U.S. Department of Labor

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

APR 23 2013

The Honorable Paul R. LePage
Governor of Maine
1 State House Station
Augusta, Maine 04333-0054

Dear Governor LePage:

This letter responds to Maine's State Integrated Workforce Plan for Title I of the Workforce Investment Act (WIA), the Wagner-Peyser Act (W-P), including W-P Agricultural Outreach Plan, and plans for coordination with Trade Adjustment Assistance (TAA) program. The Employment and Training Administration (ETA) received the State Integrated Workforce Plan on January 30, 2013. In response to ETA's request for clarification on sections of the plan, Maine revised and resubmitted its State Integrated Workforce Plan to ETA on March 13, 2013. This letter also responds to Maine's WIA waiver requests.

Plan Review and Approval

ETA has reviewed the Maine State Integrated Workforce Plan in accordance with Title I of WIA, the W-P 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), TEGL No. 21-11, *Requirements for 2012 State Workforce Plans,* 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 conditionally approving the WIA Title I, W-P and TAA portions of Maine's State Plan for the period May 1, 2013 through June 30, 2017, the remainder of Program Year (PY) 2012 through PY 2016. The annual W-P Agricultural Outreach Plan is approved through PY 2013, or June 30, 2014. The State is eligible to receive WIA formula allotments for Adult, Dislocated Worker, and Youth programs, and W-P program allotments, effective May 1, 2013 through June 30, 2017. As described below, our approval is conditioned up the continued maintenance of the existing four Local Workforce Investment Areas. Any change in designation of the areas will require the submission and approval of a plan modification.

While it is within the Governor's authority to redesignate the boundaries of the LWIAs, a state must meet certain procedural requirements, including public notice and comment. ETA would like to acknowledge that, based on public comments and correspondence we have received, there is a lack of clarity among Maine's workforce investment system stakeholders regarding the State's intentions for the designation of Local Workforce Investment Areas (LWIAs). Consequently, we have concerns about the level of

transparency in the development of Maine's plan. As we read the plan, the state is considering designating its four LWIAs into eight, but has not made a final decision. However, we can see where stakeholders reading the plan might conclude the state is moving forward with designation. We encourage the State to actively engage a wide variety of stakeholders, particularly local elected officials, in a good faith effort as it explores LWIA designation. We recommend, first and foremost, notifying stakeholders of where the state stands in its decision-making, whether a decision has been made and, as appropriate, advising them of next steps in the redesignation process.

If and when the state moves forward with redesignation, it must also submit a modified plan to ETA that demonstrates compliance with redesignation requirements. If Maine makes changes in local area designation or redesignates local areas, it is considered a substantial change that requires a modification of the State Plan (20 CFR 661.230). The modification must identify the state's designated local workforce investment areas and provide a description of the process used to designate such areas. The modification should also address how service delivery will be carried out within the new structure. The WIA regulations at 20 CFR 661.230(d) specify that modifications are subject to the same public review and comment requirements that apply to the development of the original State Plan; the state must provide an opportunity for public comment on and input into the development of the modification before submitting it to ETA.

We specify below what ETA's approval of the Maine State Plan entails related to the governance structure, as described in Maine's State Plan submission. ETA's approval is based on an understanding of the plan as follows:

- Under this plan, the State will maintain the existing four LWIA structure, and formula fund allocations will continue to be distributed to these four local areas until when or if formal redesignation occurs.
- The State will explore redesignation of the LWIAs in the coming months designed to better align with Chamber of Commerce regions.
- The State will consult with chief local elected officials (CLEOs) on redesignation of the LWIAs. If it decides to move forward, it will follow the WIA required redesignation process and submit a modified plan to ETA. The State Plan indicates that "the collective group of CLEOs will decide on the geographic boundaries of the Local Workforce Investment Areas in Maine" (page 63).
- Page 118 of the Maine State Plan includes a chart referencing WIA funding allocations to eight local areas. Since such a structure does not exist in the State, ETA has determined this chart is irrelevant to the State Plan and is not approved for the purposes of distributing WIA funds.

