform the members about his vision for workforce development in Maine. The SWIB membership engaged in discussions about the Governor's plan at four full Board meetings. Members' and guests' questions, comments and concerns were recorded and provided to the Governor's office.

At the April 6 meeting, SWIB members were asked to volunteer to be part of one of three SWIB workgroups. One group worked to revise the Maine Jobs Council By-Laws to reflect the needed changes from LD1874. Another group worked to develop measures that are meaningful to Maine's workforce development goals and will guide the performance of the new system. The third workgroup was asked to help develop the WIA State Plan. Fifteen SWIB members volunteered to be part of the State Plan workgroup which was staffed by the SWIB Director. The workgroup met, either in person or by Polycom (interactive television), every other Wednesday afternoon, from April to July. (Attachment 3 shows the workgroup meeting schedule) Attendance was excellent, and the discussions at each meeting were focused and informative regarding the plan.

The SWIB also solicited input from the new Chamber of Commerce regions across the state. During the months of July and August, the SWIB Director, along with the Deputy Commissioner of Labor, met with the leadership teams in each of the eight regions. Attending the meetings were the Chamber of Commerce Executive Directors, Department of Economic & Community Development (DECD) Governor's Account Executives, Local Economic Development organizations, Municipal Officials, Career Center Managers, and Service Provider leadership. The goal of the sessions was to provide information related to the Governor's Plan and answer any questions that the Chamber Executives have, as well as to capture ideas, comments, and concerns.

The completed Draft Plan was presented for the full SWIB's approval at the August 17,

2012 SWIB meeting. The SWIB voted seventeen (17) in favor, four (4) against, and one (1) recusal, to approve the plan and recommend it's submission by the Governor to the Employment and Training Administration (ETA).

The plan was posted on both the Maine Jobs Council website (maine.gov/labor/mjc/index) as well as the new State Workforce Investment Board website (maine.gov/swib) for a sixteen day public comment period. All of the comments received will be collected and forwarded to the Governor's office for his review, as well as included in the plan submission to the ETA.

Resources will be distributed in a fair and equitable way

Since 2000 MDOL and the State Workforce Investment Board have allocated WIA funds to the Local Areas using the same formula provisions defined in the ETA TEGL 19-11, Attachment A as follows:

a. Allocation formulas

I. Adult and Youth Training Funds

1. Adult Funds

Of the total amount of funds allocated for Adult Training under WIA §132(b)(1), the State will reserve 5% for statewide activities including administration as permitted by WIA §128(a). The remaining amount will be distributed to local areas according to WIA §133(b)(2)(A):

- 33 1/3 percent of the federal allotment to Maine is allocated to local areas based on the relative number of unemployed individuals residing in areas of substantial unemployment in each local area as compared to the total number of such unemployed individuals in the State.
- 33 1/3 percent of the federal allotment to Maine is allocated to local areas based on the relative excess number of unemployed individuals who reside in each local area as compared to the total number of such unemployed individuals in the State. "Excess number" means the number of unemployed individuals in excess of 4.5% of the civilian labor force.
- 33 1/3 percent of the federal allotment to Maine is allocated to local areas based on the relative number of disadvantaged adults compared to the total number of disadvantaged adults in the State.

The State will not employ the discretionary option described in WIA §133(b)(3).

Data for the first two requirements will be produced by MDOL's Center for Workforce Research and Information. Data for the third element will be provided by the Employment and Training Administration (ETA) from census data.

The State will employ the discretion given by the Secretary of Labor to utilize the "hold harmless" clause:

MINIMUM PERCENTAGE--No service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for the two preceding fiscal years preceding the fiscal year for which such determination is made. If the amounts appropriated pursuant to section 3(a)(1) for a fiscal year and available to carry out this part are not sufficient to provide an amount equal to at least 90 percent of such allocation percentage to each such area, the amounts allocated to each area shall be ratably reduced.

2) Youth Funds

Of the total amount of funds allocated for Youth training under WIA §127(b)(1), the State will reserve 5% for statewide activities including administration as permitted by WIA §128(a). The remaining amount will be distributed to local areas according to WIA §128(b)(2)(A):

- 33 1/3 percent of the federal allotment to Maine is allocated to local areas based on the relative number of unemployed individuals residing in areas of substantial unemployment in each local area as compared to the total number of such unemployed individuals in the State.
- 33 1/3 percent of the federal allotment to Maine is allocated to local areas based on the relative excess number of unemployed individuals who reside in each local area as compared to the total number of such unemployed individuals in the State. "Excess number" means the number of unemployed individuals in excess of 4.5% of the civilian labor force.
- 33 1/3 percent of the federal allotment to Maine is allocated to local areas based on the relative number of disadvantaged youth compared to the total number of disadvantaged youth in the State.

The State will not employ the discretionary option described in WIA §128(b)(3).

Data for the first two requirements will be produced by MDOL's Center for Workforce Research and Information. Data for the third element will be

provided by the Employment and Training Administration (ETA) from census data.

The State will employ the discretion given by the Secretary of Labor to utilize the “hold harmless” clause described above.

II. Dislocated Worker Training Funds

Of the total amount of funds allocated for Dislocated Worker training under WIA §132(b)(2), the State will reserve 25% for statewide rapid response activities as permitted by WIA §133(a)(2) and will reserve 5% for statewide activities including administration as permitted by WIA §128(a).

The remaining amount will be distributed to local areas according to WIA §133(b)(2)(B). The following four data elements will be used to calculate allocation percentages:

- Insured unemployment. The average weekly number of continued unemployment insurance program claims (less partials) during the previous full year for which data is available for each county is aggregated by local area and divided by the total to arrive at a percentage for each local area.
- Unemployment concentrations. The annual average of unemployment for each county during the previous full year for which data is available is aggregated by local area and divided by the total to arrive at a percentage for each local area.
- Declining industries data. The number of jobs lost between the previous full year for which data is available and the year five years previous to that year in both durable and non durable goods manufacturing by county is aggregated by local area and divided by the total to arrive at a percentage for each local area.
- Long-term unemployment data. The number of unemployment insurance program exhaustees during the previous full year for which data is available for each county is aggregated by local area and divided by the total to arrive at a percentage for each local area.

Data for these elements will be produced by MDOL’s Center for Workforce Information Services. Each of the above elements is weighted equally.

