

ATTACHMENT A

Massachusetts WIA Waivers

1. Use of Youth Individual Training Accounts
2. Use of Formula Funds for Incumbent Worker Training
3. Use of Rapid Response Funds for Incumbent Worker Training
4. Expanded Transfer Authority - Adult and Dislocated Worker Funds
5. Waiver of Requirement for Competitive Procurement of Youth Follow-Up Services
6. Sliding Scale Employer Match for Customized Training
7. Sliding Scale Employer Match for On-the Job Training
8. Common Measures Implementation
9. Waiver of Requirement to Provide Incentive Grants to Local Areas

1. YOUTH INDIVIDUAL TRAINING ACCOUNTS (ITA)

Statutory and/or Regulatory Requirements to be Waived

WIA Section 189(i)(4)(b) and 20 C.F.R. Part 664.510 prohibit the use of ITAs for youth unless they are found eligible for and co-enrolled in either the Adult or Dislocated Worker program.

Actions Undertaken to Remove State or Local Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Goals and Expected Programmatic Outcomes of Waiver

A renewal of the waiver will maximize the service delivery capacity of the WIA Youth programs within the One-Stop Career Center delivery system by allowing youth focused on employment rather than academics, to have the same access as adults and dislocated workers to the advantages of ITAs. The co-enrollment of youth in the Adult programs is overly burdensome, and contributes to unnecessary duplicative paperwork. Co-enrollment of youth in the Adult programs also creates an additional tracking and reporting burden on activities, expenditures, and outcomes for the 16 local workforce investment areas. Granting the waiver renewal request will decrease state and local paperwork, reduce the need for extra staff needed to track and report co-enrollments, and make available youth case staff to work with the older youth instead of transferring the case to an adult case manager. A renewed waiver allowing the use of ITAs for youth without co-enrollment would allow youth to be treated equally with adults with similar training needs. Charging the cost of the ITA to the Youth program, instead of the Adult or Dislocated Worker program, would reduce dependence on limited Adult funds, and would allow the 16 local workforce investment areas to meet their 30 percent out-of-school expenditure requirements.

Individuals Impacted by the Waiver

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Process for Monitoring Progress in Implementation

The waiver will directly impact older WIA eligible youth allowing them to benefit from an ITA. These youth would then be able to receive the same services given to adult and dislocated workers without unnecessary paperwork or tracking.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This request was developed as a result of concerns expressed by local areas. As with all other major policy and procedural decisions made by the Commonwealth of Massachusetts, we relied heavily upon input from local area staff and boards. The Executive Office of Labor and Workforce Development (EOLWD) and its agencies, as the State administrator of WIA, will monitor the implementation of this waiver and work with the 16 local workforce investment regions and develop the appropriate state policies to govern its use by local regions.

2. USE of FORMULA FUNDS for INCUMBENT WORKER TRAINING

Statutory and/or Regulatory Requirements to be Waived

Language in Section 133 (b) (2) and WIA Section 129 limiting use of local adult, dislocated worker and youth formula funding for *allowable* statewide employment and training activities, including flexible training design for unemployed and incumbent worker training activities (described in Section 134(a) (3) (A)).

Actions Undertaken to Remove State or Local Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Goals and Expected Programmatic Outcomes of Waiver

The waiver request is consistent with the national policy direction to develop a workforce system that is responsive to the demands of both individual and employer customers. In addition, it supports a key priority of the Governor to close the "skill gaps" between job vacancies in the state and the available workforce through better alignment of public investments with regional data on employer need. The Commonwealth anticipates an increase in capacity of local workforce regions to respond to labor market changes within their region. The waiver allows local regions to increase the effectiveness and efficiency of education and training vendors and institutions by connecting program design and curriculum with the labor market needs for the region through the use of Workforce Investment Act funding. Flexibility in the use of local formula funding will truly encourage collaboration with economic development organizations, business, industry associations, education and training institutions, Workforce Investment Boards, One-Stop Career Centers and other workforce intermediaries to change the system of delivery to align supply and demand for skilled workers. Specifically it provides the opportunity to increase collaborations with industry to address worker training.

Individuals Impacted by the Waiver

The Commonwealth anticipates an increase in the number of incumbent workers receiving training who might otherwise be ineligible. All WIA customers and WIA partners including the stewards of local formula funding, namely, Workforce Investment Boards, Title I Administrators and One-Stop Career Centers will be positively affected by adoption of this waiver request.

