

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



August 20, 2020

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 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 request was received June 17, 2020. 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 as 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–Peysner Act in WIOA Section 189(i).

Requested Waiver: Application of WIOA Section 107(b) to allow the state board to carry out the roles 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 the State'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. 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 do the following:

- Continue to include local input into its activities; and
- 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 more widely adopted.

ETA is available to provide technical assistance 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, please contact my office at (202) 693-2772.

Sincerely,

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

John Pallasch
Assistant Secretary for Employment and Training

Enclosure

cc: Scott Eychner, Workforce Services Administrator, Montana Department of
Labor and Industry
Nicholas E. Lalpui, Dallas/San Francisco Regional Administrator, ETA
Kajuana Donahue, Federal Project Officer, ETA



Montana Department of
LABOR & INDUSTRY

Mr. Nicholas E. Lalpui
Regional Administrator
U.S. Department of Labor
Employment and Training Administration
525 Griffin Street, Room 317
Dallas, Texas 75202

Dear Mr. Lalpui:

Nick

On behalf of the Montana Department of Labor & Industry (MTDLI), the state operational entity for Title I of the Workforce Innovation and Opportunity Act (WIOA), I respectfully request approval of the enclosed proposed WIOA waiver for the State of Montana. The proposed waiver request was developed in accordance with WIOA Section 189(i) and Training and Employment Guidance Letter (TEGL) No. 8-18.

MTDLI is requesting a waiver for the state workforce board to carry out the functions of the local board for a Single Statewide Planning Area pursuant to WIOA Section 107(b) and 20 CFR 679.620(d).

We appreciate the opportunity to submit this waiver request and look forward to receiving the Secretary's approval. We believe this will provide increased flexibility in our ability to serve our customers across the state.

If you have questions or require additional information, please contact Erin Weisgerber at 406-444-1325 or eweisgerber@mt.gov.

Respectfully,

Scott Eychner
Workforce Services Administrator

Enclosure

cc: Brenda Nordlund, Acting Commissioner

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;

Pursuant to Section 189(i)(3)(A) of the Workforce Innovation and Opportunity Act (WIOA) and 20 CFR 679.600, the Montana Department of Labor and Industry seeks to extend the current waiver from the US Department of Labor so that Montana can continue to use a single, state-wide State Workforce Investment Board for the purposes of WIOA. WIOA specifically provides for waivers to give flexibility to states and local areas to enhance their ability to improve the statewide workforce development system to achieve the goals and purposes of WIOA.

The Montana Department of Labor & Industry has been operating under a waiver since November 2018 that allows the Governor's State Workforce Innovation Board (SWIB) to continue to carry out the roles and responsibilities of local boards for the purposes of Montana operating as a Single Statewide Planning Area. Prior to the waiver granted in November 2018, Montana had been operating in this same manner since January 1, 2006 under WIA and this structure is reflected in our current 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;

There are no state or local statutory or regulatory policies in Montana that limit the Governor's authority to allow the state to continue to operate as a single statewide planning area. There have been extensive discussions with the SWIB and no party has wished to operate differently. In addition, no public comment was received when the waiver was put out for public comment or when this structure was proposed under the Combined State Workforce Plan.

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

Montana's primary goal for this waiver is to limit annual overhead and maximize the already limited amount of funds to be made available for direct services to individuals and business customers. It is the state's intent to serve the largest number of participants possible with the available funding.

When this structure was implemented under WIA, it saved the program approximately \$1.2 million. If Montana were to move back to a local board structure, it would require two additional staff, operating and board expenditures, fiscal compliance and additional programmatic monitoring that is estimated at a minimum of \$500,000. The current structure allows the state to operate in a demand driven system that directly supports local community partnerships without the need for additional overhead.

(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 ability for Montana to operate a single state-wide planning area provides the state the structure that ensure more people are served than if multiple administrative areas were splitting minimal funding. Additionally, it allows the State to continue to serve at least the same number of customers or all types despite funding levels that are not increasing over time.

(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.



Montana continues to engage stakeholders in discussion around this topic. During the initial waiver request Montana had no public comment and received no additional public comment when this proposal was put out with the Combined State Workforce Plan this spring. Montana will continue to collect and report outcomes in the state's WIOA Annual Report and Combined State Workforce Plan as required.