The remaining factors named in §133(b)(2)(B)(ii), “plant closing and mass layoff data” and “farmer-rancher economic hardship data” have not been proven to be useful for the distribution of funds to areas of need in Maine. Large plant closings have occurred in all Maine counties, but are not a predictor of the

location of future large plant closings. In addition, although ten years ago there were many farmers in certain areas of the state who were leaving agriculture, in the years since, there has been no wholesale dislocations which would require more attention to this occupation than others.

b. Allocation Distribution:

MDOL will reserve 5% of the Adult, Youth, and Dislocated Worker. The 5% allowable for administration will be utilized on an ongoing basis for mandated state administrative tasks including: the establishment and maintenance of a list of eligible training providers; conducting oversight and monitoring of local programs in coordination with the SWIB and USDOL, providing technical assistance; establishing and maintaining fiscal and management accountability information systems. Historically, MDOL has executed WIA contracts with the Local Workforce Investment Boards who in turn develop contracts with local service providers. As the SWIB moves forward with redesignation of four Local Areas to eight Regional Chamber of Commerce districts, MDOL's Bureau of Employment Services will assume the responsibility for developing WIA contracts with the five existing service providers:

- Goodwill Industries of Northern New England (York, Cumberland, Sagadahoc, Lincoln, Knox and Waldo Counties)
- Western Maine Community Action (Androscoggin, Oxford and Franklin Counties)
- Maine Department of Labor, Bureau of Employment Services Direct Delivery Operations (Kennebec, Somerset and Washington Counties)
- Eastern Maine Development Corporation (Penobscot, Piscataquis and Hancock Counties)
- Aroostook County Action Program (Aroostook County)

The following chart provides a summary of the Program Year 2012 WIA Formula Distribution by county. The methodology used to distribute funds to the counties *does not change* under the new structure.

Local Area Distribution

	<u>Youth</u>	<u>Adult</u>	<u>Dislocated Workers</u>	<u>TOTALS</u>
	<u>PY2012</u>	<u>PY2012</u>	<u>PY2012</u>	<u>PY2012</u>
10% Admin:				
Aroostook	20,769	20,380	15,784	56,933
Washington	12,978	12,853	7,426	33,257
	<u>33,747</u>	<u>33,233</u>	<u>23,210</u>	<u>90,190</u>
90% Program Funds:				
Aroostook	186,925	183,419	142,057	512,401
Washington	116,798	115,675	66,834	299,307
	<u>303,722</u>	<u>299,094</u>	<u>208,891</u>	<u>811,708</u>
Total	337,469	332,327	232,101	901,898
10% Admin:				
Hancock	12,179	11,652	13,551	37,382
Penobscot	36,661	31,272	27,484	95,417
Piscataquis	5,252	5,226	4,011	14,489
	<u>54,092</u>	<u>48,151</u>	<u>45,046</u>	<u>147,288</u>
90% Program Funds:				
Hancock	109,608	104,868	121,962	336,438
Penobscot	329,947	281,449	247,360	858,756
Piscataquis	47,267	47,033	36,098	130,398
	<u>486,822</u>	<u>433,349</u>	<u>405,420</u>	<u>1,325,592</u>
Total	540,914	481,500	450,466	1,472,880
10% Admin:				
Androscoggin	21,762	19,796	23,335	64,893
Franklin	9,549	8,609	6,361	24,519
Kennebec	20,984	20,018	15,622	56,624
Oxford	13,608	13,765	14,452	41,825
Somerset	16,802	16,481	12,429	45,712
	<u>82,705</u>	<u>78,669</u>	<u>72,200</u>	<u>233,573</u>
90% Program Funds:				
Androscoggin	195,860	178,165	210,016	584,041
Franklin	85,945	77,483	57,253	220,681
Kennebec	188,854	180,165	140,600	509,619
Oxford	122,468	123,882	130,066	376,416
Somerset	151,218	148,328	111,861	411,407
	<u>744,345</u>	<u>708,023</u>	<u>649,797</u>	<u>2,102,164</u>
	827,050	786,692	721,997	2,335,737
10% Admin:				
Cumberland	38,192	33,422	37,811	109,425
Knox	6,021	6,816	5,853	18,690
Lincoln	5,035	5,112	4,440	14,587
Sagadahoc	4,390	4,632	4,011	13,033
Waldo	7,936	8,114	5,658	21,708
York	28,588	28,906	32,334	89,828
	<u>90,161</u>	<u>87,002</u>	<u>90,107</u>	<u>267,270</u>

90% Program Funds:				
Cumberland	343,724	300,800	340,303	984,827
Knox	54,177	61,346	52,678	168,201
Lincoln	45,316	46,005	39,963	131,284
Sagadahoc	39,511	41,685	36,097	117,293
Waldo	71,425	73,029	50,918	195,372
York	257,295	260,150	291,003	808,448
	<u>811,448</u>	<u>783,015</u>	<u>810,962</u>	<u>2,405,425</u>
Total	901,608	870,017	901,069	2,672,694
Total Distribution	\$2,607,042	\$2,470,535	\$2,305,632	\$7,383,206

Compelling reason for the proposed governance structure;

A recent Federal Compliance Review uncovered troubling financial activity at two of Maine’s four Local Workforce Investment Boards. One LWIB had purchased a Recreational Vehicle/Camper for personal use, and the other had a long list of fiscal non-compliance issues that resulted in both LWIBs being placed in “High Risk Grantee Status”.

Program performance results for Program Year 2010 revealed that statewide, the four LWIBs expended just 15.5 % of the WIA Adult and Dislocated Worker funds on Training (Tuition Assistance, On The Job Training, Customized Training and related Support Services). One LWIB had spent just 8.7 % of the funding on Training.

Procurement practices of the LWIBs have been questioned. Federal monitoring discovered that all four areas had given out contracts without the required Request for Proposals (RFP) or Sole Source Justification, which means the costs were ultimately disallowed. There are also questions about a Service Provider RFP that was awarded to an applicant, then withdrawn from that applicant, and given to the in house organization that provides fiscal services to the LWIB.