Process for Monitoring Progress in Implementation

Massachusetts will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This request was developed as a result of goals expressed by local workforce investment areas. As with all other major policy and procedural decisions made by the Commonwealth of Massachusetts, we relied heavily upon input from local area staff and boards. All requests for waiver renewal have been posted on the Mass Workforce website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in the Commonwealth.

3. USE of RAPID RESPONSE FUNDS for INCUMBENT WORKER TRAINING

Statutory and/or Regulatory Requirements to be Waived

Massachusetts requests a waiver of language in WIA Sec. 133(a)(2) to allow up to a maximum of 10% of the funding described in Sec. 133(a)(2) to be used for the described activities allowable under statewide activities described in 134(a).

Actions Undertaken to Remove State or Local Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Goals and Expected Programmatic Outcomes of Waiver

The waiver request is consistent with the national policy direction to develop a workforce system that is responsive to the demands of both individual and employer customers. In addition, it supports a key priority of the Governor to close the "skill gaps" between job vacancies in the state and the available workforce through better alignment of public investments with regional data on employer need.

The Commonwealth anticipates an increase in capacity of local workforce regions to manage service changes required by the needs of dislocated workers and changes in the volume of layoff activity. Flexibility in the use of Rapid Response Set-Aside funding will truly encourage collaboration with economic development organizations, business, industry associations, education and training institutions, Workforce Investment Boards, One-Stop Career Centers and other workforce intermediaries to change the system of delivery to align supply and demand for skilled workers. Specifically it provides the opportunity to increase industry collaborations to address worker training.

Individuals Impacted by the Waiver

Workers in companies anticipating layoffs or workers affected by layoffs would most directly benefit. All WIA customers and WIA partners including the stewards of local formula funding, namely, the statewide Rapid Response Team, Workforce Investment Boards, Title I Administrators and One-Stop Career Centers will be positively affected by adoption of this waiver request.

Process for Monitoring Progress in Implementation

Massachusetts will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This request was developed as a result of goals expressed by the Statewide Rapid Response Team and local areas. As with all other major policy and procedural decisions made by the Commonwealth of Massachusetts, we relied heavily upon input from local area staff and boards. All requests for waiver renewal have been posted on the Mass Workforce website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in the Commonwealth.

4. EXPANDED TRANSFER AUTHORITY - ADULT and DISLOCATED WORKER FUNDS

Statutory and/or Regulatory Requirements to be Waived

WIA Section 133(b)(4) and 20 C.F.R. Part 667.140 state that a Local Board may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area in a fiscal year between Adult employment and training activities and Dislocated Worker employment and training activities. The Commonwealth of Massachusetts requests renewal of the waiver that allows local boards to transfer up to 50 percent of a program year allocation for Adult funds and up to 50 percent of a program year allocation for Dislocated Worker funds between the two funding streams.

Actions Undertaken to Remove State or Local Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Goals of the Waiver and Expected Programmatic Outcomes of Waiver

The main anticipated goal is increased flexibility for the local areas in allocating and expending Adult and Dislocated Worker funds. Such flexibility would enable local areas to better serve the needs of their customers, and would heighten their ability to respond to changes in the local labor market. In addition, greater flexibility in use of funds may allow Local Workforce Investment areas to commit additional WIA Title I formula funding for education and training purposes. The U.S. Department of Labor has already approved similar waivers for other states, and we ask that our waiver renewal request also be granted.

Individuals Impacted by the Waiver

All Adults and Dislocated Workers, as well as business customers, will benefit from the waiver. Granting local boards the ability to move substantial funds to the areas of greatest need will ensure optimum service to the general population of that workforce area.

Process for Monitoring Progress in Implementation

Massachusetts will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This request was developed as a result of concerns expressed by local areas. As with all other major policy and procedural decisions made by the Commonwealth of Massachusetts, we relied heavily upon input from local area staff and boards. The problems with the prior 30% limitation on fund transfers between Adult and Dislocated Worker funding streams were discussed with the local areas to gain input on those problems and on the benefits of being granted this waiver. This waiver will be especially helpful in serving employed workers in an effort to assist them in retaining employment or obtaining employment leading to self-sufficiency. All requests for waiver renewal have been posted on the Mass Workforce website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in the Commonwealth.

