

**State of Montana  
Workforce Investment Act Waiver Request**

**Allow the use of Individual Training Accounts for WIA Eligible Youth**

Montana requests a waiver of the statutory exclusion and regulatory prohibition of using Individual Training Accounts (ITAs) for youth. The Montana Department of Labor and Industry (MDLI), the administrative entity for the Workforce Investment Act (WIA), requests this waiver as an effort to create efficiency, and in consideration of precedents set by approval of similar waivers for more than 25 states.

With the focus of Common Measures moving states toward serving out-of-school youth at an increased level, the use of ITAs for this population will provide more flexibility in service delivery. The real-life informed decision-making involved in using ITAs and the Eligible Training Provider list would provide eligible youth with the experience of responsibility that is so necessary as they transition to adulthood.

The use of ITAs for youth gives youth service providers the opportunity to promote and encourage training as another option in this precarious labor market where there are limited jobs.

Under the current regulations, expenditures for ITAs are charged to the Adult or Dislocated Worker funding streams, rather than to the youth funding stream. This co-enrollment requirement is a duplicative and unnecessary process which does not allow Montana to charge the cost of the ITA back to the Youth account, but reduces already limited Adult funds. Additionally, the Adult program may not be an appropriate fit for some youth. The current regulation does not allow some of those expenditures to be appropriately counted towards the 30% out-of-school expenditure requirement.

This waiver would allow older out-of-school youth to select approved ITA programs from Montana's Eligible Training Provider List, while retaining their Youth classification. It is not Montana's intent to request this waiver to circumvent the requirements of WIA, but to bring service delivery for youth closer to the intent of the Act, to serve customers efficiently according to their individual need. Youth service providers will be required to comply with ITA policy and procedures. Training costs can be charged as out-of-school Youth expenditures.

Montana will implement the use of ITAs for out-of-school youth immediately upon USDOL's approval of this waiver request.

**Waiver Plan**

Section 189(i)(4)(B) of the Workforce Investment Act permits a state to seek waivers of statutory or regulatory requirements, as well as setting forth what information must be provided in seeking such a waiver. The waiver request format follows WIA Law Section 189(i)(4)(B) and Regulations at 20 CFR Part 661.420.

**1. Statutory Regulations to be waived:**

The statutes effected by this request are at Sec 122, Sec 123, Sec 129(c)(2) & (3)(A)(iii). The WIA statute at 129 does not provide youth access to ITAs. Regulations at 20 CFR Part 664.510 specifically prohibit the use of ITAs for youth participants unless the youth are at least 18 years of age and co-enrolled in either the Adult or Dislocated Worker program as set forth in 20 CFR Part 664.500.

**2. Describe action the State has undertaken to remove State or local statutory or Regulatory barriers:**

There is no state or local statutory or regulatory barrier to implementing the proposed waiver.

Upon notification of approval of this waiver request, State rules, policies and procedures will be developed and issued to comply with the terms of this waiver.

**3. Waiver goals and measurable programmatic outcomes, if the waiver is granted:**

**Waiver Goals**

- ◆ Maximize the service delivery capacity of the WIA Youth Program by allowing youth, focused on employment rather than academics, to have the same access as adults and dislocated workers to the advantages of ITAs.
- ◆ Ensure youth service providers have enough flexibility to design and deliver programs based on the individual participant needs as intended under WIA.
- ◆ Provide youth service providers with an additional service option for improving the comprehensive services available.
- ◆ Provide youth the opportunity to start a career path through training.
- ◆ Offer youth the opportunity to experience the impact of informed decision-making that has a direct impact on his/her life.
- ◆ Provide access to the Eligible Training Provider List which offers case managers the opportunity to discuss the process of decision-making (training provider, finances, etc.) and the results that follow.
- ◆ Provide for and promote customer choice.
- ◆ Maximize flexibility based on youth customers' assessed needs in terms of training that leads to self-sufficiency in high growth industries and occupations.
- ◆ With the ability to directly charge ITA costs to the Youth program, youth expenditure levels will improve and contribute to meeting the 30 percent out-of-school expenditure requirements.

**Programmatic Outcomes**

- ◆ Flexibility in service delivery
- ◆ Improved outcomes for the performance measure of attainment of a degree or certificate
- ◆ Improved out-of-school youth expenditure
- ◆ Older youth can pursue occupational goals with the same access as Adult and Dislocated Workers with the advantages of ITAs.

- ◆ Youth will have access to training providers which in turn, ensures their success in the changing economic conditions of the state.

**4. Describe any individuals affected by the waiver:**

The waiver is expected to benefit the eligible youth, youth service providers and eligible training providers.

- ◆ Wider variety of providers for youth in pursuit of post-secondary education and training
- ◆ Flexibility of services offered by youth providers
- ◆ Eligible training providers will have the opportunity to serve eligible youth.
- ◆ Youth would now directly receive the types of services afforded adult and dislocated workers.

**5. Describe the processes used to:**

**(i) Monitor the progress in implementing the waiver:**

MDLI as the state administrative entity for Workforce Investment Act Title IB programs will monitor the implementation and impact of the waiver. This will be accomplished through a combination of reporting, desk reviews of stored records in the MontanaWorks management information system and annual monitoring and evaluation. Performance measures will be evaluated quarterly in MontanaWorks to determine the impact of the waiver approval. MDLI will also gather information through discussion on the progress of the implementation of the waiver, including performance data, and will then be able to identify and address any obstacles. To ensure fiscal integrity, there will be both adequate oversight and complete, consistent reporting.

MDLI will review applicable policies and procedures and modify them accordingly in order to provide policies and procedures to ensure that ITAs are tracked and reflected in the individual services strategies for youth.

**(ii) Provide notice to any Local Board affected by the waiver:**

Consistent with the general waiver request, MDLI is adhering to publication requirements to ensure the broadest participation possible, including appropriate partners and interested parties such as labor, community based organizations and the SWIB.

Montana is a single statewide planning area and the SWIB has local board responsibilities. The waiver was posted on the SWIB website, and all SWIB members were notified it was available for review and comment.

**(iii) Provide any Local Board affected by the waiver an opportunity to comment on the request:**

Montana is a single statewide planning area and the SWIB has local board responsibilities. The draft waiver was posted on the SWIB website, and all SWIB members were notified it was available for review and comment.

**(iv) Ensure the opportunity for meaningful public comment, including comment by business and organized labor, on the waiver:**

A general public comment period was provided through posting the proposed Waiver request on the SWIB website for 14 days, and notifying all SWIB members and SWIB interested persons it was available for review and comment. After the public comment period, the proposed Waiver request was presented to the SWIB Executive Committee for approval, during a publicly noticed meeting. Committee members were presented with all public comments received during the public comment period, and asked for additional public comments during the meeting. Comments approved by the Committee were incorporated into the final Waiver request. Formal action was taken by the SWIB Executive Committee to approve the proposed Waiver request for submittal to USDOL.

Montana appreciates the flexibility afforded to states through the waiver process and anticipates the waiver plan provides adequate accountability and improved performance for USDOL approval.