

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210



June 30, 2022

The Honorable Greg Gianforte
Governor of Montana
P.O. Box 200801
Helena, MT 59620

Dear Governor Gianforte:

Thank you for your waiver request 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 (enclosed). The waiver request was received May 2, 2022, as part of your recent WIOA State Plan modification. This letter provides the Employment and Training Administration's (ETA) official response to your 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 the requirements outlined in WIOA Section 107(b), to allow a state workforce development board to carry out the roles and responsibilities of a local board.

ETA Response: ETA approves the State's request for a waiver to allow the state board to carry out the roles of the local workforce development boards in the State. ETA reviewed Montana's waiver request and plan and has determined that the requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system. Given the support for this waiver request by the local elected officials in the local area and the challenges the State and local areas have in mounting a fully compliant local-led board at this time, the U.S. Department of Labor agrees that the state board is in a better position to ensure effective service delivery in the local workforce areas in the State. Under this waiver, the Governor may designate the state board to carry out the roles and responsibilities of the local boards in the state. In implementing this waiver, the State must:

- Continue to include local input into its activities.
- Allocate funding to the local area for which the state board is carrying out local board functions.

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. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brent Parton', with a long horizontal flourish extending to the right.

Brent Parton
Acting Assistant Secretary

Enclosure

cc: Laurie Esau, Commissioner, Montana Department of Labor and Industry
Nicholas Lalpui, Dallas Regional Administrator, ETA
Eva Drinkwine, Federal Project Officer, ETA

Montana 2022 State Plan Waiver Requests

Waiver Request #1 – WIOA Section 107(b) 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) which states 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 a local area under WIOA. WIOA Section 107(b) 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. This includes a majority representing private business and others representing education, public health and human services, labor, elected officials, 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 30-day public comment period was provided by including this waiver as part of Montana's WIOA Combined State Plan that was posted for public comment and noticed to interested parties such as 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 and notification of interested persons through email is aligned with State of Montana public meeting laws and Montana Department of Labor & Industry policy.

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. Looking forward, the Montana Department of Labor & Industry will pursue more input from local elected officials to obtain feedback about this waiver request and history. The current board membership does include local elected officials from opposite ends of Montana (Beaverhead County and Valley County). These two counties are nearly 500 miles and eight hours apart with different employment and industry needs.

The two local areas defined in Montana include Area 1 and Area 2. Area 1 consists of 10 counties in southwest Montana, while Area 2 includes the remainder of the state. According to the 2020 Census, the population of Area 1 is 160,858. The population of Area 2 is 900,847. Another discrepancy with the two local areas is that Area 1 does not include any of Montana's Native American reservations or nations, while Area 2 includes all 7 reservations and 8 tribal nations. With the state board's ability to carry out the roles of local boards, Montana residents are served more effectively and equitably.

Dating back to 2005, Governor Brian Schweitzer consulted with local elected officials from the 10 counties within Area 1 to enter into an agreement for all 10 counties to be included into one state planning area. Since then, local elected officials from all over Montana have served on the SWIB, and continue to serve.

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

Montana has found success with minimal costs (1 board director) and a unified approach to the state's workforce development under the current waiver.