

Michigan Works! West Central

F. Waiver Dislocated Worker, Adult and Youth to Incumbent Worker

Waiver to allow the use of up to 20% of the WIA Dislocated Worker, Adult and Youth allocations for Incumbent Worker training.

1. Requirements to be waived:

To permit the use of up to 20 percent of Dislocated Worker, Adult, and Youth funding allocated under the WIA Sections 129(c)(1), 133(b)(1) (A) & (B), to operate an Incumbent Worker program as described under 134(a)(3)(A)(iv)(1) and consistent with 20 CFR Sections 665.210 and 665.220

2. Outcomes to be achieved by obtaining the waiver:

Approval of the waiver would allow for the expansion of the Incumbent Worker program. Funding would be used for layoff prevention, and primarily targeted to the manufacturing sector, with priority given to proposals in the health care area with the West Michigan RSA.

The expansion is an attempt at earlier intervention, as indicated in the 21st Century Jobs initiative to reduce layoffs, and the number of worker dislocation events or to limit their severity.

The outcomes could be measured using the same criteria and reporting as is used in the Statewide Incumbent Worker program.

Recent LMI reports show declining employment in manufacturing, assisting companies to be competitive in terms of a skilled workforce, will help retain jobs in the area and prevent or reduce the severity of dislocation events.

In addition, some Incumbent Worker training may be authorized to be provided by Service Providers for participants to expand their training opportunities and skill acquisition.

The intent of expanding the waiver request to Adult and Youth funding is to allow for flexibility in grant management and to permit Service Providers to include Incumbent Worker training as a direct option for participants who need additional training after employment.

3. Accountability for Federal Funds

The MWA will use the same application, approval and delivery process as is used for the Statewide Incumbent Worker program. An application by the employer and educational institution, a peer review of WDB members, training provided and costs reimbursed on a tuition or class basis, and monthly reporting. Some flexibility on local match requirements may occur in some cases, tied to the 21st Century Jobs initiative, and early

intervention. All federal and state rules for Statewide Incumbent Worker funding will be followed.

4. Public Comment

The request is being published on the MWA website for a thirty day comment period, and local Economic Development, Training institutions, and Service Providers will be advised it is being requested. A copy of the waiver request has been provided to them.

5. Reform Principles

An increased focus on layoff prevention, to reduce the number of dislocated workers and retain employment opportunities in the area is a key improvement to the area and state workforce system. Keeping jobs is as important as creating jobs. This is a focus of early intervention and the 21st Century Jobs initiative. Applications from companies known to be in distress will be seriously considered.

The request is for up to 20% of the WIA Dislocated Worker, Adult and Youth funding to be used. The actual percentage will be based on demand and a balance with the needs of the participants in these programs.

G. Waiver

A Waiver to allow the unrestricted transfer of funding between Dislocated Worker and Adult programs.

1. Requirements to be waived:

WIA Section 133 Within State Allocations (b) Within a state allocation (4) Transfer Authority (A) adult employment and training activity and (B) dislocated worker employment and training activities. The request is to waive the 20% transfer limitation to up to 100% between these programs.

2. Outcomes to be achieved by obtaining waiver:

Approval of the waiver will enable the MWA to request modifications to meet customer demand between the Dislocated Worker and Adult program. The number of applicants for each program, particularly with NWLB is not always consistent with the program the funding has been allocated in. The waiver will allow flexibility in transferring funding when needed, without regard to the 20% limitation.

3. Accountability for Federal Funds

Approval of the waiver would not affect the way Federal Funds are managed. Participants would continue to meet program requirements and expenditures would continue to be used for allowable activities. All safeguards, allowable activities and reporting requirements would remain in place. Only the ability to transfer additional funding between the Dislocated Worker and Adult programs would be revised.

4. Public Comment

The request is being published on the MWA website for a thirty day comment period, and Service Providers are being informed.

5. Reform Principles

The Waiver would make the MWA more responsive to customer demand as or shortly after it occurs. We do not anticipate all of the funding being moved, but request the flexibility to exceed the current limitation if necessary.

Allocations at the federal and state level are based on previous data, and may not always reflect current demand at area centers. This waiver allows the programs to have more options to meet need and flow of applicants.

H. Waiver for On-the-Job Training Reimbursement

A waiver to allow training employer reimbursement for On-the-Job Training of up to 90%.

1. Requirements to be waived:

To permit employer reimbursement under WIA Section 101(31)(B) to be up to 90%.

2. Outcomes to be achieved by obtaining the waiver:

Approval of the waiver will allow the program to provide additional assistance to area employers in creating jobs for WIA participants. The area is experiencing significant layoffs and job creation is at a minimum. Approval of the waiver would provide assistance to employers in creating jobs and move the cusp of job creation to sooner rather than later by reimbursing more of the costs of training new workers.

The anticipated outcomes include sustaining the rate of job placement and job creation in a struggling economic situation. Outcomes would be measured by job placements and retentions.

The MWA would explore and allow alternate payment methods, including but not limited to a modified payment schedule, with a portion of the payment made at job retention, and other methods such as a sliding scale of reimbursement that moves from a higher percentage to a lower percentage over time.

Beneficiaries would be small and medium sized companies and employers. The MWA only has two “large private employers,” by definition, at present and is reluctant to single these two out for separate treatment. Major hiring is not anticipated at these employers as they also have workers laid off.

3. Accountability for Federal Funds

The MWA will continue to use proven methods of accountability for funds expended under this waiver, as for the current programs. These practices assure appropriate accountability will continue.

4. Public Comment

The request is being published on the MWA website for a thirty day comment period. Service Providers are being advised and a copy of the request has been provided to them.

5. Reform Principles

The area continues to experience an unemployment rate in double digits and extensive layoffs in the manufacturing industries in particular. Employers who may need additional workers are taking much longer to hire new workers, in part because of the costs of training as the number of employees providing training and supervision have decreased.

The modification of reimbursement is intended to provide assistance and encouragement to have the job creation decision happen sooner rather than later.

I. Waiver of Customized Training Required Match

A Waiver of the required 50 percent employer match for customized training.

1. Requirement to be waived:

A waiver of the requirement for 50 percent employer match for customized training in WIA Section 101(8)(C) for 10% match to be required.

2. Outcomes to be achieved by obtaining the waiver

Customized Training is a little used activity. The waiver is intended to increase worker training and employers using this activity.

Increased training is intended to assist companies to be more competitive and workers to be more skilled, which is intended to result in more retentions of employment.

As part of the Michigan No Worker Left Behind program, increased use of customized training will assist in the development of a workforce with higher skills. Guidelines for the NWLB program would be used.

The activity would be targeted to small and medium sized businesses. Again there are only two large business in the MWA at present and they both have workers laid off. There had been several in prior years, but these have had significant worker lay offs.

We ask to not exclude these businesses in order to avoid having two standards.

Alternate payment schedules, including steps for completion of training, and final payment at retention will be examined to determine what works best.

3. Accountability for federal funds

The MWA will continue to use proven methods of accountability for funds expended under this waiver, as for the current programs. These practices assure appropriate accountability will continue.

4. Public Comment

The request is being published on the MWA website for a thirty day comment period. Service Providers are being advised and a copy of the request has been provided to them.

5. Reform Principles

The area continues to experience an unemployment rate in double digits and extensive layoffs in the manufacturing industries in particular. Employers who may need additional workers or whose workers need training for the company to remain competitive are taking much longer to hire and train new and existing workers. Training is put off or delayed, in part because of the costs of training.

The modification of reimbursement by elimination of match is intended to provide assistance and encouragement to have the training decision happen sooner rather than later.