

ATTACHMENT H: State of MD Waiver Plan for Period: JULY 1, 2012- JUNE 30, 2017

Waiver 1

Waiver of the required 50 percent employer contribution for customized training at WIA Section 101 (8) (C) & (31)(B) to a contribution on a sliding scale, ranging from 10 to 50 percent , based on the guidance in TEGL 13-06 (Increased Use of Flexibility Provisions in WIA)

Statutory or Regulatory Requirements to be Waived

Maryland was previously granted a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. Through this suggested approach, the employer match would range from a minimum of 10% to a maximum of 50% based on the size of the business.

State or Local Statutory or Regulatory Barriers

There are no current state statutory, local statutory or regulatory barriers related to this waiver request.

Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

The State of Maryland's Workforce Development System's mission and vision is that economic success will be enhanced through an integrated, innovative and strategic approach to workforce development, contributing to a high quality of employment opportunities and prosperous business communities. Employers will have a competitively skilled workforce and workers will have quality employment and opportunities for career advancement. Customized Training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers. However, the 50% employer match requirement limits the ability to offer the maximize benefits of customized training to many local employers. These added benefits would include:

- Increase the percentage of employers using customized training as a means to hire and retain skilled workers.
- Increase the percentage of workers trained and hired through customized training.
- Increase the flexibility at the local level to service business and industry through a demand driven approach to their specific needs.
- Equip workers with the relevant job training skills that lead to a more productive and therefore profitable business.
- Improve the ability of the LWIBs to respond to industry changing needs more expediently and impactful.
- LWIB will increase their participation rates for skilled job seekers. that received training and found employment

Local employers too often conclude that 50% match requirement creates costs that outweigh the benefits of participating in the WIA customized training programs. Allowing employers to apply the sliding scale to determine the match amount will increase employer participation in WIA customized training programs at a local level. The proposed sliding scale for the employer match will create the

necessary flexibility for employers to provide the required match at a rate that more appropriately represents a particular business' cost benefit ratio of contributing to a match amount to receive skilled employees.

The sliding scale will answer employers' primary reason for not participating in the training programs because of their Return on Investment (ROI) concerns especially for those small employers of less than 50 employees with limited resources but a great need for skilled workers.

The *proposed* employer match sliding scale will range from 10% to 50% based on the following employer size:

- Match up to 90% for employers with 50 or fewer employee; and
- Match up to 75% for employers with 51-200 employees; and
- Match up to 50% for employers with 200 or more employees.

Impacts of Waiver

Customized Training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers.

Process for Monitoring Progress in Implementation

The DLLR/DWDAL Office of Workforce Development, Office of Workforce Investment Program & Performance Monitoring and Office of Budget and Fiscal will monitor the WIA customized programs. Technical assistance during the implementation phase of the waiver will cover areas as procurement, contracting and program design. Each LWIB and the DLLR/DWDAL/OWD/OWIPP and OBF will monitor performance reports and compare actual performance with prescribed benchmarks. DWDAL/OWD/OWIPP will continue to make adjustments to monitoring performance requirements to ensure that performance goals and objectives are met for all WIA programs.

Waiver 2

Waiver of Requirement that businesses receiving On-the-Job Training (OJT) Services under WIA Section 101 (31) (B) and 20 CFR 663.700(a), 663.710(b) requiring that businesses receiving On-the-Job Training (OJT) services under WIA receive a maximum reimbursement of 50% of the newly hired employee's wages during OJT. Maryland was previously granted a waiver to permit an increase in employer reimbursement for on the job training through a sliding scale based on the size of the business. The waiver would allow for reimbursements as follows: 1) up to 90 percent of the participant's wage for employers with 50 or fewer employees; 2) up to 75% of the participant's wage for employers with more than 51-250 employees; and 3) the current statutory requirements of 50 percent of the participant's wage for employers with 250 or more employees.