Statewide Discretionary Grants: Lessons Learned

The Maine Department of Labor has been provided a unique opportunity to examine the authentic ability of the local boards to conduct oversight of, provide guidance on, and implement programs in accordance with the WIA and supporting federal laws. The assumption that Local Workforce Investment Boards are aware of and understand the Act and related requirements and laws has come into serious doubt as a result of fiscal and program monitoring of their roles as sub-recipients of statewide discretionary grants received by the Maine Department of Labor.

Monitoring and extensive and repeated technical assistance to the local areas regarding WIA and USDOL grant requirements has made it apparent that the level of competency of the Local Boards to safeguard appropriate use of funding and ensure basic

implementation of WIA regulated programs is questionable and in some instances gravely deficient.

The cost-to-value ratio for the level and quality of services furnished by local areas on discretionary grants is also lacking as a result of high board-related costs associated with: second and third tier redundant administrative functions, lavish office space; ever expanding board staff levels; development of alternate regional job banks; creation of luxurious marketing brochures and videos extolling the merits of the workforce board, lavish staff travel and meal reimbursements, and other abuses including the purchase of a camper for private use. At the same time CareerCenters, the public service access points, were being consolidated from 23 to 12 sites and knowledgeable frontline service staff laid off.

Cost vs. Value WIRED experience:

MDOL has received a number of discretionary grants over the years from smaller planning grants (BRAC \$1 million) to the vastly comprehensive grants (WIRED \$15 million) to the recent \$4.8 million Health Care Sector grant. In keeping with informal policy, Maine has traditionally contracted workforce services on behalf of discretionary statewide grants through the LWIBs. The WIRED grant involved private industry at a level never before seen in Maine. Immediately, private industry balked at giving training funds to layer upon layer of administration and initially refused to entertain using LWIBs as subcontractors for services. A key leader in the WIRED grant had been a member of the Coastal Counties Workforce Board for some years and stated he had no idea what the board’s purpose or value was. Despite objections, the LWIBs were utilized for the purposes of workforce development outreach only. The full gamut of workforce related activity, training and service contracts would fall directly under the Maine Department of Labor (MDOL). The MDOL, one of three state agencies involved in administering the grant, had oversight of \$6.4 million of the WIRED grant funds. During the grant period, the MDOL administered over 270 customized training contracts, 30 on the job training contracts, 87 service contracts and 136 educational ITA’s that trained 2008 participants. The LWIBs were charged with disseminating \$30,000 to regional CareerCenters to promote registered apprenticeship. The Chart below shows how WIRED funds were distributed to the LWIBS.

WIRED GRANT	Staff / Overhead	Indirect	Total	Contracts Administered
LOCAL AREA 1	\$197,571.00	\$30,277.00	\$227,848.00	\$30,000.00
LOCAL AREA 2	\$211,175.00	\$103,325.00	\$314,500.00	\$30,000.00
LOCAL AREA 3	\$169,950.00	\$31,898.00	\$201,848.00	\$30,000.00
LOCAL AREA 4	\$119,200.00	\$37,648.00	\$156,848.00	\$30,000.00
			\$901,044.00	\$120,000.00
MDOL	\$320,000.00	\$40,000.00	\$360,000.00	\$4,933,365.00

Local Area One and Local Area Four did not register a single apprentice over the grant period and Local Area Three registered only a few. While Local Area Two did register apprentices, they generated fewer industry applications than any other region and Local Area Four was unable to fulfill the contract because of staff turnover and their inability to retrain staff in any of the WIRED program requirements; *their contract was reduced and terminated before the grant ended*. The MDOL provided the majority of work required by the workforce development portion of the grant, including extensive training of LWIB staff, all at a minute fraction of the cost of engaging the LWIBs for the sole purpose of outreach.

Local Area Two received two additional subcontracts, one to initiate a Marine Systems Training Center that would be utilized for mechanical repair of boats. The funds were spent with little to no action taking place, eventually the center was taken over fully by the Maine Marine Trades Association who expanded class offerings there by 80% and reduced overhead costs by 50%.

The second contract was provided to Local Area two to integrate workforce development with economic development in the local region. The contract required that staff be trained to work with other workforce development program staff (Wagner Peyser, TAA, Competitive Skills Scholarship Program, Apprenticeship, Discretionary Grants, etc.) to meet the needs of industry and workers. \$165,000 was dedicated to this cause with little integration beyond the WIA and Economic Development staff that worked solely under EMDC. Progress reports were unable to cite any cross-program, or cross-agency funded projects.

Cost vs. Value Health Care Sector experience:

Because two of the LWIBs had significant involvement in writing the Health Care (HC) Sector grant, MDOL grant management staff agreed to subcontract the work of this grant to them. The level of pushback from these partners at every stage of this grant has been deleterious. In order to meet ARRA requirements, the MDOL justified the LWIBs as sole source contractors based on their presumed knowledge of WIA and ARRA law and requirements.

MDOL engaged in contracts with each of the local areas based on the service projections they had entered into the original HC grant proposal. The LWIBs insisted that because they were second tier recipients that all of the funding going to them be considered "Program" funding for the purposes of exceeding the 10% cap on administrative costs. This was confirmed by USDOL. However, in Local Area Four it became clear that services were subcontracted to the regional service provider and that the majority of the work was to fall on them:

Cost for Local Area Four cost HC Grant services: Board Staff & Overhead-\$211,675 Board Indirect-\$93,015

Subcontracted to Service Provider: Staff & Overhead-\$0, Indirect-\$78,127, Participant training dollars- \$859,400. Local Area 4 requested an early termination of their contract after turnover of two key staff members (the second statewide discretionary grant contract they were unable to complete). They terminated their contract with only eight months remaining and a balance of \$634,000 in participant services dollars left unspent.

Consistent evidence LWIBs lack understanding of basic WIA requirements, laws, rules, policies:

Despite extensive staff training and development provided by MDOL grant management staff to LWIB staff regarding implementation of the Health Care Sector grant contracts, they consistently failed to effect grant and project-related policies and requirements, with the exception of Local Area two whose lead staff person has been with the workforce development system for over 20 years.

