



SEP 30 2013

The Honorable Scott Walker
Governor of Wisconsin
115 East State Capitol
Post Office Box 7863
Madison, Wisconsin 53707

Dear Governor Walker:

This letter provides approval of Wisconsin's State Integrated Workforce Plan for Title I of the Workforce Investment Act (WIA), the Wagner-Peyser Act (W-P), including the W-P Agricultural Outreach Plan, and plans for coordination with Trade Adjustment Assistance (TAA). The Employment and Training Administration (ETA) received the State Plan on June 3, 2013, with supplemental information officially submitted on September 23, 2013. This letter also responds to Wisconsin's WIA waiver requests.

Training and Employment Guidance Letter (TEGL) No. 21-11, and the corresponding Change 1, provided guidance for states to submit their State Workforce Plans and waivers for Program Year (PY) 2012 and beyond. We appreciate the State's responsiveness to this guidance.

Plan Review and Approval

ETA has reviewed the Wisconsin State Integrated Workforce Plan in accordance with Title I of WIA, the Wagner-Peyser Act, the Trade Act (as amended), the corresponding regulations, the State Integrated Workforce Plan Requirements for Workforce Investment Act Title I/Wagner-Peyser Act and Department of Labor Workforce Programs (<http://www.doleta.gov/usworkforce/wia-planning/docs/integrated-planning-guidance.pdf>), and TEGL No. 21-11 and the corresponding Change 1. Pursuant to 20 CFR 661.230(e), this letter constitutes a written determination under WIA Section 112 (29 USC 2822) that ETA is approving the WIA Title I, W-P and TAA portions of Wisconsin's State Plan for the remainder of PY 2013 through the close of PY 2016, June 30, 2017. The annual W-P Agricultural Outreach Plan is approved through June 30, 2014. The State is eligible to receive WIA formula allotments for Adult, Dislocated Worker, and Youth programs, and W-P program allotments through June 30, 2017.

Performance Levels

Program performance goals for the PY 2013 WIA and Wagner-Peyser Act programs were reached in negotiations between the ETA Regional Administrator and the Wisconsin Department of Workforce Development. Wisconsin's goals were transmitted to the Agency in the Regional Administrator's letter dated June 26, 2013. The State must

ensure that the PY 2013 final performance goals are included in the State's official copy of its State Plan. ETA will incorporate these final performance goals into the Regional and National Office copies of Wisconsin's State Plan. For your convenience, the final PY 2013 negotiated performance goals are also enclosed with this letter.

Waivers

As part of Wisconsin's State Integrated Workforce Plan, the State submitted waiver requests for waivers of statutory and regulatory requirements under WIA (copy enclosed). The State's requests for waivers are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c). The disposition of the State's waiver requests is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

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

The State requested a waiver that allows the State to replace the 17 performance measures under WIA Section 136(b) with the common measures. The State is granted approval of this waiver through June 30, 2017.

This waiver permits the State to negotiate and report WIA outcomes against the common performance measures only, rather than the performance measures described at WIA Section 136(b). The State will no longer negotiate and report to ETA on the following WIA measures: WIA adult and dislocated worker credential rates; participant and employer customer satisfaction; older youth measures; and younger youth measures. The State will use the three adult common performance measures to negotiate goals and report outcomes for the WIA Adult and WIA Dislocated Worker programs. The State will use the three youth common performance measures to negotiate goals and report outcomes for the WIA Youth program. Workforce Investment Act Standardized Record Data system (WIASRD) item 619, Type of Recognized Credential, should be completed for each individual as appropriate, regardless of this waiver to report on common performance measure outcomes only.

Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State requested 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 State is granted approval of this waiver through June 30, 2017. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-

eligible population. The State and local areas may provide on-the-job training to individuals age 18 and older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local areas may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

The State requested 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. The State is granted approval of this waiver through June 30, 2017. Under the waiver, the following sliding scale is permitted: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State and local areas may provide customized training to individuals age 18 and older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the State and local areas may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

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.

The State requested a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted approval of this waiver through June 30, 2017. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs.

Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The State requested a waiver to permit local areas to conduct allowable statewide activities as defined under WIA Section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The State is granted approval of this waiver through June 30, 2017. Under this waiver, the State is permitted to allow local areas to use up to 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training only as part of a layoff aversion strategy. Use of Adult funds must be restricted to serving lower income adults under this waiver. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where

servicing unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA Section 134(d), and the State is required to report performance outcomes for any individual served under this waiver in the WIASRD, field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The State requested a waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530. The State is granted approval of this waiver through June 30, 2017. Under the waiver, the State is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the State to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and are incorporated into the State Integrated Workforce Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and with the approved State Plan. In addition, as described in TEGL No. 29-11, the State should address the impact these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

ETA is committed to working with Wisconsin as you implement the State Integrated Workforce Plan for PY 2013 and beyond. If you have any questions related to the issues discussed above, please contact Byron Zuidema, Regional Administrator, at (312) 596-5403 or Zuidema.Byron@dol.gov.

Sincerely,



Eric M. Seleznow
Acting Assistant Secretary

Enclosures

cc: Byron Zuidema, Regional Administrator, ETA Chicago Regional Office
Catherine Brooks, Federal Project Officer for Wisconsin

Workforce Investment Act and Wagner-Peyser Act Performance Levels for PY 2013

Wisconsin

Workforce Investment Act Performance Levels

<u>Adult Measures</u>	<u>PY 2013</u>
Adult Entered Employment Rate	73.0
Adult Employment Retention Rate	84.0
Adult Six-months Average Earnings	\$11,600

<u>Dislocated Worker Measures</u>	<u>PY 2013</u>
Dislocated Worker Entered Employment Rate	85.0
Dislocated Worker Employment Retention Rate	94.0
Dislocated Worker Six-months Average Earnings	\$16,812

<u>Youth Measures</u>	<u>PY 2013</u>
Youth Placement in Employment or Education	66.0
Youth Attainment of Degree or Certificate	77.0
Youth Literacy and Numeracy Gains	41.0

Wagner-Peyser Act Performance Levels

<u>Measures</u>	<u>PY 2013</u>
Entered Employment Rate	58.0
Employment Retention Rate	85.0
Six-months Average Earnings	\$13,000

Department of Workforce Development
Secretary's Office
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-3131
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Scott Walker, Governor
Reginald J. Newson, Secretary

September 23, 2013

Byron Zuidema, Regional Administrator
U. S. Department of Labor
Employment and Training Administration, Region V
John C. Kluczynski Building
230 South Dearborn Street, 6th Floor
Chicago, IL 60604-1505

Dear Mr. Zuidema:

Please find enclosed an advanced copy of the members comprising the Governor's Council on Workforce Investment (CWI). This information is to be integrated into Wisconsin's State Integrated Workforce Plan submitted on June 3, 2013, and replaces pages 45 and 46 in the plan.

The revised CWI membership will be open for public review and comment from Monday, September 23, 2013, through Wednesday, September 25, 2013.

Sincerely,



Reginald J. Newson
Secretary



SCOTT WALKER
OFFICE OF THE GOVERNOR
STATE OF WISCONSIN

P.O. Box 7863
MADISON, WI 53707

May 1, 2013

Assistant Secretary Jane Oates
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW, Room S-4209
Washington, D.C. 20210
ATTN: Heather Fleck

Dear Ms. Oates:

I am submitting Wisconsin's State Integrated Workforce Plan for the Workforce Investment Act (WIA), the Wagner-Peyser Act (WP), and the Agricultural Outreach Plan for Program Year (PY) 2013 - 2017. The Plan also includes the:

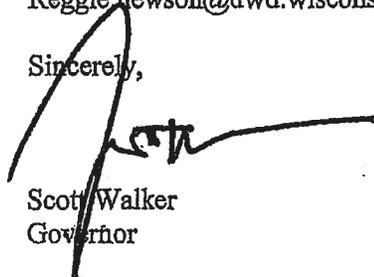
- Governor's Council on Workforce Innovation Composition;
- State Waiver Plan; and
- Proposed PY 2013 State Performance Levels for Negotiations.