As it pursues LWIA redesignation, the State must follow the required local area designation process as outlined in WIA Section 116(a)(1) and 20 CFR 661.250, and further elaborated in TEGL No. 37-10, *Workforce Investment Act (WIA) and Appropriations Act Provisions on the Designation of Local Workforce Investment Areas*. The process for local area designation must include the following:

- Consultation with the state workforce investment board;
- Consultation with chief local elected officials;
- Consideration of comments received through the public comment process as described in WIA Section 112(b)(9), which includes an opportunity for public comment and comment by businesses and representatives of labor organizations;
- Consideration by the governor of geographic areas served by local education agencies, intermediate education agencies, postsecondary and vocational institutions or schools, and alignment with labor market areas (which could be defined as regional economies); and
- Consideration by the governor of the distance that individuals must travel to receive services in such local areas and the resources available to effectively administer the activities carried out under WIA title I, Subtitle B.

While ETA need not approve an LWIA designation, it does need to review the State's process for redesignation, and confirm that it was conducted openly and in accordance with WIA requirements. Therefore, the state must document the consultation process, which may include meeting minutes, agendas, meeting transcripts, or other similar documentation. ETA encourages the State to transparently address negative public comments it receives.

Performance Levels

Each year, the Regional Administrator negotiates the Program Year's WIA and W-P performance goals with each state. As required by TEGL Nos. 21-11 (March 27, 2012) and 38-11 (June 18, 2012), negotiations must have been completed by December 31, 2012 for PY 2012. The state has completed the negotiations process. ETA will incorporate Maine's final performance goals for PY 2012 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 Workforce Plan. ETA will issue guidance on performance goals and related negotiations for future Program Years.

Waivers

As part of Maine's State Integrated Workforce Plan, the State submitted requests for waiver of certain statutory and regulatory requirements under WIA (copy enclosed). The State's requests for waivers are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c). The disposition of the State's waiver requests is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

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

The State is requesting a waiver that allows the State to replace the 17 performance measures under WIA Section 136(b) with the common measures. The State is granted this waiver through June 30, 2017.

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

Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The State is requesting 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 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 the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State is requesting 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 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 area may provide customized training to individuals over age 18 with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the

State and local area 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 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

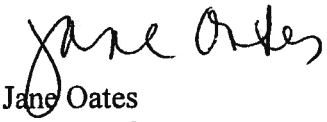
The State is requesting a waiver to permit local areas to conduct allowable statewide activities as defined under WIA Section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The State is granted this waiver through June 30, 2017. Under this waiver, the State is permitted to allow local areas to use up 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training only as part of a layoff aversion strategy. Use of Adult funds must be restricted to serving lower income adults under this waiver. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA Section 134(d), and the State is required to report performance outcomes for any individual served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD), field 309. Section 7.A. of TEGL No. 26-09, *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 Workforce Investment Act Funds for Incumbent Worker Training for Layoff Aversion Using a Waiver*, provide policy guidance related to implementation of this waiver.

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, *Workforce Investment Act (WIA) Program Year (PY) 2011 Annual Report Narrative,* 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 appreciate the State's efforts in developing the State Integrated Workforce Plan, and look forward to continuing to work together as you implement it for PY 2012 and beyond. We are available to provide technical assistance as needed, and encourage the

State to contact us with questions or concerns. If you have any questions related to the issues discussed above, please contact Carmen Rodriguez, the Federal Project Officer for Maine, at (617) 788-0110 and Rodriguez.Carmen@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosures

cc: Holly O'Brien, Regional Administrator, ETA Boston Regional Office
Carmen Rodriguez, Federal Project Officer for Maine

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

Paul R. LePage
GOVERNOR

January 30, 2013

Jane Oates
Assistant Secretary of Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

Dear Ms. Oates:

Enclosed is Maine's 2012–2016 Workforce Investment Act State Plan resubmission. After careful review and consideration of the feedback received in response to our initial submission, we have made significant improvements and revisions to our plan, making it one that will better use limited training funds to train the most workers possible. The approval of the plan is critical for Maine's continued participation in the WIA program.

I have reviewed the public comments that have been attached to the plan for your review. It is obvious that there is more support for this revised plan. We are confident that it meets the needs of all Mainers and makes much needed reforms to our workforce development system and makes sure that the needs of all regions of the state will be heard. Maine's people and businesses have far more to gain from this realignment than the existing areas believe that they will lose. Maintaining the status quo is not acceptable, as the vast majority of the public comments reveal.

