



DEC 9 - 2009

The Honorable Deval Patrick
Governor of Massachusetts
State Capitol
Boston, Massachusetts 02133

Dear Governor Patrick:

We are pleased to be able to respond positively to your request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA) submitted on October 23, 2009. This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. This request is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission (copy enclosed).

Requested Waiver: 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, 2010. 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 may provide customized training to low-income adults with WIA Adult funds, and may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

The approved waiver is incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as required by TEGL No. 14-00, Change 3, 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 look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Holly O'Brien, the Acting Regional Administrator for Region I, at (617) 788-0170 or Obrien.Holly@dol.gov.

Sincerely,

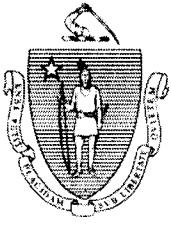
A handwritten signature in black ink, appearing to read "Jane Oates". The signature is fluid and cursive, with the first name "Jane" and last name "Oates" clearly distinguishable.

Jane Oates
Assistant Secretary

Enclosure

cc: Christina Eckenroth, Federal Project Officer for Massachusetts, ETA Boston
Regional Office

Holly O'Brien, Acting Regional Administrator, ETA Boston Regional Office



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF WORKFORCE DEVELOPMENT

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LT. GOVERNOR

SUZANNE M. BUMP
SECRETARY

MICHAEL TAYLOR
DIRECTOR

October 23, 2009

Ms. Janet Sten
Federal Coordinator for
Plan Review and Approval
Division of Workforce System Support
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW, Room S-4231
Washington, D.C. 20210

Dear Ms. Sten:

The Massachusetts Department of Workforce Development (DWD), on behalf of the Executive Office of Labor and Workforce Development (EOLWD), is submitting for approval, a request for a waiver of WIA statutory and regulatory requirements pursuant to WIA Section 101(8)(C) and Section 134(d)(4)(B)(ix). The waiver would change the required 50 percent employer match for customized training to a match based on a sliding scale, ranging from 10 to 50 percent. The waiver request has been developed in accordance with the WIA guidelines in Section 189(i) (4) (B) and the WIA Federal regulations at 20 CFR 661.420.

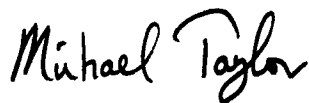
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Ms. Janet Sten
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We believe that this waiver supports the continued success of our state and local partnership in serving the workforce development needs of individuals and businesses in Massachusetts by providing flexibility and enhanced service options that allow for improved deployment of resources at a time when the demand for services is increasing and resources are limited. We look forward to your approval of this waiver.

Please refer questions regarding the content of this communication to Alice Sweeney, Director of Special Programs, Division of Career Services at 617-626-6449 or asweeney@detma.org.

Thank you for your consideration of this request; we look forward to a positive response.

Sincerely,

A handwritten signature in black ink that reads "Michael Taylor". The signature is written in a cursive, flowing style.

Michael Taylor

Attachment: Massachusetts Waiver Request

c: Holly O'Brien, Acting Regional Administrator, DOLETA Region I
Christina M. Graff Eckenroth, Workforce Development Specialist, DOLETA Region I
Rosemary Chandler, Director, Division of Career Services
Alice Sweeney, Director of Special Programs, Division of Career Services

Commonwealth of Massachusetts
Department of Workforce Development
Waiver Request

Customized Training Waiver: Employer Match

The Massachusetts Department of Workforce Development (DWD), on behalf of the Executive Office of Labor and Workforce Development (EOLWD), submits this request for a waiver to change the required 50 percent employer match for customized training as described in WIA Section 101(8)(C) and Section 134(d)(4)(B)(ix) to a match based on a sliding scale, ranging from 10 to 50 percent. The waiver request has been developed in accordance with the WIA guidelines in Section 189(i) (4) (B) and the WIA Federal regulations at 20 CFR 661.420.

The Commonwealth requests this waiver to enable local areas to expand flexible training design and incumbent worker training to better align training investments with the needs of regional employers. Under the waiver, the following sliding scale is requested: no less than ten (10) percent match for employers with 50 or fewer employees; (2) no less than twenty-five (25) percent match for employers with 51 to 100 employees. For employers with more than 100 employees, the current statutory requirements will continue to apply. Upon notification of this waiver approval, applicable state and local policies and procedures will be revised in accordance with the terms and conditions of the waiver.

The U.S. Department of Labor has approved a similar waiver for a number of other states; we look forward to approval of this waiver for Massachusetts and, upon approval, request that the waiver period be effective immediately.

A. The statutory and/or regulatory requirements for which the waiver is requested:

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.

B. Description of the actions the state or local area has undertaken to remove state or local barriers:

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

C. Description of the waiver goals; relationship of goals to the strategic plan goals; and expected programmatic outcomes:

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.

D. Description of the individuals impacted by the waivers:

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.

E. Description of the process used to ensure meaningful public comment, including comment from business and labor; provide notice to any local board affected by the waiver; provide affected local boards the opportunity to comment; and monitor implementation:

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 Workforce Development (DWD) 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.