

RICK SNYDER
GOVERNOR



CHRISTINE QUINN
DIRECTOR

OFFICIAL

Workforce Development Agency (WDA)

Policy Issuance (PI): 13-04

E-mailed: 05/31/2013 (tk)

Date: July 1, 2013

To: Michigan Works! Agency (MWA) Directors

From: Gary Clark, Director, Office of Talent Development Services
Workforce Development Agency (**SIGNED**)

Subject: Workforce Investment Act (WIA) Local Area Waiver Availability and Request Process

Programs Affected: WIA Adult, Dislocated Worker (DW), and Youth Programs Administered by MWAs

References: The WIA of 1998
Training and Employment Guidance Letter (TEGL) No. 27-12
TEGL No. 21-11
TEGL No. 30-09
WDASOM PI 12-02, issued June 20, 2012
WIA Final Rule 20 CFR Part 652, et al.

Rescissions: None

Background: The State of Michigan sought and has received from the U.S. Department of Labor (USDOL) approval of statutory waivers in



Victor Office Center | 201 North Washington Square, 5th Floor | Lansing, Michigan 48913
517.335.5858 | TTY 888.605.6722

accordance with the WIA Section 189(i)(4)(B) and 20 CFR 661.420(c). The purpose of the waivers is to provide flexibility in administering WIA programs, which will ultimately assist Michigan to further develop our workforce investment system while continuing to align our workforce development efforts.

Policy:

The state has received approval for the following local-level waivers for PY 2013 through PY 2016:

1. Waiver of WIA Section 133(b)(4) to increase the funds transfer limit between the Adult and DW programs. This waiver allows for the transfer of up to 50 percent of the funds between the two programs.
2. Waiver of the requirement for a 50 percent employer contribution for customized training, per WIA Section 101(8)(C). This waiver permits the use of a sliding scale when determining the mandatory contribution for small and medium size employers who receive Customized Training. Under the waiver, the following sliding scale is permitted:
 - a. No less than 10 percent match for employers with 50 or fewer employees, and
 - b. No less than 25 percent match for employers with 51-250 employees.
 - c. For employers with more than 250 employees, the current statutory requirement (50 percent contribution) continues to apply.
3. Waiver of WIA Section 101(31)(B) to increase employer reimbursement for On-the-Job Training for small and medium size employers. This waiver permits reimbursement on a graduated scale based on:
 - a. The size of the employer. The following reimbursement amounts will be permitted:
 - i. Up to 90 percent for employers with 50 or fewer employees, and
 - ii. Up to 75 percent for employers with 51-250 employees.
 - iii. The current statutory requirement (50 percent reimbursement) continues to apply for employers with more than 250 employees.

-Or-

- b. The length of the individual's unemployment. The following reimbursement amounts will be permitted:
 - i. Up to 90 percent for individuals who have been unemployed for 52 weeks or more, and
 - ii. Up to 75 percent for individuals who have been unemployed for a period of 26 to 51 weeks.
 - iii. The current statutory requirement (50 percent reimbursement) continues to apply for individuals who have been unemployed for a period of less than 26 weeks.

- 4. Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for Older and Out-of-School Youth program. This waiver allows the use of ITAs for Older Youth and Out-of-School Youth Program participants.

MWAs may seek any of the aforementioned statutory waivers by submitting a request consistent with Section 192 of the WIA and Section 661.430 of the WIA Final Regulations.

All requests for waivers one through four as listed above must clearly identify the following:

- A. The statutory or regulatory requirement to be waived.
- B. The outcome(s) to be achieved by obtaining the waiver.
- C. A description of the process MWA officials will implement to ensure accountability for federal funds through appropriate fiscal and programmatic monitoring of the waiver.
- D. A description of the process the local area used to ensure meaningful public comment was sought from any individual or group affected by the waiver request and the general public, including business and organized labor.

When outlining requirements A, B, and C above, the content must contain sound program design, delivery, and monitoring consistent with the key reform principles of the WIA. The WIA key reform principles are outlined in Section 661.400 of the WIA Final Regulations.

Additionally, the state has received approval for the following local-level waiver:

5. Waiver of WIA Section 134(a) to permit the use of up to 20 percent of local DW formula allocation to provide Incumbent Worker Training (IWT). IWT must be used as part of the MWA's overall layoff aversion strategy. All training delivered under this waiver is restricted to skill attainment activities. MWAs must submit a request consistent with the requirements outlined in PI 12-02, issued June 20, 2012, (or any policy that replaces PI 12-02).

Waivers one through five, once approved, will be valid through June 30, 2017.

The WDA will respond to MWA waiver requests on a case-by-case basis. Waiver requests that contain all of the required elements outlined in this policy will be reviewed and a decision will be made by the WDA within 30 days of their receipt. The MWAs will be notified in writing of the WDA's decision regarding the request. Requests that do not contain all of the required information, or contain elements that do not align with the key reform principles, will be returned to the MWA along with a request for additional information. The 30-day review will begin once a complete waiver request is submitted.

The WDA will entertain additional waiver requests to address impediments to the implementation of local strategic plans consistent with the key reform principles of the WIA.

The USDOL Web site <http://www.doleta.gov/waivers>, which provides information regarding general waiver authority and examples of state waivers, may be used as a reference by MWA officials.

Action: MWAs that identify local-level statutory or regulatory requirements that, if waived, would allow the agency to improve their ability to deliver training and related services more strategically and expeditiously to address growing workforce challenges, should submit a waiver request consistent with this policy to the WDA.

Waiver requests should be submitted to:

Ms. Stephanie Beckhorn, Manager
Workforce Investment Act/Rapid Response Section
Workforce Development Agency
Victor Office Center
201 N. Washington Square, 5th Floor
Lansing, MI 48913

Inquiries: Questions regarding this policy issuance should be directed to your WIA state coordinator.

This policy issuance is available for downloading from the Internet system. Please contact Ms. Teresa Keyton at (517) 335-5858 for details.

The information contained in this policy issuance will be made available in alternative format (large type, audio tape, etc.) upon request to this office. Please contact Ms. Keyton at (517) 335-5858 for details.

**Expiration
Date:**

June 30, 2017

GC:CM:tk