Maine stands ready to implement this plan immediately upon its acceptance by your agency. The plan is available at the link: http://www.maine.gov/swib/wia_plan.html .

Sincerely,

Paul R. LePage
Governor

cc: Holly O'Brien

From: Oswald, Garret J. [Garret.J.Oswald@maine.gov]
Posted At: Wednesday, March 13, 2013 5:00 PM
Conversation: Maine's WIA State Plan submission
Posted To: WIA.PLAN

Subject: Maine's WIA State Plan submission

Importance: High

Please accept Maine's revised WIA State Plan for your review and approval.

The Plan document, along with the comments received during the public comment period, is posted at http://www.maine.gov/swib/wia_plan.html

Thank you for your consideration of Maine's Plan , and please call with any questions or concerns that you might have regarding the document.

Garret Oswald
Director, State Workforce Investment Board
State House Station 120
Augusta Maine, 04332

Office 207-621-5087
Cell 207-592-1455

State of Maine Common Measures Waiver Request

The Maine Department of Labor's Bureau of Employment Services (MDOL/BES) in consultation with the Statewide Workforce Investment Board and the four local area Workforce Investment Boards (Aroostook/Washington Counties Workforce Investment Board, Tri-County Workforce Investment Board, Central/Western Workforce Investment Board, and Coastal Countries Workforce Investment Board) submits this request for a waiver of the legal requirements to utilize the 17 WIA performance measures. The waiver would allow the exclusive use of the Common Performance Measures for performance accountability and reporting for the WIA Adult, Youth and Dislocated Worker programs. Should the waiver be granted, this would allow workforce regions focus additional resources on increased training opportunities and regional workforce strategies. MDOL/BES seeks a waiver to be allowed to replace the existing 17 measures (15 core and 2 customer satisfaction) with the Common Measure delineated in TEGL 17¬05 of nine measures of performance for employment and training activities.

This waiver request follows the format identified in WIA section 189(i)(4) and 20 CFR 661.420 and meets the standard for waiver approval at WIA Final Requirements 20 CFR 61.420(e). This waiver expires on July 1, 2012. The State of Maine requests an extension of this waiver until June 30, 2013.

Date: July 26, 2012

State: Maine

Agency: Maine Department of Labor/Bureau of Employment Services

Statutory and/or regulatory requirements to be waived

The Maine Department of Labor's Bureau of Employment Services (MDOL/BES) in consultation with the Statewide Workforce Investment Board and the four local area Workforce Investment Boards submits this request for a waiver of WIA, Section 189(i)(4)(b) (General waivers of statutory or regulatory requirements) and WIA Section 136(b) which provides that state performance measures for WIA shall consist of 17 specific core indicators of performance and customer satisfaction.

MDOL/BES seeks a waiver to be allowed to replace the existing 17 measures (15 core and 2 customer satisfaction) with the Common Measure delineated in TEGL 17-05 to 9 measures of performance for employment and training activities.

The nine measures would be:

- Adult Entered Employment
- Adult Retention
- Adult Average Earnings
- Dislocated Entered Employment
- Dislocated Retention
- Dislocated Average Earnings
- Youth Placement in Employment/Education
- Youth Attain Degree/Credential
- Youth Numeracy & Literacy

MDOL/BES is confident that this waiver, to track only the common measures and the data collected for them, will provide the necessary information to effectively oversee WIA programs; simplify and streamline performance accountability and reporting; improve program management and performance; enhance Maine's ability to assess the effectiveness and impact of workforce s development efforts; and provide a more effective means of determining performance.

Maine has the capability with the current One Stop Operating System to capture and report common measures. MDOL/BES will be implementing a new data management system by July 1, 2013. The implementation of the common measures waiver will greatly simplify and streamline the design of this new system by providing the developers as well as the end users an efficient method for service delivery. The common measure waiver implementation will achieve the overarching goal of a improving the integration of Maine's workforce development system with a streamlined data collection process capable of assessing our performance at the system-wide and individual client levels

The approval of the common measures waiver will provide an opportunity to better achieve the performance measures for youth of increased accountability for employment and/or increased secondary and post—secondary education outcomes. At present, the workforce development system that serves youth has seven measures to achieve, which fragments these core youth goals. With three measures to achieve, the system can better emphasize the youth program's vision of the obtainment of meaningful employment and/or higher education.