Monitoring uncovered a significant number of findings in each of the other three areas. Findings related to requirements of the MDOL contract, basic WIA compliance, and OMB requirements regarding spending. There was considerable resistance from both Local Area Four and Local Area One to comply with contract requirements and policy. Because ARRA requires that all subcontracted services go through proper procurement processes, we required that the Local Areas provide a sole source justification for subcontracts that weren't engaged as a result of RFP. Local Area Four questioned our request to provide sole source justification for subcontracting services to their traditional service provider. In the end, MDOL had to create the justification for them to review and approve. In two other local areas, it was clear they had never engaged in workforce development service or training contracts. In reviewing subcontracts they submitted for our approval they had merely copied an MDOL formula contract without removing any reference to the MDOL and inserted their name at the header. Local Area One, continued to make this error even after this was pointed out to them.

In Local Area One, blatant refusal to comply with compliance requirements persist one year after the monitoring; local area travel costs were flagged as an issue in March 2011, and cited again during formal monitoring in August 2011, and still have not been resolved one year later despite numerous written, face to face and phone interactions, including interactions with the federal contract officer. Recent review of their revised travel policy still condones the expenditure of funds for business meals despite the fact that over 69% of their funding is from federal sources and the majority of that is from USDOL.

There are numerous infractions and egregious errors of unallowable spending, undocumented trainee files, and refusal to provide reports that we have uncovered through program monitoring and review. More information is available upon request.

WIA formula monitoring has passed muster over the years only because WIA staff *at the service provider level* know the law and are able to assure that it is met at their level for WIA formula programs. It appears that little, if any, guidance is provided through the board staff in Local Areas One and Three, and that guidance provided by Local Area Four regarding the Health Care sector grant is incorrect.

Goals and expected programmatic outcomes of this waiver

The expected goals and outcomes of having the SWIB carry out the functions of an LWIB are:

Reduced overhead costs and increased program dollars

One of the primary reasons for moving to a SWIB-LWIB system is to reduce the administrative costs and shift those costs to training for participants. Increased training funds will allow a broader range of training options for participants as well as more individuals being able to receive training assistance. We will also have more funds available to leverage in partnerships and will have more resources to help develop and nurture industry partnerships.

Greater responsiveness to employers and businesses

The SWIB-LWIB system will allow Maine to shift from funding administration for four LWIBs to a simpler, less expensive model of input through Chamber of Commerce regions. Maine has eight such regions, and they will become local workforce areas. The Chamber of Commerce Executives have agreed to function as facilitators and conveners of business input. A small portion of the administrative dollars saved will be available to the Chambers to cover expenses incurred to provide business input to the SWIB. Chambers will not become contractors, nor will administrative overhead be funded for them. Because this new approach will not only afford them a greater opportunity to link their local communities to workforce development, it will provide them with an opportunity to recruit more members, thus strengthening their own market penetration and strengthen their local business environment.

The SWIB-LWIB system will increase the number of local areas from four to eight. Business input will be more targeted by region. The eight regions, which align with the eight Chamber of Commerce regions and the state's eight tourism regions, more closely mirror cohesive regional labor markets and economies than the present system. The eight regions are smaller in size and population and are more geographically and demographically logical. For example, currently, the Coastal Counties Workforce Investment area encompasses six counties that range from the most urban area of the state (Portland and Cumberland County) to one of the most rural counties in the state (Waldo County). In any given local workforce area, the larger cities in those areas dominate the services and the general workforce development conversation. While this

may be natural, it does not provide the level of consideration that all communities should be receiving.

Since the proposed eight regions are aligned with Maine's eight tourism regions, they reflect the importance that tourism plays in the state. Although the economy has markedly changed in the past two to three decades, natural resources still drive much of our economic activity, economic development, business startups, and regional workforce markets. Tourism crosses across industries and sectors, including hospitality, arts and recreation, transportation, health care, and retail services. Tourism growth results in increased construction and vehicle sales. Many small businesses, even some manufacturers, benefit from tourism. Local economies rely heavily on the multiplier effect of tourism dollars—grocery stores, discount stores, restaurants, hotels—not only directly benefit from the money spent by visitors, but the jobs attached to those businesses create income that is then spent by employees, along with payroll and income tax revenue resulting from the jobs directly and indirectly attached to tourism. Aligning workforce and economic development programs with tourism ensures that our workforce system aligns with a great number of employers, businesses, job seekers, and workers.

Strengthen administrative oversight and accountability processes

Under our plan to have the SWIB function as an LWIB overseeing eight workforce areas, the Maine Department of Labor Bureau of Employment Services (BES) would become the contract managing agency for all WIA funded service providers. This not only reduces overhead, but it consolidates contract management and would have BES perform program monitoring. Under the present system, the four existing LWIBs manage the contracts with the service providers in their local areas and they perform WIA program monitoring functions. Instead of having four entities conducting program monitoring and contract management, one agency would perform these oversight functions. Additionally, service providers would then become accountable to a public agency rather than a private organization that may not have the same level of required transparency and accountability to the public.

BES already reports directly to the USDOL and the SWIB on all WIA matters, including monitoring, compliance, and reporting. BES also has the responsibility of allocating WIA funds to LWIBs and managing those contracts. Under the proposed change, BES would switch its attention from managing four contracts, with the attendant financial and fiscal systems, to conducting those activities with service providers. Additionally, BES would have an increased role of accountability to the SWIB regarding the findings related to program and fiscal monitoring of service providers. BES also manages related workforce programs, such as Migrant and Seasonal Farm Workers and Apprenticeship. The proposed change would foster more program integration, bringing direct service providers organizationally closer to those programs as well as programs such as TAA and NEGs.

BES will continue to use the same allocation formula that USDOL uses to allocate fund to the state. We allocate funds using the formula to 16 counties and write contracts directly with the current service providers to distribute the funds and ensure that services continue.

As a bureau of the Maine DOL, BES is in intimate organizational and budgetary proximity to the Department's Center for Workforce Research and Information (CWRI). CWRI, as the state's labor market information service and labor research agency, would be working directly with the in-house operational functions of the SWIB/LWIB.

Improved quality of services

While overall customer satisfaction is not being questioned under the current four LWIB system, it is expected that the quality of services would improve under one LWIB and consolidated management and monitoring functions. Problems with customer service and the overall effectiveness of the services would be noted sooner and remedied more immediately. Under the current system, the SWIB may not become aware of service quality concerns until program monitoring occurs or quarterly reports are submitted. With BES as the monitoring watchdog, the SWIB will be informed in a timely fashion. Under a one LWIB system, best practices will be more quickly and uniformly disseminated to the service providers and workforce partners. Information on best practices will be better shared across a greater portion of the system, not only among the service providers and One-Stop CareerCenter managers, but to Chambers of Commerce, industry partners, and the Maine Departments of Education, Economic and Community Development, and Health and Human Services, all of whom are represented on the SWIB.

