



August 17, 2020

The Honorable Michael L. Parson  
Governor of Missouri  
Capitol Building Room 218  
Post Office Box 720  
Jefferson City, MO 65102

Dear Governor Parson:

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 (copy enclosed). The waiver requests were received on May 20, 2020. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that Missouri will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Missouri 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: The State is requesting a waiver of WIOA Section 134(c) (3)(H)(i) and 20 CFR 680.720(b) in order to increase on-the-job training (OJT) employer reimbursement up to 90 percent to assist in its response to the impacts of the pandemic.

ETA Response: ETA approves the State's waiver request through June 30, 2022, for the WIOA Title I Adult, Dislocated Worker, and Youth formula funds. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Missouri to implement its plan to improve the workforce development system. Existing statutory authority permits the State and its local workforce areas to increase the reimbursement rate for OJT contracts up to 75 percent. The State may also reimburse up to 90 percent for OJT in accordance with factors described at 20 CFR 680.730. ETA expects the utilization of OJT to increase in the State as a result of this waiver.

Requested Waiver: The State is requesting a waiver of WIOA 134(d)(4) and 20 CFR 680.800(a) to allow local areas to reserve more than 20 percent of Adult and Dislocated Worker funds for incumbent worker training (IWT) to assist in its response to the impacts of the pandemic.

ETA Response: ETA approves the State's waiver request through June 30, 2022, to permit local areas to increase the allowable threshold available for IWT from 20 to 50 percent. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Missouri to implement its plan to improve the workforce

development system. The following conditions apply to implementation of this waiver:

- IWT may be used only to provide an employee skills to advance in their job or get skills to stay in a job (layoff aversion);
- Report individual records based on the Participant Individual Record Layout for all IWT participants through the Workforce Integrated Performance System; and
- Track employment retention and earnings outcomes to measure whether use of this waiver has a positive effect.

The State must report its waiver outcomes and implementation of the approved waivers 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,



John Pallasch  
Assistant Secretary for Employment and Training

Enclosure

cc: Zora Mulligan, Commissioner Missouri Department of Higher Education & Workforce  
Development (DHEWD)  
Mardy L. Leathers, Director, Office of Workforce Development (OWD)  
Rose Zibert, Acting Chicago Regional Administrator, ETA  
Lori Crockett Harris, Federal Project Officer, ETA



Dr. Mardy Leathers, DMgt, Director

Office of Workforce Development

May 20, 2020

Christine Quinn  
Regional Administrator  
U.S. Department of Labor  
Employment and Training Administration  
Region 5  
230 S. Dearborn Street, Suite 638  
Chicago, Illinois 60604

Dear Ms. Quinn:

The State of Missouri, through the Missouri Department of Higher Education & Workforce Development (DHEWD) seeks approval of the following three statutory waivers in accordance with the Workforce Innovation and Opportunity Act (WIOA) at Section 189(i)(3) and the WIOA Regulations at 20 Code of Federal Regulation 20 CFR 679.600 thru 679.640. These waiver requests will assist Missouri to further develop its workforce system while continuing to focus on creating a demand-driven system.

Your review and consideration of the waiver requests is appreciated. Please contact me with any questions at 573/751-3349.

Sincerely,

Mardy Leathers, DMgt  
Director

301 West High Street, Suite 870 | P.O. Box 1087 | Jefferson City, MO 65102-1087  
(573) 751-3999 | Fax (573) 751-8162

*The Missouri Department of Higher Education and Workforce Development is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Missouri Relay Services at 711.*

## State of Missouri WIOA Waiver Requests

The State of Missouri, through the Missouri Department of Higher Education & Workforce Development (DHEWD) seeks approval of the following three statutory waivers in accordance with the Workforce Innovation and Opportunity Act (WIOA) at Section 189(i)(3) and the WIOA Regulations at 20 Code of Federal Regulation 20 CFR 679.600 thru 679.640. These waiver requests will assist Missouri to further develop its workforce system while continuing to focus on creating a demand-driven system.

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### Waiver Request #1

**1. The statutory and/or regulatory requirements the State would like to waive:**

WIOA 134(c)(3)(H)(i) and 20 CFR 680.720(b) , Waiver to increase on-the-job training employer reimbursement up to 90 percent for businesses.

**2. Actions the State has undertaken to remove State or local barriers:**

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. The state of Missouri regulations, policy guidance and issuances are in compliance with federal law.

**3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver:**

The State of Missouri will utilize this waiver to offer businesses with work-based learning opportunities to re-establish their workforce and provide job seekers the opportunity to re-connect with the workforce and learn skills to re-establish self-sufficiency after the COVID-19 pandemic.

**4. Projected programmatic outcomes resulting from implementation of the waiver:**

This waiver request will assist Missouri to further enhance its existing efforts designed to establish a talent pipeline that will address the labor market needs of local Missouri businesses.

**5. Individuals, groups or populations benefitting from the waiver:**

This waiver request will provide Local Workforce Development Boards (LWDBs) the flexibility to work with businesses in their community, and assist job seekers with barriers to employment including those that lost their jobs due to the COVID-19 pandemic.

**6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:**

The Office of Workforce Development will monitor the implementation and outcomes of this waiver through a combination of reporting through the statewide case management system and through quarterly programmatic & financial monitoring.