This plan highlights some of my major initiatives and sets forth my clear priorities over the next two years: create jobs, develop the workforce, transform education, reform government, and invest in our infrastructure. I have proposed a \$100 million state investment in our state's workforce. One of those investments, the *Wisconsin Fast Forward* initiative, will help align workers with skills training they need to fill the family-supporting jobs available now and in the future.

These and other recent steps are a culmination of the work from the previous Governor's Council on Workforce Investment and its chairman, along with private and public sector partnerships at the state and local levels. This plan describes those earlier efforts as part of the current evolution to make Wisconsin a vibrant and attractive state for businesses and workers.

As our federal partner, I appreciate your commitment in furthering the progress of these efforts. If you have any questions related to this plan, please contact Secretary Reggie Newson at 608-267-1410 or Reggie.newson@dwd.wisconsin.gov.

Sincerely,



Scott Walker
Governor

cc: Secretary Reggie Newson, Wisconsin Department of Workforce Development
Division Administrator, Lisa Boyd, Wisconsin Department of Workforce Development
Byron Zuidema, Regional Administrator, ETA Chicago Regional Office
Catherine Brooks, Federal Project Officer for Wisconsin

Waivers Plan

States wanting to request waivers as part of their Operational Plan submission must attach a waiver plan, as required by 20 CFR 661.420(c), that includes the following information for each waiver requested: Statutory and/or regulatory requirements for which a waiver is requested.

A description of the actions the state or local area has undertaken to remove state or local statutory or regulatory barriers.

A description of the goals of the waiver, how those goals relate to Integrated Workforce Plan goals, and expected programmatic outcomes if the waiver is granted.

A description of individuals impacted by the waiver.

A description of the processes used to monitor implementation, provide notice to any local workforce investment board affected by the waiver, provide affected local workforce investment boards an opportunity to comment on the waiver request, and ensure meaningful public comment, including comment from business and labor.

DOL has approved temporary extension of the following waivers through December 31, 2012, in response to the Governor's request to submit the PY 12-13 Plan on September 14, 2012:

- Common performance measures, WIA Section 136(b).
- Increasing the employer reimbursement for on-the-job training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(31)(B).
- Reducing the 50 percent employer match for customized training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(8)(C).
- Transferring authority up to 50 percent between the Adult and DW funding streams allocated to a local area, WIA Section 133(b)(4).
- Using up to 10 percent of local Adult funds and up to 10 percent of local DW funds for incumbent worker training only as part of a lay-off aversion strategy serving only low-income/economically disadvantaged adults, along with other conditions such as training restricted to skill attainment activities, WIA Section 134.
- Extending the period of initial eligibility of training providers, 20 CFR § 663.530.

Public Comment

The notice of these waiver requests was included in the March 21, 2013 draft State Integrated Plan issuance to the statewide workforce partners including WDBs, CLEOs, business, labor and providers. *Complete after public review and comment period.*

The following narrative addresses the WIA waiver plan elements for each waiver request:

Common Performance Measures

Waiver Requested: Waiver to permit the State to replace the performance measures at WIA section 136(b) with the common measures. Regulatory Barriers: There were no regulatory barriers for the implementation effective PY 09-10.

Discussion and Goals: The CWI Requested this waiver to increase accountability across programs with more comparable data for evaluation and continuous improvement strategies. The impetus was to improve the accountability system among all of the State workforce programs and remove the burdensome complexities inherent in the current WIA program performance reporting. That complexity, and the narrowly focused WIA Title I performance measures, made conversations and cooperation with partners regarding dovetailing cross-

program outcomes difficult. The common measures will substantially reduce barriers to cooperation among State and local program staff.

The CWI continues this conversation with the various partners to find common ground on measuring state-wide outcomes. To that end, at their July 26, 2012, meeting, a presentation was made on "Wisconsin's Workforce Development System: A graphical guide to employment and training resources in Wisconsin": <http://www.publicpolicyforum.org/pdfs/2012WorkforceMap.pdf>. This information and the Public Policy Forum's findings will further ground the on-going discussions for cross-program outcome measures.