MDOL/BES will oversee and evaluate effective approaches to identify and address obstacles, if any, and review applicable policies and procedures and modify them accordingly.

Actions undertaken to remove state or local barriers

There are no state or local statutory or regulatory barriers to implementing the proposed waiver

Goals and expected programmatic outcomes of waiver

MDOL/BES seeks a waiver to be allowed to replace the existing 17 measures (15 core and 2 customer satisfaction) with the Common Measure delineated in TEGL 17-05 of nine measures of performance for employment and training activities.

The mission/vision of Maine's workforce development system is that economic success will be enhanced through world-class workforce development, contributing to a high quality of life and prosperous business communities. Employers will have a competitively skilled workforce and workers will have quality employment and opportunities for career advancement.

Maine's intent is to simplify and streamline the performance accountability system.. The value of implementing the common performance measures is the ability to describe, in a similar manner, the core purposes of the workforce system: how many people obtain jobs (entered employment); how many stay employed (retention); and how much do people finding employment earn (average earnings).

Multiple sets of performance measures have burdened Maine with the requirement to report performance outcomes based on varying definitions and methodologies.

By minimizing the different reporting and performance requirements, common performance measures contribute to facilitating the integration of service delivery, reducing barriers to cooperation among

programs, and enhancing the ability to assess the effectiveness and impact of the workforce investment system. This not only cost effective but is more transparent to our business partners and service providers.

In addition the waiver will:

- Provide for a simplified and streamlined measurements system, which is not only cost effective but is more transparent to our business partners and service providers.
- Provide for making the system more demand-driven, governed by business-led workforce investment boards. The existing 17 measures are difficult for staff to manage and board members to understand and successfully monitor.

Individuals impacted by the waiver

This waiver will benefit local Boards, Maine CareerCenters, employers, customers and service providers. The following are expected to be additional impacts of the proposed waiver:

- Program participants will benefit because local Boards will have added flexibility and resources to design programs based on regional needs and priorities.
- More customers will have access to training services.
- Businesses will benefit from regional strategies and greater integration of programs.

Process for monitoring progress in implementation

On an annual basis, comprehensive compliance monitoring is conducted onsite for each Local area board and designated WIA service provider. These annual monitoring reviews ensure client enrollments and service levels are maintained, and program expenditures and performance outcomes are thoroughly reviewed for compliance. State program monitors conduct quarterly reviews to ensure that contract requirements are met for all WIA programs in each local area. Should this waiver request be granted, BES will ensure regular review of the WIA Adult, Dislocated Worker and Youth programs to monitor program outcomes. BES will modify its current monitoring policy and procedures to include the waiver as described in this request.

Notice to affected local boards

The waiver request was developed in response to concerns expressed by the Local Boards and in conjunction with the Local Boards. Guidelines outlining the Common Measure waiver requests were electronically submitted to the four LWIBs requesting comments and/or questions on their understanding of the waiver and their input on how they plan to implement the waiver if approved. Their comments and input were included in the completed waiver request. Endorsement of this waiver request has been received from all four LWIBs.

Public Comment

The completed waiver was posted to the home page of the Maine Department of Labor/ Bureau of Employment Services (BES) for public comment prior to the formal submission to USDOL-ETA. http://www.maine.gov/labor/ and on the individual websites of each LWIBs.

State of Maine Request to Waive Implementation of Subsequent Eligibility of Training Providers

The Maine Department of Labor, Bureau of Employment Services, the state administrative entity for the Workforce Investment Act is currently operating under an approved waiver to delay the application of "Subsequent Eligibility of Training Providers" requirement for all students expires on July 1, 2012. The state is requesting an extended waiver to postpone the application of "Subsequent Eligibility of Training Providers" requirements for "all students" until June 30, 2013.

