



NOV 02 2018

The Honorable Steve Bullock
Governor of Montana
Office of the Governor
Post Office Box 200801
Helena, Montana 59620

Dear Governor Bullock:

Thank you for your waiver request of August 13, 2018, regarding statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (copy enclosed). This letter provides the Employment and Training Administration's (ETA) official response to the State's request and memorializes that Montana will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Montana and ETA. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8 – 10 of the Wagner-Peyser Act in WIOA Section 189(i).

Requested Waiver: Waiver of WIOA Section 107(b) to allow the State Board to carry out the functions of the Local Board.

The State is requesting a waiver of WIOA 107(b) to allow the State to use the State Workforce Development Board to carry out the functions of the Local Workforce Development Board. Under this waiver, the Governor may designate the State Board to carry out the roles and responsibilities of the Local Boards in the State. As a condition of this approval, the State must continue to include local stakeholder input in its activities and allocate funding to the local areas for which the State Board is carrying out the Local Board functions. ETA reviewed the State's waiver request and plan and determined that the requirements requested to be waived impede the ability of Montana to implement its plan to improve the workforce development system. Therefore, ETA approves this waiver for Program Years 2018 through 2019 (July 1, 2018, through June 30, 2020).

ETA is available for further discussion and to provide technical assistance to the State to support achieving its goals. The Department of Labor proposed additional flexibility in its annual Budget requests to give governors more decision-making authority to meet the workforce needs of their states.

If you have questions or wish to explore additional flexibility, feel free to contact my office at (202) 693-2772.

Sincerely,



Molly E. Conway
Acting Assistant Secretary

Enclosure

cc: Erin Weisgerber, Bureau Chief, Workforce Services Division, Montana Department of Labor and Industry
Nick Lalpui, Regional Administrator, ETA Dallas Regional Office
Felicia Blair, Federal Project Officer for Montana, ETA Dallas Regional Office

Montana

Waiver Request Pursuant to 20 CFR 679.620(d) - To allow a state board to carry out the roles of local boards for a Single Statewide Planning Area structure.

(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;

Montana is formally seeking a waiver to permit the state workforce board to carry out the functions of local boards. This waiver request is for a renewal of a waiver previously applied via 20 CFR 679.310(f). That regulation provides that a state board may carry out the roles of a local board when the State Plan indicates that the State will be treated as one local area under WIOA. WIOA Section 107(c)(4) also directs a state board for a single state local area to carry out the functions of the local board. The State Workforce Innovation Board has acted as both the state and local board under WIA since January 1, 2006. This structure will be (re)reflected in the Combined State Workforce Plan.

(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

No state or local statutory or regulatory policies limit the Governor's authority to allow the state to continue operating as a single statewide planning area.

(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;

The primary goal of this waiver is to limit annual overhead and maximize the amount of funds made available for direct services to individual and business customers. The programmatic outcome is to serve the largest number of participants possible with the funding available.

To maximize resources available for direct service delivery, the state will continue to use the State Workforce Innovation Board as the local workforce board. When initially implemented, this saved the state WIA program approximately \$1.2 million by removing administrative overhead of maintaining multiple regions throughout the state.

As evidenced since its initial implementation, the single statewide planning structure has reduced annual overhead and maximized available funding for training and direct customer services.

This statewide structure enhances efforts to transform the system into a demand driven system and directly supports the importance of local community partnerships. The 16 Montana Job Service offices serve as the state's American Job Centers offering the full range of workforce development services.

(4) Describes how the waiver will align with the Department's policy priorities, such as: (A) supporting employer engagement; (B) connecting education and training strategies; (C)

supporting work-based learning; (D) improving job and career results, and (E) other guidance issued by the Department.

The Statewide Workforce Innovation Board was put in place prior to WIOA and its current membership aligns with the statutorily prescribed composition of WIOA, including a majority representing private business and others representing education, labor, and community-based entities. Additionally, State of Montana education policy is aligned with state and workforce development goals. The single statewide planning area structure allows Montana to continue successful policies and operations that maximize cooperation, engagement and service delivery in all aforementioned areas.

(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment; The initial change to a single statewide planning area structure, in conjunction with this waiver, provides Montana a structure that ensures more people are served than if there were multiple administrative areas splitting minimal funding. Additionally, it allows the State to continue to serve at least the same number of customers of all types, despite reduced and/or level funding over recent years.

(6) Describes the processes used to: (A) Monitor the progress in implementing the waiver; B) Provide notice to any local board affected by the waiver; (C) Provide any local board affected by the waiver an opportunity to comment on the request; (D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver. (E) Collect and report information about waiver outcomes in the State's WIOA Annual Report. As evidenced since its initial implementation, the single statewide planning area structure has reduced annual overhead cost, strengthened administrative oversight and accountability, reduced potential for disallowed costs, and enabled more funds to go to participants. Montana continues to emphasize a minimum 50% of all WIOA funds go to direct services. This and other program goals are reviewed quarterly.

A public comment period is provided through posting this waiver request on the SWIB website for 10 business days, in addition to notification by email to all SWIB members, the SWIB Interested Persons list, the Montana Association of Counties, the Montana League of Cities and Towns, local elected officials, service providers, organized labor and other partners of the workforce system. The process of posting this waiver and notification of interested persons through email is aligned with State of Montana public participation laws and Montana Department of Labor & Industry policy. Any comments received will be considered and will be responded to by posting to the SWIB website, and sending the response document to those who comment. The comments will also be responded to by incorporating the comments into the request and the Combined State Plan, if applicable. The impact of this waiver to the state's WIOA performance, as well as any other related outcomes, will be collected and reported in the state's WIOA Annual Report and reflected in the Combined State Plan.

(7) Provides available data about outcomes resultant from previously approved waiver;

Not applicable.