## **7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards.**

The Office of Workforce Development notified the general public and stakeholders of this waiver request by posting on the Department of Higher Education & Workforce Development's website at <https://intranet.state.mo.us/dhewd/> from 04/13/2020 through 05/13/2020. In addition, Missouri's Workforce Development Boards and WIOA partners were notified of the waiver request through an e-mail alert.

At the end of the public posting timeline, there were no comments from the public or other stakeholders.

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## Waiver Request #2

### **1. The statutory and/or regulatory requirements the State would like to waive:**

WIOA 134(d)(4) and 20 CFR 680.800(a) We are requesting the ability of the local areas to reserve more than 20% of Adult and Dislocated Worker funds for incumbent worker training

### **2. Actions the State has undertaken to remove State or local barriers:**

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. The state of Missouri regulations, policy guidance and issuances are in compliance with federal law.

### **3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver:**

In an effort to assist employers with recovering from the impact of the COVID-19 pandemic, the State of Missouri is requesting this waiver to allow the local areas the flexibility to work with businesses avert potential layoffs as a result of the effects of the pandemic and to allow the workers that remain with the business the opportunity to maintain employment and advance to higher-skilled positions that were vacated.

### **4. Projected programmatic outcomes resulting from implementation of the waiver:**

The use of these strategies will increase skills for underemployed workers in an effort to advance these workers to more skilled positions with the same employer or industry sector leading to an increase in earnings through more work hours or an increase in pay.

### **5. Individuals, groups or populations benefitting from the waiver:**

This waiver request will provide Local Workforce Development Boards (LWDBs) the flexibility to work with businesses in their community to re-build their workforce and possibly alleviate business closures and lay-off. It will also provide an opportunity for incumbent workers to retain employment and upgrade skills.

**6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:**

The Office of Workforce Development will monitor the implementation and outcomes of this waiver through a combination of reporting through the statewide case management system and through quarterly programmatic monitoring.

**7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards.**

The Office of Workforce Development notified the general public and stakeholders of this waiver request by posting on the Department of Higher Education & Workforce Development's website at <https://intranet.state.mo.us/dhewd/> from 04/13/2020 through 05/13/2020. In addition, Missouri's Workforce Development Boards and WIOA partners were notified of the waiver request through an e-mail alert.

At the end of the public posting timeline, there were no comments from the public or other stakeholders.

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Waiver Request #3

**1. The statutory and/or regulatory requirements the State would like to waive:**

In WIOA Sections 128(c) and 133(c), as well as the accompanying regulation at 20 CFR 683.140, authority is given that allows the Governor, after consultation with the State Workforce Development Board, the ability to reallocate funds among local areas within the State. These reallocated funds are the amounts recaptured from local areas with unobligated balances of prior year allocated funds that exceed 20 percent of that year's allocation for the program, less any amount reserved for administrative purposes, not to exceed 10%. The funds recaptured are reallocated based on the relative share of the local allocation for the program year, as compared to the total amount of the local allocation for all eligible local areas in the State.

The State is requesting an alternative method for the reallocation of the recaptured funds for eligible local areas on the basis of the relative amount of funds expended for the program year, as compared to the total amount expended for all eligible local areas in the State. The State would also take into account the amount of funds spent on staffing and operational costs as compared to the amount of funds spent on direct participant services.

**2. Actions the State has undertaken to remove State or local barriers:**

There are no known state or local statutory or regulatory barriers to implementing this waiver. Upon notification on the approval of this waiver, OWD will incorporate it into policy and distribute the new policy to the local areas.

**3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver:**

The main goal of this waiver request is to assist Missouri's local areas most in need of funding to assist job seekers and employers, and the ability of the State and local areas to meet their negotiated performance goals. With the prescribed method and data required to be utilized in the determination of the allocation to the local areas, fair and equitable distribution of funds is not realized in a timely fashion in response to ever-changing economic conditions. The hold harmless provision also adds to the inequitable relative share of funding allocated to the local areas.

**4. Projected programmatic outcomes resulting from implementation of the waiver:**

This waiver will allow the State to more equitably distribute funds and allow for more judicious reaction to changing economic conditions. While the local areas have two program years to spend the WIOA Title I funds, this waiver would allow for expenditures to be realized in a more timely fashion, as the State believes Congress intended when the funds were appropriated.

**5. Individuals, groups or populations benefitting from the waiver:**

This waiver will impact current and future participants enrolled in the WIOA Youth, Adult and Dislocated Worker programs and employers in Missouri.

**6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:**

OWD is the entity responsible for the programs affected by this waiver, and if this waiver is granted, OWD will assume the lead role in monitoring the implementation of the waiver. Specifically, OWD will monitor the effectiveness of this waiver by reporting the impact on the number of individuals served and the performance results achieved under the Youth, Adult, and Dislocated Worker programs in each local area and statewide. The quarterly financial reporting reflected on the 9130s should also see a greater utilization of the funding in a more expeditious manner.

**7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards.**

The Office of Workforce Development notified the general public and stakeholders of this waiver request by posting on the Department of Higher Education & Workforce Development's website at <https://intranet.state.mo.us/dhewd/> from 04/13/2020 through 05/13/2020. In addition, Missouri's Workforce Development Boards and WIOA partners were notified of the waiver request through an e-mail alert.

At the end of the public posting timeline, there were no comments from the public or other stakeholders.