The basis for this request is to allow Maine additional time to establish a statewide system for consistently and uniformly collecting performance information among all training providers. Despite that an aggressive effort has been underway since July 2001 to design a system that promotes the intent and spirit of WIA to provide informed customer choice and provider accountability, training providers are struggling to adopt uniform systems for collecting and reporting performance information for "all students". In consultation with the state's relatively small training provider community we are committed to fulfilling the requirements of the Act and will continue in accordance with Maine's plan to implement a Subsequent Eligibility application, review and approval process.

This waiver request is being submitted in the format identified in WIA section 189(i)(4)(B) and WIA Regulations 661.420(c).

A. Statutory Regulations to be Waived:
Workforce Investment Act (WIA) Section 122(c)(5) and WIA regulations 663.530 citing the provision that the time limit for initial eligibility may be waived for an additional year.

B. Goals to be Achieved as a Result of the Waiver:
The goals to be achieved by the waiver are:

1. Improve efforts of data collection from training providers.
2. Increase the amount and accuracy of WIA performance information for training providers by providing better technical assistance.
3. Allow the CareerCenters more time to become more familiar with the Maine CareerCenter Consumer Report and Individual Training Account system.
4. Continue to offer customer choice while working with the Department of Labor to identify possible revisions to this section of the Act.

C. State or Local Statutory or Regulatory Barriers:
There are no existing state or local statutory or regulatory barriers to implementing this request.

D. Description of the Waiver Goal and Programmatic Outcomes:
The purpose for requesting this waiver is to allow for the programs that are currently eligible to be available to CareerCenter customers who have been issued an Individual Training Account to get the skills training that they need. We are very concerned that a strict enforcement of Subsequent Eligibility guidelines would drastically reduce the limited number of training providers available to our customers.

Maine is a rural state consisting of four Local Workforce Investment Areas and 12 CareerCenter sites. Currently, the number of training providers that have been approved under the Initial Eligibility guidelines is 500. Collectively, these providers are approved for approximately 3,000 programs. Providers include all of Maine's community colleges, a significant number of public and private for profit schools, colleges

and universities, Adult Education and Regional Vocational Education providers and non-profit community-based organizations.

The vast majority of providers do not have internal systems or capacity to produce the "all student" performance data in the specified timeframe to meet the re-certification requirements under Subsequent Eligibility. Moreover, for many of the programs that have been approved the data for the number of WIA supported students is grossly insufficient due to the timeframes that they received the training and the calculation of performance outcomes at exit. A complete list of eligible training providers is located at http://198.182.162.220/mecrs/training.asp.

The Maine Department of Labor has worked very closely with the four Local Workforce Investment Areas, the Center for Workforce Research and Information (formerly, the Division of Labor Market Information Services and the Department of Education) to market the concept of the Maine CareerCenter Consumer Report System.

Throughout the past year we have met with representatives from most of the major educational institutions in the state. We have held several training provider local forums throughout the past year. In addition, the Bureau staff have spent most of the past year providing on-site technical assistance for providers. The Bureau is committed to continuing this work throughout the next program year.

Maine's experience with implementing the subsequent eligibility requirements of the Act mirrors that of most other states. During the series of regional provider forums held this year the concerns of the training providers were largely echoed throughout the state:

1. Maintenance and collection of the "all student" performance data prescribed by the Act will result in a level of financial and human resource investment that does not come close to matching the return on investment.
2. The potential of violations of student privacy is not necessary protected under the Family Educational Rights Privacy Act.
3. Most public and private not-for-profit institutions are facing considerable budget issues and have been working on processes for streamlining student information gathering and record-keeping systems. The WIA requirements would necessitate adding a considerable amount of data collection and intrusive customer follow-up activity.
4. Many providers, including the adult and regional vocational education, technical college and university system offer non-credit course/programs that are usually the most appropriate for WIA supported student. The "all student" data collection requirements for these courses proves to be extremely cumbersome because students are only interested in obtaining the specific skill instruction and leaving the system.