Consistency in services and policies affecting services

Each local area operates under different policies and procedures, resulting in inconsistent service delivery from one area in the state to the next. For example, each local area has a different policy outlining the amount of support service funds a participant may receive and for what purposes those funds may be used. A participant may find that she is eligible for less or more support service funds, or may even find that she is no longer eligible for these funds at all, simply due to relocation to another part of the state which requires she visit a new One-Stop in a different area. Similarly, overall consistency in quality of services, interpretation of guidelines, hours of service, and other issues related to having four disparate LWIBs overseeing the services in their respective local areas will be more consistently provided under the new structure.

While every community is unique, there are benefits to having some work processes be consistent. The most obvious consistency relates to data collection, both program and financial. Currently, each of the four LWIBs applies its own approach to accounting. BES

cannot use what is currently provided by the LWIBs to perform certain analyses that tie program expenditures to participant demographics; for example, to analyze how training funds are used by females as opposed to males. A one LWIB system would provide consistent financial information with a greater ability to analyze trends and utilization by specific types of participants that includes corresponding fiscal activity. A one LWIB system under the SWIB would allow us to apply common terms and definitions so that the content and meaning of programs and services would be the same from one local area to the next.

Consistency among the local areas would also be applied to simple, but very important, customer service outcomes, such as front desk services; referrals between the WIA/Wagner-Peyser services, Vocational Rehabilitation services and other partner agencies; hours of service; waiting times for returned calls; and veteran preference practices.

A delineation of the distribution of the roles and responsibilities under the proposed reconfiguration can be found on pages 27-28.

Ensuring that the local interests of stakeholders will continue to be represented and engaged with the SWIB functioning as an LWIB

Geographic diversity across local areas

In terms of population, Maine is a small state. While we appear to be demographically homogeneous, the state is sharply delineated between urban and rural populations. These urban-rural delineations are present within local areas. Because of the large geographic area of the state, there are marked differences among the counties and their economies and labor markets. Agriculture and natural resources dominate in some regions, while financial institutions and the creative economy drive activity in other regions. Due to the remote nature of some parts of Maine, tourism, which is a major economic force across all industries, is not necessarily as dominant as in regions that are more accessible and traditionally popular. Only one of the current four LWIBs might be considered to NOT have an urban-rural dichotomy, with attendant dynamics between their respective economic and workforce bases. In some cases, they cover too broad a territory, resulting in local areas that, for better or worse, are dominated by the larger population areas within them. This results in uneven representation and access to services for some Mainers. Under the proposed change in governance, the SWIB, in concert with monitoring performed by the Bureau of Employment Services (please see “Partner Roles & Responsibilities In The Restructured Workforce Development System” on page 127 and as Attachment 4) will be overseeing workforce areas that are more internally consistent; rural areas will not be as overshadowed as they are now. Urban areas will be more focused on serving their more diverse job seeking populations and their generally much larger businesses without diluting their programming and

resources to include smaller but vital rural markets. Conversely, rural areas will be able to utilize their resources with less sacrifice to larger urban programs.

Local businesses, including small businesses

As explained in the discussion of goals and expected outcomes, employers and businesses will see greater responsiveness from the workforce development system. The SWIB-LWIB system will allow Maine to shift from funding administration for four LWIBs to a *simpler, less expensive model of input through Chamber of Commerce regions*. The local Chambers will not be assuming the duties of an LWIB. They will be convening and facilitating employer input through their well-established, on-the-ground channels. They are ready to bring their local members and non-members to the workforce table. The Chambers see their role as connectors between businesses and the SWIB-LWIB as a value-added service to local businesses and an attractive recruitment tool to prospective Chamber members. Of particular note is that we have designed a “performance scorecard” (see **Attachment 16 of the State WIA Plan 2012-2016**) that will measure the Chambers penetration into their local business community as an indicator of the depth and increase in business input and participation in the workforce system.

Vulnerable populations

In Maine, vulnerable populations are generally well-served. We have a particular interest in ensuring that older workers, people with disabilities, veterans, immigrants and refugees, youth (particularly youth with barriers to employment), low and moderate income individuals, and recipients of public assistance continue to receive the specialized programming and services offered now. To this end, we do not intend to change service providers. Regardless of the designation of local areas or the governance structure in our system, we plan to retain the current service providers. In addition, the Program Policy Committee of the SWIB-LWIB, which has representatives of all the required partners and programs listed in the Workforce Investment Act, Title I, subtitle B, chapter 3, section 121:

- WIA Title I – Peter Pare, Bureau of Employment Services (BES), Maine DOL
- Wagner-Peyser – Peter Pare, BES
- Adult Education – Gail Senese, Department of Education
- Vocational Rehabilitation - Carolyn Lockwood, Bureau of Rehabilitation Services
- TANF/Food Stamps – Liz Ray, Maine DHHS
- Senior Community Service Employment Program - Dan Muth, Maine Able Network
- Carl Perkins Vocational Education – Barbara Woodlee, Maine Community College System
- Community Development Block Grant Activities – Deb Neuman, Dept of Economic and Community Development

- Community Services Block Grant Activities – Yvonne Mickles, Maine DHHS
- Trade Adjustment Act - Peter Pare, BES
- Veterans - Peter Pare, BES
- Housing and Urban Development – William Burney, US Housing and Urban Development Bangor
- Unemployment Insurance – Laura Boyett, Bureau of Unemployment Compensation, Maine DOL
- University of Maine System – Renee Kelly, University of Maine, Orono
- Career & Technical Education – Margaret Harvey, CTE, Maine Dept of Education

The SWIB membership includes Mel Clarrage with the Maine Disabilities Resource Center, who also serves as Chair of the Commission on Disability and Employment, Tracey Cooley with the Job Corps in Bangor, and Craig Larrabee of Jobs for Maine’s Graduates.