For the first two years, the transition to common performance measures has resulted in some anomalies in performance outcomes from previously met State goals and consistent WDB's met or exceeded goals. State staff have provided extensive technical assistance as local staff increase their learning curve.

Individuals Impacted: All WIA/WP participants will benefit from improved service delivery based on common measures. Honing in on the highest priority goals for participants via common measures (versus the 17 measures), providers also improve their service delivery strategies.

Monitor Implementation: ASSET is the monitoring tool along with the quarterly reports, LPL on-site monitoring, and the escalated DET performance technical assistance.

On-the-Job-Training and Customized Training

Waiver Requested: Waiver to increase the employer reimbursement for on-the-job training (OJT) with a specified sliding scale based on company size along with other DOL prescriptive guidance, WIA Section 101(31)(B), and waiver to reducing the 50 percent employer match for customized training (CT) with a specified sliding scale based on company size along with other DOL prescriptive guidance, WIA Section 101(8)(C).

Regulatory Barrier: There were no regulatory barriers for the implementation effective PY 09-10.

Discussion: The CWI requested these two waivers that would increase the employer reimbursement for on-the-job training with small and medium-sized businesses, and lower the employer requirement to pay for not less than fifty percent of the cost of the training. These waivers expands employer's participation to better provide upgraded skills needed by businesses, and offers a fuller array of training choices particularly for adult participants who have previously been in the workforce (and long since out of classroom settings). DET has Administrative Memos detailing both training strategies for WDB implementation.

<http://dwd.wisconsin.gov/det/adminmemos/pdf/2010/1007.pdf>

<http://dwd.wisconsin.gov/det/adminmemos/pdf/2010/1006.pdf>

Also, all WDBs have local policies on OJT and CT. Due to the intensive effort these training modalities require both by the employer and workforce staff, and the high volume of unemployed individuals needing services, not all WDBs used these training approaches in the past years. From July 1, 2009, through the first quarter of 2012, ASSET recorded 760 exiters who were in OJT or CT in comparison to 19,262 exiters who received other training in that same period.

However, this has shifted primarily due to the nature of individuals now being served through the JC's, many of whom have previously been in the workforce and not accustomed to traditional educational training institutions as well as the impetus from the DOL-funded DW OJT grant with the same sliding fee scales as these waivers (discussed further below*).

The WDBs that have included both training strategies in the recent WIA local plans are Southwest Wisconsin, West Central Wisconsin, Fox Valley and Milwaukee Area WIB (South East Wisconsin only has CT). In addition, both of these waivers were part of the detailed on-site Local Program Liaison monitoring for the past two years. From their PY11-12 initial on-site visits, South Central WDB and North Central Wisconsin WDB have expressed an interest in implementing these service delivery strategies.

* In July 2010, Wisconsin received a special ARRA-funded OJT NEG. This grant allowed for the use of a sliding scale for the training reimbursement based on employer size whether or not states already had such an approved waiver. The sliding scale allows for a reimbursement to the employer of up to 50 percent for large employers; 75 percent for mid-size employers and 90 percent for small employers. Wisconsin had previously obtained this waiver from DOL. The OJT NEG provided an opportunity for Wisconsin to develop and institutionalize OJT in the State's WIA program as OJT has historically been little used as a training strategy in the state. Therefore, most of the state's experience with the sliding OJT reimbursement schedule has been under the NEG. Ten of Wisconsin's WDBs participated in the OJT NEG with all but two adopting the sliding scale. Those that did not were primarily concerned with "stretching" the dollars to be able to provide more participants with the OJT opportunity. Experience with the sliding scale under the OJT NEG through June 2012 shows that 39 percent of all OJT contracts provided for a reimbursement of 50 percent the participant's wage rate; 24 percent for 75 percent reimbursement rate and 36 percent were at 90 percent. The high usage of the 90 percent reimbursement rate may indicate not only is this an incentive to hire using OJT but also that small employers are the most fertile ground for the development and use of OJT as a training and reemployment strategy for dislocated workers. <http://dwd.wisconsin.gov/det/adminmemos/pdf/2010/1011.pdf>

