



June 23, 2020

The Honorable Eric J. Holcomb
Governor of Indiana
Office of the Governor
State House
Room 206
Indianapolis, IN 46204

Dear Governor Holcomb:

Thank you for your waiver requests submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system. The waiver requests were received March 31, 2020, as part of your recent WIOA State Plan submission. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that Indiana will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Indiana 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–Peysner Act in WIOA Section 189(i).

Requested Waiver: The State is requesting a waiver of the state workforce development board membership requirements at WIOA Section 101(b)(1) and (c) and the corresponding regulations at 20 CFR 679.110(b)-(c).

ETA Response: The State is requesting a waiver to substitute the WIOA state board membership requirements with alternate requirements. The State affirms that this waiver will streamline board size, increase coordination between employers and state government, and improve board accountability. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Indiana to implement its plan to improve the workforce development system. Therefore, ETA approves this waiver through June 30, 2022.

Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY) and calculation of the local area expenditure for each local area.

ETA Response: ETA approves for Program Years (PYs) 2019 and 2020, which includes the entire time period for which states are authorized to spend PY 19 and 20 funds, the State's request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed the state's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Indiana to implement its plan to

improve the workforce development system. The State may lower the expenditure requirement of Governor's reserve to 50 percent for OSY.

In addition, ETA conditionally approves for PYs 2019 and 2020, which includes the entire time period for which states are authorized to spend PY 19 and 20 funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Indiana may lower the local youth funds expenditure requirement to 50 percent for OSY. Prior to implementation of this waiver, the State must update its waiver request to include projected quantifiable outcomes (i.e., for the core indicators under WIOA or shorter-term state-defined indicators) for WIOA youth served under the waiver. As a result of this waiver, ETA expects that the number of in-school youth served will increase and performance accountability outcomes for overall WIOA Youth (including both in- and out-of-school youth) will remain steady or increase for the majority of the WIOA Youth performance indicators. The State is also approved to calculate the lowered 50 percent expenditure rate at the State level instead of individually for each local area.

Requested Waiver: Waiver to expand the use of funding under the Trade Adjustment Assistance (TAA) for Workers Program to be used for reemployment for workers affected by foreign trade and those workers needing training to prepare for automation under the Trade Act of 1974, and The Trade Adjustment Assistance Reauthorization Act of 2015. Additionally, the State requests to waive the Department's recapturing of unexpended TAA funds and allow unexpended funds to be utilized for retraining for transitions to automation for employers.

ETA Response: ETA is unable to approve this request, as it falls outside of the Secretary's waiver authority. The Secretary's waiver authority extends only to WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner–Peyser Act and may not be applied to TAA.

Requested Waiver: Waiver of the Supplemental Nutrition Assistance Program (SNAP) regulations at 7 CFR 273.7(e)(1)(viii) which require 90-day retention services in order to increase retention services to 365-days under SNAP.

ETA Response: ETA is unable to approve this request, as it falls outside of the Secretary's waiver authority. As noted, the Secretary's waiver authority extends only to WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner–Peyser Act and may not be applied to SNAP.

The State must report its waiver outcomes and implementation of the approved waiver in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide technical assistance to you in support of your goals. The Department proposed additional flexibility in its budgets for Fiscal Years 2018 through 2021 to give governors more decision-

making authority to meet the workforce needs of their states. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Pallasch".

John Pallasch

cc: P.J. McGrew, Executive Director of the Governor's Workforce Cabinet
Christine Quinn, Chicago Regional Administrator, ETA
Steven Scott, Federal Project Officer, ETA