We have listened to and emphasized with these legitimate concerns. At the same time, we fully support the spirit and intent of the Act to afford customer choice and to hold the system accountable for performance and outcomes. Granting this waiver request will provide Maine with the additional time necessary to work with the Department of Labor and the state's training provider community to identify methods for collecting "substantially similar" performance indicators. In addition, we are committed to promoting and supporting initiatives that offers continued customer choice and system accountability through this waiver plan as follows:

1. Continue to promote the Maine CareerCenter Consumer Report system through an ongoing series of public meetings with training providers in an effort to increase the number of providers and programs that participate in the system (July 1, 2011 through June 30, 2012).
2. Provide training provider on-demand technical assistance to assist with navigating the internet-based application and subsequent performance reporting process. (Ongoing)

3. Continue working with the Center for Workforce Research and Information and training providers to develop an effective mechanism for gathering information and reporting data using the U.I. wage record system. (Ongoing).
4. Work collaboratively with the Local Workforce Investment Boards to develop a better understanding at the local CareerCenter level for utilizing the ITA process and Maine CareerCenter Consumer Report system through staff development and training (Ongoing)

E. Description of Individuals Impacted by the Waiver:

The waiver will positively impact all customers. Individual customers will continue to have choices in selecting training programs that meet their skill development needs. Employers will be assured that they are receiving a skilled and trained workforce. Local Workforce Boards will have an opportunity to evaluate effective measures of training provider performance. Training providers will be given the opportunity to develop meaningful measures of student experiences and outcomes.

F. Description of the Process to Monitor Progress:

The Maine Department of Labor, Bureau of Employment Services will be the entity responsible to implement and monitor the goals and action plans outlined in this request. The BES maintains primary responsibility to meet the goals identified in this plan within the timeframes as established.

G. Opportunity for Local Boards to Comment on Waiver Request:

The Bureau of Employment Services consulted with the four local board directors on March 21, 2011 and discussed the specific contents of this waiver request. Given that the local areas had routinely initiated a request for a waiver to extend the timeframe for initial eligibility, they unanimously support the contents of the waiver plan.

H. Public Comment on This Waiver Request:

While there has been formal effort to solicit public input for this waiver request, the concerns that this request addresses have been the subject of local and state workforce board meetings that are open to the public.

State of Maine Request – Customized Training: 50% of the Cost of Training Employer Match Utilizing WIA Funds

The Maine Department of Labor's (MDOL)Bureau of Employment Services (BES) in coordination with the Statewide Workforce Investment Board and the four local area Workforce Investment Boards (Aroostook/Washington Counties Workforce Investment Board, Tri-County Workforce Investment Board, Central/Western Workforce Investment Board, and Coastal Countries Workforce Investment Board) submits this request for a waiver to change the required 50% employer contribution for customized training under WIA 101 (8)(c) & (31)(B) to a contribution on a sliding scale, ranging from 10 to 50 percent, based on the guidance in TEGL 13-06 (Increased Use of Flexibility Provisions in WIA) Through this approach, the employer match would range from a minimum of 10% to a maximum of 50%. based on the size of the business. This waiver expires on Jul 1, 2012. The State of Maine requests an extension of this waiver until June 30, 2013.

Date: July 26, 2012

State: Maine

Agency: Maine Department of Labor/Bureau of Employment Services

Statutory and/or regulatory requirements to be waived

The MDOL BES in coordination with the Statewide Workforce Investment Board and the four local area Workforce Investment Boards submits this request for a waiver of WIA, Section 189(i)(4)(b) (General waivers of statutory or regulatory requirements) and WIA Section 101(8), 20 CFR Section 633.715 , and 20 Section 633.720 (Definition of customized training and requires employers to pay not less than 50% of the cost of training).

Actions undertaken to remove state or local barriers

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

Goals and expected programmatic outcomes of waiver

The mission/vision of Maine's workforce development system is that economic success will be prosperous business communities. Employers will have a competitively skilled workforce and workers will have quality employment and opportunities for career advancement.

Customized Training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers. However, the current 50% employer match requirement limits the ability to offer the maximize benefits of customized training to many local employers. These added benefits would include:

- Increase the percentage of employers using customized training as a means to hire and retain skilled workers.
- Increase the percentage of workers trained and hired through customized training.
- Increase the flexibility at the local level to service business and industry through a demand-driven approach to their specific needs.,
- Equip workers with the relevant job training skills that lead to a more productive and there for profitable business.