The attachment at the end of the waiver plan illustrates some of the complexities of implementing these training modalities as well as the tenacity of North Central Wisconsin WDB's efforts. With an increased emphasis on OJT and CT, data will be analyzed in the future to measure specific positive impacts. There is no doubt in the field that, as stated in DOL's TEGL 33-11, that "WIA participants in OJT..." have "improved labor market attachment and enhanced job tenure."

Finally, a number of cross-program efforts and discussions will also increase the impetus to utilize OJT and CT:

- DOL awards to WDBs for focused technical skills training to help American workers fill jobs in high growth fields including the Northwest Wisconsin and Waukesha-Ozaukee-Washington WDBs.
- The successful DVR OJT Initiative, acclaimed in the July 2012 U.S. Senate Committee on Health, Education, Labor and Pensions Report: "Unfinished Business: Making Employment of People with Disabilities a National Priority," increased the number of OJT participants to over 1,200 with an 83 percent success rate of placement and retention of people with disabilities in competitive employment.

- Collaboration with the Senior Community Services Employment staff to coordinate service delivery and supportive services within the JCs to improve hiring and retraining strategies for older workers or unemployed for retooling to meet new job requirements.

Goals: The expectations for successful outcomes include:

- Increased use of both training modalities by the WDBs for appropriate participants.
- Increased training participation of disconnected youth and adults who need contextual training.
- Improve the talent match of participants with local employer needs.
- Relieve the pressure of the technical college and two-year university system in order to provide optimal training with appropriate instructor-student ratios.

Long-term goal:

- Infuse career pathways, apprenticeship and Wisconsin's Job Corps to further broaden training options.

Individuals Impacted: Potential individuals impacted by the waivers include:

- OSY who need real world of work experiences with a link to the occupational skills and academic requirements.
- Older DW who have been in the world of work and are not desiring to "go back to school."
- Other participants also not comfortable in the traditional academic setting, or, who need one-on-one assistance to ensure success.
- People with low skills who may not be able to qualify for higher-wage training.

Monitor Implementation: ASSET is the monitoring tool along with LPL on-site monitoring.

Transfer Authority

Waiver Requested: Waiver to increase the allowable transfer amount up to 50 percent between the Adult and DW funding streams allocated to a local area, WIA Section 133(b)(4).

Regulatory Barrier: There were no regulatory barriers for the implementation effective PY 08.

Discussion and Goals: The waiver gives WDBs the ability to respond to on-going changes, and significantly increase their flexibility over program delivery to best address the specific geographic, demographic and industry needs that change from community to community. Historically, WDBs have rarely reached the 30 percent WIA cap. Only South Central Wisconsin WDB has a local waiver but they did not need to use it for PY 11-12. The following WDBs mentioned the possibility of utilizing this waiver in their December 2011 WIA Local Plans but did not include a local plan waiver request: West Central, South West Wisconsin, Fox Valley and South East.

Expectations for successful outcomes include:

- Enhancing the flexibility of the WDBs to respond to workforce and economic conditions within their local areas to meet customer needs as well as improving targeted assistance efforts.
- Increasing collaboration between industry needs and worker training will improve with the expanded ability of WDBs to plan and respond accordingly.

- Performance outcomes should be improved with effective targeting of funding.

Individuals Impacted: All customers served by WIA Title I B and those co-enrolled in partner programs will be positively affected by this waiver through increased service delivery responsiveness.

Monitor Implementation: DET fiscal staff will monitor this activity as part of their monthly expenditure reports.

Lay-off Aversion

Waiver Requested: Waiver to use up to 10 percent of local Adult funds and up to 10 percent of local DW funds for incumbent worker training only as part of a lay-off aversion strategy serving only low-income/economically disadvantaged adults, along with other conditions established by DOL's prior approvals such as training restricted to skill attainment activities, WIA Section 134(a).