Finally, the SWIB’s standing committees are intended to provide representation of several vulnerable populations, and these committees are composed largely of constituents and service providers. In addition to the Program Policy Committee, those committees include:

- Apprenticeship
- Older Workers
- Youth Transitions
- Women’s Employment Issues
- Veterans’ Employment
- Commission on Disability and Employment

These committees bring the concerns of vulnerable populations to the full SWIB, and would continue to perform that function for the SWIB-LWIB.

Women

Due to the wage gap between men and women working in Maine, and more specifically, the gap in placement wages between male and female customers served by one stops, we view women as a “vulnerable population.” In a series of annual reports on the status of Maine women in the workforce, the SWIB’s Women’s Employment Issues Committee recommended that our system improve the placement wages of female customers by increasing the number of women trained for, and placed in, non-traditional occupations. For several years, the LWIBs have been urged and encouraged to contract with Women Unlimited, an organization that trains and places women in non-traditional occupations, but the LWIBs have turned a blind eye to this partner. When ARRA funds were available and the SWIB (then called the Maine Jobs Council) attempted to approve a policy that 30% of the women served with ARRA funds be trained for employment in energy/energy efficiency, information technology, and health care, the LWIBs opposed the policy with an argument that this was an unfair and unreasonable “quota.” The

Bureau of Employment Services (BES), not the LWIBs, then contracted with Women Unlimited to provide on-site services to educate and assist female one stop customers in seeking higher paying, high demand occupations. Although only present in five one stops, this program resulted in 19 women placed in nontraditional occupations during a one-year period. During the same program period, 30 women were placed in non-traditional occupations *statewide*. The Women Unlimited partnership accounted for nearly two-thirds of all the non-traditional placements in our system. It is highly unlikely that this would have been accomplished had BES not stepped in to better serve women.

Local community-based organizations

As with vulnerable populations, the new governance structure will not alter our well-established partnerships with community based organizations. Through the existing partnerships between our service providers and community based organizations, their input and participation would continue as currently exists. The SWIB's standing committees include a large array of community based advocacy organizations and service providers, and they have input through their positions on those committees.

Education and training providers

The SWIB's Program Policy Committee (see list of members above) includes representatives of the Maine Community College System, the University of Maine System, the Career and Technical Education system, Adult Education, Vocational Rehabilitation Services, and TANF/Food Stamps.

Under Governor LePage, the Maine Community College System and the University of Maine System became active members of the SWIB for the first time.

Goodwill Industries of New England is a one stop service provider and will remain so under the proposed SWIB-LWIB governance structure. Goodwill's broad array of training programs, particularly for people with disabilities, brings added value to our workforce system.

Organized Labor

Two formal representatives of organized labor serve on the SWIB and would continue to do so under a SWIB-LWIB governance structure. One of those individuals represents a specific labor union, and the other is the President of the Maine AFL-CIO, insuring that all labor unions in Maine have a voice in the governance of our workforce development system. Under the proposed SWIB-LWIB structure, we will be able to better connect organized labor and the business community.

Four of the twelve members of the Apprenticeship Council (one of the SWIB's committees) are representatives of labor unions.

By reducing the number of LWIBs from four to one (the SWIB-LWIB), LWIB administrative funds will be repurposed to training, including support for apprenticeships.

One Stop Partners

Our current one stop partners will remain unchanged under the proposed SWIB-LWIB governance structure. Formal, contractual partnerships in place with LWIBs will be officially transferred to the SWIB-LWIB through contract amendments when needed, and through new contracts or memoranda of understanding. The current service providers will remain unchanged.

As cited in the discussion of Women Unlimited in the above paragraph on women, partners, who in some cases have been ignored or shut out by the current LWIBs, will now be included in more systemic arrangements.

Individuals impacted by the waiver

Program participants and customers will see no change in the number of One-Stop offices. They will see more consistency in services across the state and they should benefit from an anticipated increase in training dollars available, including support service funds. Individuals employed in the current local workforce investment boards may be impacted if this change results in any reduction in staff positions within that LWIB. Some of these staff may be able to take reassignments in an industry partnership configuration as our system transitions into being more “demand” driven and business services become more prominent.

Businesses/employers will also see an improved consistency in services and will now be assured that no matter where they are located, or how many branches, offices, and franchises they have across the state, they will be able to count on the same service from local area to local area. The expected reduction in administrative expenses under a SWIB-LWIB system will result in more funding for OJTs and worker training that will benefit employers.

Transition costs associated with the state assuming the functions of the local board or boards

Transition Costs can best be summarized as consisting of four different types:

1. Costs to be incurred in review of the new roles and responsibilities of the SWIB: The creation of one SWIB, in lieu of the four LWIBs, will, over time, result in a decrease of costs currently incurred in the audit and review of the four LWIBs by both the State Service Center as well as the Maine DOL Bureau of Employment Services. Compilation of financial reports and audit expense will both be decreased in this new configuration, shrinking from four areas to one. However, initially we anticipate these expenses to

remain flat or trend up slightly during a break-in/readjustment period. Any initial increase in expenses will be funded from the 10% administrative fees previously absorbed by the LWIBs.

2. Costs to be incurred by moving to eight Chamber Regions in place of the 4 local areas:

While incremental costs will be incurred to reimburse Chambers of Commerce for convening workforce development meetings and disseminating information to all employers within a region (Chamber members and non members alike), these costs will be funded through a small portion of what was historically the 10% administrative fees which were absorbed by the LWIBs for administrative overhead from WIA funding.

3. Ongoing review costs of service providers—both financial audit and review, as well as program monitoring costs:

Responsibilities of financial audit and program monitoring will shift from the LWIBs to BES. This may require the addition of one individual to perform program monitoring in the field across the state. An RFP will also need to be generated for auditing of the service providers by a certified public accounting firm. It is anticipated that the transfer of these costs from the LWIBs to the state will be done at less expense due to the realization of economies of scale for both program review and financial audit. These costs will also be funded from the LWIB 10% allocation.

4. Wind down costs associated with the phase out of the LWIBs;

Wind down costs associated with the phase out of the LWIBs will be incurred in the transition year. These costs will include staff dislocation, a determination of equipment lease and property lease wind downs relevant to WIA expenses only, owned equipment disposition relative to WIA, legal and record retention issues, audit issues, prior year closeout issues, etc. TEG 01-99 will be used to implement this process, as well as the requirements specified at 29 CFR 97.50 and 29 CFR 95.71. Having been through previous JTPA closeouts as well as prior sub recipient ones, the Closeout Checklists are in place (see Attachments 23 and 24), as is the experienced staff in BES & the Service Center to implement them. The costs associated with the wind downs will come from a portion of the administrative 10% cost allocated to the LWIBS.