5. WAIVER of REQUIREMENT for COMPETITIVE PROCUREMENT of YOUTH FOLLOW-UP SERVICES

Statutory and/or Regulatory Requirements to be Waived

WIA Section 123, Section 117(h)(4)(B)(i), and 20 C.F.R. Part 664.400 require that eligible providers of youth services be selected by awarding a grant or contract on a competitive basis for youth activities and services.

Actions Undertaken to Remove State or Local Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Goals of the Waiver and Expected Programmatic Outcomes of Waiver

A waiver renewal will maximize resources by allowing framework service providers to provide follow-up services to youth, instead of requiring a second competitive bidding process. Granting the waiver renewal will decrease state and local paperwork, reduce the need for extra staff needed to track and report the progress of a youth through various programs, and make available youth case staff to work directly with youth on more substantive training and educational goals. Approving the waiver renewal will allow for a smoother flow of data that documents the delivery of youth services, as well as the outcomes that result

from youth participation, since the organization that is providing framework services will be in a better position to understand where each youth is in relationship to his or her Individual Service Strategy, when a youth has exited a WIA service or the WIA program, and when the period for follow-up begins. We also believe that defining follow-up as a framework service will support the implementation of common performance measures, since the framework service provider will be in the best position to know when a WIA youth is also participating in another partner program, and therefore make a better administrative judgment as to when program completion will trigger the time period to determine a performance outcome under the new common measures.

Individuals Impacted by the Waiver

The waiver will directly impact WIA eligible youth.

Process for Monitoring Progress in Implementation

Massachusetts will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This request was developed as a result of concerns expressed by local areas. As with all other major policy and procedural decisions made by the Commonwealth of Massachusetts, we relied heavily upon input from local area staff and boards. All requests for waiver renewal have been posted on the Mass Workforce website, with a procedure for submission of comments and questions. Public input is factored into all policy considerations in the Commonwealth. The Executive Office of Labor and Workforce Development (EOLWD) and its agencies, as the State administrator of WIA, will monitor the implementation of this waiver and work with the 16 local workforce investment regions and develop the appropriate state policies to govern its use by local regions.

6. SLIDING SCALE EMPLOYER MATCH for CUSTOMIZED TRAINING

Statutory and/or Regulatory Requirements to be Waived

WIA Section 101(8) and the accompanying regulations in 20CFR Subpart G 663.715, 663.720, and 663.730 establish that local areas and the State may offer customized training through an agreement with an employer or group of employers for which the employer pays for not less than fifty (50) percent of the cost of the training.

Actions Undertaken to Remove State or Local Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Goals of the Waiver and Expected Programmatic Outcomes of Waiver

The waiver is consistent with national policy to develop a workforce system that is responsive to the demands of both individual and employer customers. The following goals will be achieved with the approval of the waiver request:

- Assist local areas in marketing customized training as a vehicle to engage employers, particularly in targeted sectors, to provide training to new and current workers. This will build the capacity and future viability of both the workforce and the industries themselves.
- Increase the capacity of local workforce regions to respond to labor market changes within their region.
- Increase employer awareness of and engagement with One-Stop Career Centers and Workforce Boards at this critical time.
- Increase the opportunities for collaborations with industry to address worker training.
- Assist local systems in identifying and designing training that meets the needs of area employers.
- Equip workers with relevant job training with transferable skills that lead opportunities in high-skill, high-wage occupations and industries.
- Local regions will assist education and training vendors and institutions to connect program design and curriculum with the labor market needs for the region through the use of Workforce Investment Act funding.

This waiver supports a key priority of the Governor to close the "skill gaps" between job vacancies in the state and the available workforce through better alignment of public investments with regional employer need. A high percentage of job placements are with small to medium sized employers. When asked about utilizing the customized training option, many employers conclude that the 50% match requirement outweighs the benefits of participation in the program. Flexibility in the level of employer contribution to the cost of customized training will encourage increased business participation and foster increased collaboration among economic development organizations, education and training institutions, Workforce Investment Boards, One-Stop Career Centers and other workforce intermediaries to improve the system of delivery and align supply and demand for skilled workers.

Individuals Impacted by the Waiver

Benefit to individuals:

This waiver will increase the number of workers trained and hired through customized training programs, increasing opportunities to those individuals who are currently WIA-eligible job seekers to identify and obtain employment as a participant in a customized training project. WIA-eligible individuals with multiple barriers to employment, low basic skills and/or English language proficiency stand to benefit most from customized training.