Regulatory Barrier: There were no regulatory barriers for the implementation effective PY 08.

Discussion and Goals: The purpose is to expand the flexibility of the WDBs to address the skill upgrade needs of workers to meet the requisite skills for current employers and anticipated emerging industries. MAWIB, South Central Wisconsin WDB and North Central Wisconsin WDB have local waivers. [Discussed further below*] However, given the high volume of persons unemployed since the great recession, and the lack of WIA set-aside funds, the WDBs have not had sufficient dollars for this focus.

Early Warning Initiative

In an effort to spark cross-program and resource sharing, the DW and JS staff have been meeting regularly with staff from the WEDC to develop a more comprehensive and functional layoff aversion strategy. Over the next 12 months, the workgroup plans to devise an early warning system including relevant partners -- state and local, public and private -- to ensure that troubled companies are better identified and with extended assistance in an effort to completely avoid or reduce the number of layoffs or, if unavoidable, to better assist the company and workers with layoff transition services. They are looking at mass lay-off statistics, unemployment/lay-off data and other indicators of business difficulty that will create the early warning system. This will be the State's lay-off aversion approach in an effort to be pro-active prior to the official lay-off triggers described beginning on page 48 of the State Plan that includes the public notice and dislocation events processes.

Economic Environment

This waiver will aid in enhancing the workforce's ability to innovate to retain and strengthen its economic base. A diversified economy is thought to be able to withstand random shocks and be better positioned to maintain and sustain economic growth. However, it is also necessary to have sufficient strength and size in certain sectors in order to take advantage of economies of scale, and proximity to suppliers and customers.

Four major sectors critical to the state's economic future are manufacturing; transportation, warehousing and utilities; business services; and, health care. Each of these sectors has a profound impact not only because of the number of people who are employed in these industries, but also because of the skill sets needed to work in these industries and the influence these four sectors have on other industries in the State. Workforce priorities at the

State and local levels have focused efforts in the key sector areas. Attached is the list of sectors by WDB and the WIA set-aside grant priorities.

Business Services Teams

Employers in the local area serve on the Employer Business Services Team that is required by each WDB along with partners representing the workforce system. Their WIA Local Plans describe the membership, activities and deliverables as part of their Business Services Plan. These teams work collaboratively to provide services to employers. The Business Services teams support the use of State developed tools to avoid duplication of effort and expense to the system. Local Boards encourage all customers to register on *jobcenterofwisconsin* and promote the use of no-cost and low-cost employer services through the system such as collaborative Job Fairs, employer recruitments at JC's, applicant screening and applicant assessments. Business service coordination has recently been expanded to include the WEDC and economic development organizations at the local level. Business services include job posting, WorkNet (workforce and labor market information), recruitment assistance (job fairs, specialized recruitments, pre-screening services, skill testing), recruitment skill building (new strategies for recruitment, effective interviewing, job order writing, job analyses, training incumbent and new workers), information about incentives such as Work Opportunity Tax Credit, bonding, and training reimbursement, and business resources (through labor law clinics, Friday Fundamentals webinar series, information on unemployment taxes, workers compensation, and equal rights).

The Employer Business Services Teams would be the entity to vet what businesses would be engaged in an incumbent worker training activity based on the State's early warning system or individual business inquiries to the WDB. Should the WDB deem that the composition of its current Employer Business Team is not appropriate for this new function, they can either reconstitute the Team (and modify their WIA Local Plan), or create a WDB subcommittee for this sole and vital purpose. Specific criteria related to what employers would be selected to exercise this waiver will be fully developed once the Early Warning Initiative is in place as that will be the key trigger for local engagement with the business(s).

In addition, the WDBs, via their local waiver plan approval, had identified specific eligibility criteria and other parameters for business and employee participation at the local level. WDBs are required to submit local waiver plan requests for this waiver due to the complexity and uniqueness within each area. For example, each area may have their own training strategies pertinent to the region's employers as well as a variety of resources for other supportive activities.