Process for monitoring progress and implementation

The SWIB has established a work group to develop performance metrics beyond the WIA required measures. Those metrics will include indicators to assess program performance. For example, the SWIB will be measuring employer market penetration indicating numbers of employers served and the industries covered by those employers.

The SWIB, through the Five-Year WIA Strategic Plan, will establish a timetable for implementation and assessment of the new system. The SWIB staff will regularly

examine performance data and financial activity and report that information to the SWIB, Chief Elected Officials, and Governor.

We will closely examine financial activity to ensure that Maine realizes the expected results of increased training dollars, more individuals obtaining employment and employment related credentials, and job growth in sectors offering better paying employment.

How the state intends to monitor the state board acting in the capacity of the local board

The monitoring of the State Board will be provided by two separate bureaus/agencies within the Maine State government. As detailed on page 127 and in Attachment 4 of the 2012 WIA State Plan, the roles and responsibilities of monitoring and financial review will be carried out by the Policy and Evaluation Unit of BES, by the Maine DOL as the State Workforce Agency, and by the Financial Service Center.

Policy monitoring will be conducted by the Policy and Evaluation Unit of BES. Upon acceptance of the Plan a more detailed review of this unit will be performed, to assure no conflicts of interest exist relative to the other duties and functions of BES.

The fiscal auditing and financial reporting will be conducted by the Financial Service Center, which currently provides this role for the LWIBs. The new configuration will result in a streamlined audit and review due to one Board instead of the four LWIBs and proximity of location relative to the State Board.

Procurement Policies

The Maine Department of Labor has established written procurement policies and procedures covering local boards and one stops. Please use this link to access the Bureau of Employment Services Financial System Manual and Revisions: [Revised Financial System Manual 08-01](#) and refer to *Section K: Procurement*.

State policy ensuring that the functions of the local board are met by the state board

Under the proposed SWIB-LWIB governance structure, it is the policy of the state of Maine that the State Workforce Investment Board will fulfill all the functions and roles of a Local Workforce Investment Board as outlined in the Workforce Investment Act, Title I, subpart A, Section 117 and 20 CFR §661.305 and §661.307, including, but not limited to:

- Developing the five-year local workforce investment plan (Local Plan) and conducting oversight of the One-Stop system, youth activities and employment and training activities under title I of WIA, in partnership with the chief elected official

- Selecting One-Stop operators with the agreement of the chief elected official
- Selecting eligible youth service providers based on the recommendations of the youth council, and identifying eligible providers of adult and dislocated worker intensive services and training services, and maintaining a list of eligible providers with performance and cost information, as required in 20 CFR part 663, subpart E
- Developing a budget for the purpose of carrying out the duties of the Local Board, subject to the approval of the chief elected official
- Negotiating and reaching agreement on local performance measures with the chief elected official and the Governor
- Assisting the Governor in developing the Statewide employment statistics system under the Wagner-Peyser Act
- Coordinating workforce investment activities with economic development strategies and developing employer linkages; and
- Promoting private sector involvement in the Statewide workforce investment system through effective connecting, brokering, and coaching activities through intermediaries such as the One-Stop operator in the local area or through other organizations, to assist employers in meeting hiring needs
- Appointing a youth council, in cooperation with the chief elected official(s), as a subgroup of the Local Board and coordinates workforce and youth plans and activities with the youth council, in accordance with WIA section 117(h) and § 661.335 of this part
- Conducting its business in an open manner as required by WIA section 117(e), by making available to the public, on a regular basis through open meetings, information about the activities of the Local Board. This includes information about the Local Plan prior to submission of the plan; information about membership; the development of significant policies, interpretations, guidelines and definitions; and, on request, minutes of formal meetings of the Local Board

Furthermore, the SWIB-LWIB will establish a Youth Council in accordance with the requirements outlined in the Workforce Investment Act, Title I, subpart A. Section 117 (h): including, but not limited to:

- Establishing a youth council in cooperation with the chief local official(s)
- Appointing, in cooperation with the chief local official(s), members of the youth council that include:
 - members of the local board who are also on the state board and have special interest or expertise in youth policy;
 - representatives of youth service agencies, including juvenile justice and local law enforcement;
 - representatives of local public housing authorities;
 - parents of eligible youth seeking assistance under WIA;
 - individuals, including former participants, and representatives of organizations that have expertise related to youth activities;

- representatives of Job Corps; and
- other individuals as the chair of the LWIB, in cooperation with the chief elected official(s), deem appropriate.

The members of the Youth Council who are not members of the SWIB will be voting members of the Youth Council and nonvoting members of the SWIB.

The duties of the Youth Council will conform to the requirements in WIA, Title I, subpart A, section 117 (h) (4), including, but not limited to:

- Developing the portions of the local plan relating to eligible youth;
- Recommending eligible providers of youth activities to be awarded grants or contracts on a competitive basis, with the approval of the local board and consistent with WIA Title I, subpart A, section 123,
- Conducting oversight of the eligible providers of youth activities in the local area
- Coordinating youth activities authorized under WIA Title I, subpart A, section 129 in the local area
- Other duties deemed appropriate by the Chair of the local board

In respect to the establishment of the Youth Council and appointment of its members, the SWIB will take into account the individuals already active on Maine's Shared Youth Vision District Councils, the Maine Young Adult Networking Team, and the Youth Councils currently existing under our present four local area governance structure. It is the intent of the SWIB-LWIB to leverage the human resources already functioning to address youth education, employment, and civic engagement, and to ensure a collaborative, nonduplicative process for addressing youth employment programming.

Notice to affected local boards

The Local Workforce Investment Boards were present during State Workforce Investment Board meetings during which this redesignation was discussed. The LWIB Directors were invited to meet with the Governor and his representatives. The notice of public comment was sent to the LWIB Directors for dissemination to their Boards and interested parties.

Public Comment

The completed waiver was contained in the state WIA Plan and posted to the homepage of the Maine Jobs Council/State Workforce Investment Board for a sixteen day public comment period prior to the formal submission to USDOL-ETA:
www.maine.gov/labor/mjc/index.shtml

A notice of public comment was released via email to the State Workforce Investment Board membership, the Local Workforce Investment Boards, the Chief Local Elected

Officials (County Commissioners), the Council's/Board's committees, the State and Local Chambers of Commerce, and interested parties.