- Improve the ability of the LWIBs to respond to industry changing needs more expediently and impactful.
- LWIB will increase their participation rates for skilled job seekers. that received training and found employment

Local employers too often conclude that 50% match requirement creates costs that outweigh the benefits of participating in the WIA customized training programs. Allowing employers to apply the sliding scale to determine the match amount will increase employer participation in WIA customized training programs at a local level. The proposed sliding scale for the employer match will create the necessary flexibility for employers to provide the required match at a rate that more appropriately represents a particular business' cost benefit ratio of contributing to a match amount to receive skilled employees. The sliding scale will answer employers' primary reason for not participating in the training programs because of their Return on Investment (ROI) concerns especially for those small employers of less than 50 employers with limited resources but a great need for skilled workers.

In the State of Maine, as indicated in the chart below, 91% of the employers employ less than 20 workers. Of these 91%, 34% of the entire Maine workforce is employed in these extremely small businesses. These small businesses have in the past been unable to benefit from the WIA customized training programs because of their limited resources and the requirement that they match at least 50% of the wages while the employee is participating in training.

Private Employers, Employment by Size of Company

	Number of Employees				
	1-19	20-49	50-99	100-249	>250
Percent of Employers	91%	6%	2%	1%	0.3%
Percent of Employment	34%	19%	13%	14%	20%

The proposed employer match sliding scale will range from 10% to 50% based on the following employer size:

- Match up to 90% for employers with 50 or fewer employee; and
- Match up to 75% for employers with 51-200 employees; and
- Match up to 50% for employers with 200 or more employees.

Individuals impacted by the waiver

Customized Training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers.

It is the purpose of this waiver is to enable many small businesses to benefit from the WIA services and to enable the employees of these small businesses the opportunity to update their skills to match industry demand.

Process for monitoring progress in implementation

The MDOL/BES will monitor the WIA customized programs. Technical assistance during the implementation phase of the waiver will cover areas as procurement, contracting and program design. Each LWIB and the MDOL/BES will monitor performance reports and compare actual performance with contract benchmarks, MDOL/BES will continue to make adjustments to monitoring performance requirements to ensure that performance goals and objectives are met for all WIA programs.

Notice to affected local boards

This request was developed at the request of the Statewide Workforce Investment Board and all four local workforce boards. A draft copy of the customized training waiver requests was electronically submitted to LWIB requesting comments and/or questions on their understanding of the waiver and their input on how they plan to implement the waiver if approved. Their comments and input were included in the completed waiver request. Endorsement of this waiver request has been received from all four LWIBs.

Public Comment

The completed waiver was posted to the home page of the Maine Department of Labor/ Bureau of Employment Services (BES) for public comment prior to the formal submission to USDOL-ETA. http://www.maine.gov/labor and on the individual websites of each LWIBs.

State of Maine Waiver Request – Incumbent Worker Training Using WIA Program Funds

The Maine Department of Labor's Bureau of Employment Services (BES) in coordination with the Governor's Workforce Investment Board and the four local area Workforce Investment Boards (Northern Maine Workforce Investment Board, Tri-County Workforce Investment Board, Central/Western Workforce Investment Board, and Coastal Countries Workforce Investment Board) submits this request for a waiver allowing a portion- (10% for Adult only) or (10% for DW only) or (10% for Adult and 10% for DW) — to be utilized to operate an incumbent worker training program at the local workforce investment board (LWIB) level. This waiver expires on July 1, 2012. The State of Maine requests an extension of this waiver until June 30, 2013.

These funds would be utilized as statewide activities funding for incumbent worker programs specifically for layoff aversion at the local level. Employers will be selected where economic indicators demonstrate a need for incumbent worker training as part of an employer outreach strategy to avert a layoff occurrence. By the time the State receives a WARN notice, it is often too late for incumbent worker training to avert the layoff. Early warning of layoffs will most often occur at the local level through established partner networks or because of longstanding relationships with individual employers. As an example, the LWIBs have developed local business assistance teams whose main responsibility is to stay connected to the local business community. Through this communication outreach approach, the LWIBs can pro-actively assess potential human resources needs to local businesses and recommend worker retention strategies such as the incumbent skills training. Criteria will be collaboratively developed by the LWIBs in collaboration with state agencies, service providers, organized labor and economic development agencies, etc.