Statutory or Regulatory Requirements to be Waived

WIA Section 101 (31) (B) to increase the employer reimbursement for on-the-job training and 20 CFR 663.700(a), 663.710(b)

State or Local Statutory or Regulatory Barriers

There are no current state statutory, local statutory or regulatory barriers related to this waiver request.

Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

This waiver allows the state to encourage and expand the hiring of unemployed adult, low income and dislocated workers who lack some of the skills needed to meet employer's needs. The goals of the waiver are: to increase the number of individuals receiving OJT; to accelerate businesses hiring through OJT; to strengthen the labor pool by providing unemployed workers with marketable skills; to strengthen the business community by increasing its competitiveness in the global economy; to improve the capacity of local boards to market demand-driven services; and, to build beneficial relations with a greater number of businesses in the private sector and provide job seekers with opportunities to add new skill sets and learn new technologies while they return to the workplace and earn wages to support themselves and their families. This waiver request is consistent with State of Maryland Integrated WIA/Wagner-Peyser State Plan, which places strong emphasis on strengthening the business community and increasing the number of individuals who receive training through the One-Stop Career System.

Impacts of Waiver

The waiver will accelerate hiring and thus positively impact the population of unemployed workers who are hired through OJT in terms of skill acquisition and family income. In addition, the waiver will have a positive impact on the State's participating businesses with 100 or fewer employees, the State's workforce, and the State's economy.

Process for Monitoring Progress in Implementation

The State of Maryland will monitor progress and ensure accountability for Federal funds in connection with these waivers by reviewing monthly expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system

Waiver 3

Waiver of WIA Section 133 (b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

Maryland was previously granted a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams; transfer authority is limited to 50 percent.

Statutory or Regulatory Requirements to be Waived

WIA Section 133 (b)(4)

State or Local Statutory or Regulatory Barriers

There are no current state statutory, local statutory or regulatory barriers related to this waiver request.

Goals of the waiver and expected programmatic outcomes if waiver is granted

This waiver provides the state and Local WIBs needed flexibility to respond to changes in their local labor markets and will help ensure that WIA funds are used in a way that maximizes customer service; while ensuring consistency with legislative intent regarding the level of funding appropriate for WIA Adult, Dislocated Worker programs and aligning with the demand-driven needs of the business community.

Impacts of Waiver

If granted, this waiver would permit local areas to lessen these challenges by transferring funding to more effectively serve their customers. It has been observed that some local areas have been able to leverage and secure other sources of funding to serve the same groups of individuals. However, this waiver will enable local areas to respond appropriately, transferring resources in order to maximize them on behalf of their customers. The need for this waiver is critical given the current economic shifts occurring in our state.

Process for Monitoring Progress in Implementation

Local areas are required to submit in writing to DLLR fiscal unit a request to implement the waiver, the amount of the transfer, and the justification of the need. Written approval of the transfer is issued to the LWIB and grand modifications are made. Ongoing, *the* State of Maryland will monitor progress and ensure accountability for federal funds in connection with these waivers by reviewing monthly expenditure, performance, and other reports, through regular contact with the ETA regional office liaisons, and through its monitoring and performance accountability system.

Waiver 4

Waiver to permit the State to replace the performance measures at WIA Section 136 (b) with the Common Measures

Maryland was previously granted a waiver that allows the State to replace the 17 performance measures under WIA Section 136 (b) with the common measures.

Statutory or Regulatory Requirements to be Waived

Waiver of the core indicators of performance and the customer satisfaction measures required at WIA Section 136(b)(2) and (c)(1), as well as accompanying regulations in CFR 20 666.100(a) and 666.300(a), of the Workforce Investment Act.

State or Local Statutory or Regulatory Barriers

There are no State or local statutory or regulatory barriers to implementing the proposed waiver

Goals of the waiver and expected programmatic outcomes if waiver is granted

The State of Maryland has adopted and reports on the Common Measures, as delineated in TEGL #17-05, for federal job training and employment programs. The goal of this waiver if granted is to simplify and streamline performance accountability and reporting; improve program management and performance; enhance the state's ability to assess the effectiveness and impact of workforce development efforts; and provide a more effective means of determining performance.