Benefit to Employers

The reduced match requirement for small businesses will make customized training a more attractive option for those employers, increasing the opportunity to utilize this model to train new workers. It will also assist employers seeking to expand product lines that require new skill acquisition by the current workforce. For current employers facing dislocation without additional skill acquisition, customized training will provide an effective lay off aversion tool.

Process for Monitoring Progress in Implementation

Massachusetts will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This waiver request was developed at the request of local areas. As with all major workforce policies and procedures, the State has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request. This waiver request is posted on the State Workforce Website at: www.massworkforce.org. The Department of Career Services (DCS) will monitor implementation of this waiver and work with the 16 local workforce investment regions to develop the appropriate state and local policies to govern its use by local regions.

7. SLIDING SCALE EMPLOYER MATCH FOR ON-THE JOB TRAINING

Statutory and/or Regulatory Requirements to be Waived

WIA Section 101(31)(B) and the accompanying regulations as promulgated at 20 CFR Subpart G 663.710(b) state that employers may be reimbursed up to 50 percent of the wage rate of an OJT participant for the extraordinary costs of providing the training and additional supervision related to the OJT.

Actions Undertaken to Remove State or Local Barriers

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Goals of the Waiver and Expected Programmatic Outcomes of Waiver

The waiver is consistent with national policy to develop a workforce system that is responsive to the demands of both individual and employer customers. The Commonwealth anticipates the following goals will be achieved with approval of the waiver request:

- Maximize the flexibility needed to impact local economic vitality and direct resources where demand for services is greatest by assisting local areas in marketing OJT as a vehicle to engage employers,

particularly in targeted sectors, to hire and provide training to new workers. This will build the capacity and future viability of both the workforce and the industries themselves.

- Assist with the transformation of the current workforce system to a demand-driven, sector based and regionally driven talent development pipeline.
- Increase training and transitional employment opportunities for unemployed workers and hard to serve youth and adults.
- Equip individuals with relevant job training and transferable skills in high-skill, high-wage, high-demand occupations and industries.
- Increase business usage of the local workforce system by providing added incentives to hire and train new workers.

Local workforce investment partners have provided feedback with regard to employer needs for assistance with economic competitiveness in the current economic downturn. Allowing businesses to be reimbursed on a sliding scale will address the primary reason for prior limited use of OJT and increase employer participation. Employer feedback indicates that they will be more likely to use this opportunity if reimbursement was greater than 50%. Small to medium-sized employers are responsible for 51% of all the jobs in Massachusetts, therefore the Commonwealth estimates that small to medium-sized employers will comprise a significant percentage of OJT opportunities. As cited above, Massachusetts has applied for OJT NEG funds that provide for the same sliding reimbursement scale as described in this request. Extending the option to the use of local formula funds will allow for a more consistent expansion of training options available to potential employers interested in hiring and training new workers.

Individuals impacted by the Waiver

The need for training is especially acute for those workers most in need: dislocated workers transitioning to new occupations and industries, long-term unemployed individuals in need of advancing outmoded skills in order to catch up with emerging technologies, and low-income and entry-level workers seeking to start their careers in the weakest economic climate in the past seventy years. Approval of the waiver will increase training options for WIA-eligible job seekers. The reduced match requirement for employers, particularly new start-ups and other small to medium sized businesses will provide an attractive and cost-effective financial incentive, increasing the opportunity to utilize the OJT model to hire and train new workers. This waiver will allow Massachusetts businesses to more rapidly adapt to both technological and general marketplace changes by improving their capacity to expand and remain competitive with affordable OJT options uniquely designed to achieve their specific developmental goals.

Process for Monitoring Progress in Implementation

Massachusetts will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system. The Department of Career Services (DCS) actively sought the input of local regions during the development of this waiver request. As with all major workforce policies and procedures, the State has solicited dialogue and input from local workforce boards, one-stop career center operators and workforce investment partners concerning the impact of this waiver; the local workforce areas overwhelmingly support this request. This waiver request has been circulated statewide for review and comment and is posted on the State Workforce Website at: www.massworkforce.org. DCS will monitor implementation of this waiver and work with the 16 local workforce investment regions to develop the appropriate state and local policies to govern its use by local regions.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This waiver request was developed at the request of local areas. As with all major workforce policies and procedures, the State has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request. This waiver request is posted on the State Workforce Website at: www.massworkforce.org. The Department of Career Services (DCS) will monitor implementation of this waiver and work with the 16 local workforce investment regions to develop the appropriate state and local policies to govern its use by local regions.