The public comments received are contained in the Public Comment Section of the State WIA Plan 2012 – 2016.

A total of eighty two (82) comments were received—fifteen (15) were supportive of the State Plan, two (2) were neutral and sixty five (65) were opposed.

Twenty (20) of those opposed were either Board members of the four (4) LWIBs, or businesses or agencies which do direct business with the LWIBs. The LWIBs are slated to be eliminated under the new plan.

An additional thirteen (13) were County Commissioner comments, who were unanimously opposed. Reading these comments, there appears to be a misunderstanding of their role going forward, which is essentially unchanged. The same can be said of State Legislators. Those who publicly commented (ten in total) were all in opposition to the plan.

The overriding concern of most of these comments as well as the other “negative” comments was the perceived loss of local control and the potential change in allocation formulas. As stated in the plan, the intent is to increase the level of local input by going from four local areas to eight regions, and at the same time becoming both more employer led and data driven. As far as the allocation of funds to counties for job seekers, as these are formulaically prescribed they will not be changed other than if the formulas change. There is no intent to adjust them in any different way.

Surprisingly, there were only seven (7) businesses from more than 46,000 throughout the state that weighed in, which were not directly affiliated with any other group in other ways. Given the 14 years of the LWIB existence, one would have expected a larger voice from this segment. Five (5) of these businesses were opposed to the State Plan, while two (2) were in favor.

Of the fifteen (15) supportive comments, six (6) were from Chambers of Commerce, who will become part of the delivery mechanism with the adoption of the new State Plan, four (4) were from SWIB Board or Committee members, two (2) were from businesses, two (2) from economic developers and one “other”.

The public comments received are contained in the Public Comment Section of the State WIA Plan 2012 – 2016 and can be found on page 29.

PARTNER ROLES & RESPONSIBILITIES IN THE RESTRUCTURED WORKFORCE DEVELOPMENT SYSTEM

In the new structure proposed by Governor LePage, the State will request a waiver for the State Workforce Investment Board (SWIB) to carry out the roles and functions of the Local Workforce Investment Board. The following shows how the SWIB and the Department of Labor as the State Workforce Agency will assign those roles and functions.

STATE WORKFORCE INVESTMENT BOARD

1. Submit a 5-year Local Plan to qualify for receipt of Workforce Investment Act Title I program funds
2. Select service providers for core and intensive program services for adult and dislocated workers
3. Clarify roles and responsibilities of board staff, fiscal agent, service provider, One-Stop Center or System Operators, and youth council and how interaction will occur among these parties
4. Designate or certify (a) One-Stop System or Center Operator(s)
5. Establish policies for services
6. Appoint youth council as a subgroup of the Local Board and coordinate workforce and youth plans and activities with the youth council
7. Assist in developing a statewide employment statistics system
8. Ensure effective connecting, brokering and coaching activities to assist employers
9. Coordinate activities with economic development and employers
10. Select and certify eligible youth providers on the youth council's recommendation
11. Assist Governor to develop the statewide employment statistic system
12. Coordinate workforce investment activities with economic development strategies plus develop employer linkages
13. Promote private sector involvement in the statewide workforce investment system
14. Conduct business in an open and public manner by making available to the public, on a regular basis, the plans, operations and performance record of the Workforce Investment Area.
15. Negotiate with local service providers to create and implement a MOU that includes a description of the local workforce development system, agreed upon service standards, partner responsibilities, and performance expectations

MAINE DEPARTMENT OF LABOR BUREAU OF EMPLOYMENT SERVICES

1. Develop budget for funds allocated through the WIA grant administrative entity
2. Approve transferring a maximum 20% between the adult and dislocated worker WIA Title I program funds
3. Establish policies for services
4. Approve Memorandums of Understanding
5. Negotiate and reach local performance measures for WIA Programs

6. Monitor programs for implementation of federal, state and local policies/procedures to ensure compliance
7. Negotiate local performance
8. Procure contracts or obtain written agreements
9. Identify, select and certify eligible training providers for adult & dislocated workers within the Workforce Investment Area
10. Approve transferring a maximum 20% between the adult and dislocated worker WIA Title I program funds

MAINE DEPARTMENT OF LABOR

1. Disburse funds for Salaries, Contracts, Wages, Vouchers
2. Ensure independent audit of all Employment and Training programs
3. Receive funds
4. Sign contracts

MAINE DEPT OF ADMINISTRATIVE AND FINANCIAL SERVICES (SERVICE CENTER)

1. Ensure accountability for expenditures of funds in accordance with OMB Circulars,
2. Federal Regulations and State policies
3. Conduct financial monitoring of service providers
4. Respond to audit financial findings
5. Maintain proper accounting records and adequate documentation
6. Prepare financial reports
7. Provide technical assistance to sub-recipients regarding fiscal issues

MAINE DEPARTMENT OF LABOR CENTER FOR WORKFORCE RESEARCH & INFORMATION

1. Assist in developing a statewide employment statistics system

CHAMBERS OF COMMERCE

1. Ensure effective connecting, brokering and coaching activities to assist employers
2. Coordinate activities with economic development and employers

PUBLIC COMMENTS

WIA STATE PLAN 2012-2016

AND

REQUEST FOR WAIVER

The WIA State Plan 2012-2016 was posted for public comment from August 18, 2012 through September 2, 2012. The request for a waiver to permit the State Workforce Investment Board to assume the roles and functions of a Local Workforce Investment Board is contained in the WIA State Plan. Public comments received reflected comments related to both the Waiver and the Plan.

The public comment announcement that appeared at <http://www.maine.gov/tools/whatsnew/index.php?topic=Labor+Press+Releases&id=427453&v=MJCArticle> was as follows:

August 17, 2012

The State Workforce Investment Board is soliciting input on the 2012 Workforce Investment Act State Strategic Plan. Comments will be received from 8/18/12 to 9/2/12 at SWIB.dol@maine.gov or at SWIB SHS 120 Augusta, ME 04333.

Alternative formats of this document are available upon request at SWIB.dol@maine.gov or (207)621-5087.