WDBs *

As stated at the beginning, three WDBs have local waiver approvals for this activity, however, external circumstances created impediments for implementation. The WDB's waiver plans outlined specific training strategies and business focus. For example:

- North Central Wisconsin WDB wanted to use this tool to target companies who were moving into new product areas to prepare pending laid-off workers on new skills. For that region, the focus had been on expanded suppliers to the housing industry. They intended to access the unused Career Pathway slots in accelerated training programs.
- MAWIB proposed with braided funding an employer loan program to assist in skills upgrading and increase the career ladder in non-traditional occupations. They had identified several larger firms to coordinate training in the areas of manufacturing and health care.

- South Central Wisconsin WDB had targeted companies that were moving into new product areas because their current product platform had been reduced or eliminated by market changes in the industry such as the regional suppliers to the automobile industry. They proposed specific criteria for employer selection, matching funds, coordination with the Department of Commerce for additional funding, and utilizing Career Pathway training for retention and advancement.

In 2012, the CWI's Sector Subcommittees (Advanced Manufacturing, Health Care and Energy) had been honing in on the level and types of training that employees need to meet the current skills gaps of businesses. They identified the need for an inventory of skills required for specific types of positions within certain sectors on "ready to learn" (soft skills) and "ready-to-work" minimal technical skills. Through these conversations, the WDBs provided examples of successful short-term training and hands-on training with their regional businesses.

The WDBs can submit local waiver plan requests at any time following the State policy and procedures. Thus, if funds become available for this waiver, the current three-approved local waivers would be updated and the remaining eight WDBs would be able to submit a local waiver plan request. In addition, Wisconsin's WIA Policy Manual has the following section:

"G. Provision of Services to Incumbent Workers

An incumbent worker is an individual who is employed but does not necessarily meet the eligibility requirements for intensive and training services for adults and DWs (§665.220).

TEGL 26-09 issued May 12, 2010, addresses the provision of services to incumbent workers through a DOL-approved waiver allowing the use of a portion of the WIA Title 1B adult and DW formula allocation for incumbent worker training. Wisconsin has such a waiver. Under the state's waiver, WDBs must submit a local waiver plan subject to DWD approval in order to use WIA Title 1B funds for incumbent worker training. Under such an approved local waiver a WDB may use up to 10 percent of local Adult funds and up to 10 percent of local DW funds for incumbent worker training only as part of a documented lay-off aversion strategy serving only low-income/economically disadvantaged adults. Training is restricted to skill attainment activities. The purpose is to expand the flexibility of the WDBs to address the skill upgrade needs of employees to meet the requisite skills for current employers and anticipated emerging industries."

Expectations for successful outcomes include:

- Ultimately, avoid closure or lay-offs through collaborative support to maintain operations and WIA training of employees to meet requisite skills.
- Meet industry needs dovetailing the Sector Strategies focus.
- Increase business sustainability by reducing the risk of laying off employees or business closure because workers have not kept current with new skills and technologies.
- Increase participation in career pathways and life-long learning models.
- Increase shift to OJT and CT, and other employer-directed short-term training programs that will ensure appropriate skill-set attainment to match the employer's job needs.

Individuals Impacted: Based on DOL's previous approval of this waiver, use of Adult funds must be restricted to serving low-income Adults and the training delivered is only for skill attainment activities. Within that parameter, priority sectors would include employees in businesses that

are vital to the stable base economy of the local area and those that require technological innovation with employee upgrade training to remain competitive.

Monitor Implementation: ASSET would be the monitoring tool. Any special projects utilizing this waiver will have its own category for participant tracking similar to that of the OJT-NEG. Additional monitoring and reporting mechanisms will be issued should funds become available to utilize this waiver.

For the three WDBs with approved waivers, if they had waiver activity, the WDBs were instructed to also provide an annual narrative no later than August 15th to include:

- Identify what sector partnerships were involved in training activities as part of the Industry Sectors as well as the employer size;
- Did the training help the employer maintain a competitive advantage?;
- What/how were the factors that contributed to the success of this?; and,
- Identify how many participants were retained or hired as part of the training.