8. COMMON MEASURES IMPLEMENTATION

Statutory and/or Regulatory Requirements to be Waived

The statutory sections effected by this request are Workforce Investment Act of 1998 §189(i)(4), §129, §134, §168; 20 CFR WIA Final Rules §652.3, §661.400, §661.410, §661.420, §666.100; Wagner-Peyser Act, as Amended, Section 10(c) and 3(c); Title 38 United States Code as amended by the Jobs for Veterans Act of 2002; the Trade Act performance measures.

Actions Undertaken to Remove State or Local Barriers

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

Goals of the Waiver and Expected Programmatic Outcomes of Waiver

The waiver is consistent with national policy to develop a workforce system that is responsive to the demands of both individual and employer customers. The Commonwealth anticipates the following goals will be achieved with approval of the waiver request:

- Establish a simplified and streamlined performance measurement system.
- System-wide integration of performance accountability.
- Commonality of performance measurement across a broader spectrum of workforce development programs.
- Reduce paperwork and labor costs associated with performance data collection.
- Provision of clear and understandable information to the general public, Congressional and legislative leaders, the State Workforce Investment Board (SWIB), and to other system stakeholders with regard to the use of public funds and subsequent return on investment.
- Provision of a more effective program management tool.
- Focus on customer-driven rather than program-driven outcomes.
- Enhanced service coordination and information sharing among program operators.
- Improved efficiency in program delivery.

Local workforce investment partners have provided feedback with regard to implementation of Common Measures. A simplified methodology that uniformly measures performance across a significantly broader spectrum of programs and institutions will result in a more cohesive workforce development system focused on serving the needs of Massachusetts workers and employers with significantly greater effectiveness.

Individuals impacted by the Waiver

Approval of this waiver will positively impact all customers, practitioners and stakeholders of the workforce investment system by providing a more broadly focused system of accountability while improving and streamlining program management and performance.

Process for Monitoring Progress in Implementation

DCS actively sought the input of local regions during the development of this waiver request. As with all major workforce policies and procedures, the State has solicited dialogue and input from the local workforce boards and staff concerning the impact of implementing this waiver. The local workforce areas overwhelmingly support this request. To solicit public comment, this waiver request is also posted on the State Workforce Website: www.massworkforce.org. The Department of Career Services (DCS) will monitor implementation of this waiver and work with the 16 local workforce investment regions to develop the appropriate state and local policies to govern its use by local regions.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This waiver request was developed at the request of local areas. As with all major workforce policies and procedures, the State has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request. This waiver request is posted on the State Workforce Website at: www.massworkforce.org. The Department of

Career Services (DCS) will monitor implementation of this waiver and work with the 16 local workforce investment regions to develop the appropriate state and local policies to govern its use by local regions.

9. WAIVER of REQUIREMENT to PROVIDE INCENTIVE GRANTS to LOCAL AREAS

Statutory and/or Regulatory Requirements to be Waived

Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring the provision of incentive grants to local areas.

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 reduction to five percent in the WIA allotment for Program Year 2011 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the Governor's Reserve is insufficient to cover the cost of incentive grants to local areas. The state's reduced funds are being used to cover the following required activities:

- operating fiscal and management accountability information systems (WIA Section 134(a)(2)(B)(vi) and 20 C.F.R. 665.200(b)(1));
- submitting required reports (WIA Section 136(f)); and
- providing technical assistance to poor performing local areas (WIA Section 134(a)(2)(B)(iv) and 20 C.F.R 665.200(f)).

Our goal in seeking this waiver is to ensure that the state may prioritize the use of Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system.

Individuals impacted by the waiver

This waiver will provide the state agency with more flexibility in directing Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

Process for monitoring progress in implementation

Massachusetts will monitor progress and ensure accountability for Federal funds in connection with this waiver by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system. All other monitoring and feedback will continue as described above.

Opportunity for Public Comment and the Process for the Implementation of the Waiver

This waiver request was developed at the request of local areas. As with all major workforce policies and procedures, the State has solicited dialogue and input from the local workforce boards and staff concerning the impact of this request. The local workforce areas support this request. This waiver request is posted on the State Workforce Website at: www.massworkforce.org. The Department of Career Services (DCS) will monitor implementation of this waiver and work with the 16 local workforce investment regions to develop the appropriate state and local policies to govern its use by local regions.