Impacts of Waiver

This request continues to support the Maryland State's Strategic Plan to align strategy, services to customers and accountability across the workforce investment system and programs administered by DLLR/ DWDAL. The streamlined approach and focus on the common measures rather than seventeen (17), will allow for administrative efficiencies while focusing on key performance measures.

Process for Monitoring Progress in Implementation

The State of Maryland issues quarterly performance reports to each of the local areas, identifying areas of deficiency and progress. Technical assistance and performance management training are provided ongoing via face to face meetings and webinars. Annual programmatic performance reviews

observe and document best practices and deficiencies in operations that can assist areas in developing process improvements that enhance performance outcomes.

Waiver 5

Waiver of the provision WIA Section 122(c)(5) and WIA Regulations 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers

This waiver requests an extension of the initial eligibility period, deferring the implementation of the subsequent eligibility process. Additionally, the waiver provides an opportunity for training providers to re-enroll as initial eligible providers.

Statutory or Regulatory Requirements to be Waived

WIA Section 122(c)(5) 20 CFR 663.530

State or Local Statutory or Regulatory Barriers

There are no State or local statutory or regulatory barriers to implementing the proposed waiver

Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

Maryland realizes that as workforce development resources become scarce and demand has skyrocketed., It is imperative that Maryland's investment in training, skills enhancement yield maximum benefits. Maryland understands the need for accountability and supports efforts to ensure customers are making informed decisions based on quality data. Access to training providers and a diverse menu of training options is necessary to meet the growing needs of Maryland's economy.

Impacts of Waiver

All WIA-eligible customers will be positively impacted by this waiver. Individual customers will continue to have a choice in selecting their training providers, employers will continue to have a steady flow of skilled workers entering the job market, and training providers will be able to continue serving present and new customers.

Process for Monitoring Progress in Implementation

The State of Maryland's Higher Education Commission will monitor providers as appropriate and advise the DWDAL as necessary.

Waiver 6

Waiver of the Prohibition at WIA Regulation 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school- youth

Maryland was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older and out-of-school youth program participants.

Statutory or Regulatory Requirements to be Waived

WIA Regulations 20 CFR 664.510

Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

The goals of the waiver are to ensure the local workforce investment areas have the flexibility to design and deliver programs based on the needs of their customers, rather than restrictions based

solely on age; without this waiver, the workforce system would have no alternative but to co-enroll older youth in the adult program to provide training opportunities through the use of ITAs. Adult funding in Maryland is limited and therefore opportunities for these youth to participate in training are further limited.

Impacts of Waiver

The impact of this waiver will be streamlining of customer service and avoidance of the need for an unnecessarily bureaucratic process. Reduction in paperwork and tracking processes requirement in dual enrollment (Youth/Adult) as is necessary for older youth to access training through the Adult ITA's. Further, this waiver will offer youth the real-life learning experience of making an informed decision that has a direct impact on his/her life. Using the ITA process with older youth and out-of-school youth offers case managers the opportunity to discuss the process of decision-making (training provider, finances, etc.) and the possible results. Service capacity of the One-Stops will be maximized by allowing the use of Youth funds to serve older youth, who are focused on employment, to have the same advantage of ITAs as adult and dislocated workers and increase youth performance.

Process for monitoring progress in implementation

The State will monitor progress and ensure accountability for Federal funds in connection with these waivers by reviewing monthly expenditures, performance and other reports through frequent contact with the local workforce investment areas and state internal monitoring of program, performance, expenditures and other reporting/accountability systems as well as through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system.

Notice to affected local boards and public comment

Local workforce administrative entities are provided a copy of each of these proposed waiver request as well as the US DOL/ETA's reply to this request. Local areas have already been notified (during a recent WIA Meeting) that no incentive grants will be made in Program Year 2012 due to the loss of Governor's 10 Percent WIA funds.