Targeted High-Demand Industry Sectors By Workforce Development Area
Source: Workforce Investment Act Local Comprehensive Plans November 2011
✓ **May 2012 Targeted Sector Employer Convening Grants WIA State Set Aside Funds**

Southeast Wisconsin Workforce Development Board (WDB)

- **Advanced Manufacturing** (including sub-targets such as food processing, medical equipment, and fresh-water related manufacturing): **Manufacturing Alliance - "Dream it, do it" national model** ✓
- Health Care
- Retail, Hospitality and Tourism
- Agriculture/Food & Consumer Products

Milwaukee Area Workforce Investment Board (WIB)

- **Manufacturing** ✓
- Health Care
- Construction
- Energy (Water; Power Controls)
- Retail Hospitality Tourism

Waukesha-Ozaukee-Washington WDB

- Manufacturing
- **Health Care** ✓
- **Information Technology** ✓

Fox Valley WDB

- Advanced Manufacturing
- **Health Care: Health Care Alliance Partnership** ✓
- Construction
- Modernized Agriculture
- Logistics and Business Services/Call Centers

Bay Area WDB

- **Advanced Manufacturing: Northeast WI Manufacturing Alliance; North Coast Marine Manufacturing Alliance** ✓
- **Health Care: Greater BG Health Care Alliance** ✓
- Transportation

North Central Wisconsin WDB

- Manufacturing (including agricultural processing)
- **Health Care: Health Care Information Technology** ✓
- Information technology
- Transportation

Northwest Wisconsin WIB

- **Advanced Manufacturing** ✓
- **Health Care and Social Assistance: Health Care** ✓
- Construction
- Retail
- Government
- Transportation/Logistics

West Central WDB

- Manufacturing ✓
- Health Care ✓
- Customer Service Industries including Retail Trade, Accommodation and Food Service
- Finance and Insurance
- Agriculture
- Transportation and Logistics ✓

Western Wisconsin WDB

- Advanced Manufacturing ✓
- Health Care
- Agriculture/Food Processing.

WDB of South Central Wisconsin

- Manufacturing ✓
- Health Care
- Information Technology/ Business Technology
- Construction and the Trades
- Biotechnology

Southwest Wisconsin WDB

- Industrial Machinery Manufacturing (Machinery Manufacturing including advanced manufacturing processes)
- Health Care (Ambulatory Health Care Services, Hospitals and Nursing and Residential Care Facilities)
- Construction of Buildings
- Food Processing (Food Manufacturing): Dairy emphasis ✓
- Agriculture and Agribusiness
- Plastics
- Non-store Retail Trade (Administrative and Support Services and Transportation, Distribution and Logistics)
- Finance and Insurance (Securities, Commodity Contracts, and Other Financial Investments and Related Activities and Credit Intermediation and Related Activities)
- Professional, Scientific, and Technical Services

Subsequent Training Eligibility

Waiver Requested: Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

Regulatory Barrier: There were no regulatory barriers for the implementation effective PY 01.

Discussion: The State requested this waiver in 2001 primarily due to the ambiguity of the regulations that established performance eligibility for training providers to continue on the WIA-required State Individual Training Account list (ITA). While there were lengthy partner conversations to determine the appropriate bar, there was not consensus among the varying educational/community training providers.

Individuals Impacted: All eligible participants will be provided with more customer choice without compromising the quality of the providers as the WDBs oversee the participant outcomes of the training provided from the ITA list. This waiver avoids duplication of the providers' regular accreditation reviews by other State and national entities.

Monitor Implementation: As detailed in the assurances link on the ITA Policy Manual Chapter, the State and WDBs have cooperative and definitive roles in the selection and maintenance of quality training providers for the ITA list.

Public Review and Comment on Waiver Plan

The Waiver Plan was included in the draft WIA/WP/AOP Plan email issuance and website posting on March 25, 2013. There were no comments on the Waiver Plan.