To avert layoffs, training will provide the skills that result in the employer being able to adjust to a changing economic climate by providing the jobs necessary to do so. It will be the responsibility of the LWIBs to set priorities for the use of incumbent worker training as part of a business outreach and layoff aversion strategy.

Date: July 26, 2012

State: Maine

Agency: Maine Department of Labor/Bureau of Employment Services

Statutory and/or regulatory requirements to be waived

The Maine Department of Labor's Bureau of Employment Services (BES) in coordination with the Governor's Workforce Investment Board and the four local area Workforce Investment Boards submits this request for a waiver of WIA Section 134 (use of funds for employment and training activities), as well as a waiver from the provisions of WIA 20 CFR 663.220(b) and 20 CFR 663.310.

Actions undertaken to remove state or local barriers

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

Goals and expected programmatic outcomes of waiver

The mission/vision of Maine's workforce development system is that economic success will be enhanced through world-class workforce development, contributing to a high quality of life and prosperous business communities. Employers will have a competitively skilled workforce and workers will have quality employment and opportunities for career advancement.

The implementation of the incumbent worker program waiver will enhance overall WIA programs and activities at the local level. Providing additional flexibility for the use of the formula funds will enable the LWIBs to tailor their programs to meet demands of local employers, and the needs of incumbent workers.

- Target industries such as advanced manufacturing, information technology, marine occupations, wood products production and health care occupations which offer high skill and high wage jobs, as part of Maine's layoff aversion strategy
- Training will be provided to affected incumbent workers at risk of layoff due to the skill requirements they need in order for the employer to remain competitive.
- Enhance the LWIBs ability to respond more quickly and efficiently to immediate local needs of employers and workers to avert a layoff.
- Supports projects that further job retention and career development for improved economic self-sufficiency for the employed workers including those most vulnerable to job loss.
- Investing public resources to support occupational, technical and/or soft skills training of incumbent workers as a practical layoff aversion strategy.
- Provides support to projects that increase the capacity of businesses to access and retain skilled workers.

The granting of this waiver would ensure that the critical workforce needs of underemployed workers and workers whose skills require upgrading in order to maintain employment are met, as well as strengthening the Department's workforce investment system by addressing the needs for more skilled workers and facilitating business retention. With the economic downturn in Maine and across the country, it is in the best interest of Maine its employers and citizens to seek a waiver allowing LWIBs to operate an incumbent worker program at the local level.

The waiver provides the flexibility for the LWIBs to increase their services and become more responsive and innovative in meeting the needs of employers in the local area. It is anticipated that the waiver will enhance the ability of the LWIBs to improve job retention, and avoid layoffs. If approved, this waiver will allow the LWIBs the opportunity to provide incumbent worker training as an initial course of active in a layoff aversion strategy.

Individuals impacted by the waiver

This waiver will benefit the participating employers and incumbent workers. For the purposes of this program, an incumbent worker is defined as a worker currently employed in a Maine business that:

- Does not have marketable, in-demand skills
- No formal layoff notice has been received.
- The new skills can be attained in a reasonable period of time
- There exits a strong possibility of a job, either with the existing employer or new employer if the worker attains new skills.

Process for monitoring progress in implementation

The Maine Department of Labor/Bureau of Employment Services will monitor the implementation and impact of the waiver through quarterly and fiscal reviews and reports. The LWIBs will be required to report on the following participant data:

- Number of participants
- Number of participants who complete training
- Type of training provided
- Length of training provided
- Number of program participants who received a credential or certificate
- Program participant's wage at completion of training and six months after completion
- Number of participants whose job classification changed or skills were upgraded.

Notice to affected local boards

Guidelines outlining the Incumbent Worker training waiver requests were electronically submitted to LWIB requesting for comments and/or questions on their understanding of the waiver and their input on how they plan to implement the waiver if approved. Their comments and input were included in the completed waiver request. Endorsement of this waiver request has been received from all four LWIBs.

Public Comment

The completed waiver was posted to the home page of the Maine Department of Labor/ Bureau of Employment Services (BES) for public comment prior to the formal submission to USDOL-ETA. http://www.maine.gov/labor/ and on the individual websites of each LWIBs.