



JUN 28 2012

The Honorable Brian Schweitzer
Governor of Montana
State Capitol
Helena, Montana 59620-0801

Dear Governor Schweitzer:

This letter provides approval of an extension of Montana's current Workforce Investment Act (WIA) and Wagner-Peyser Act (W-P) State Plan for a portion of Program Year (FY) 2012. This letter also provides approval of extensions for Montana's waivers. Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, provides guidance for states to secure approval of their WIA/W-P State Plans and waivers for PY 2012. In accordance with TEGL No. 21-11 and your extension request, the State must submit a full five-year WIA/W-P State Plan and annual W-P Agricultural Outreach Plan by September 15, 2012.

Extension of State Plan

Montana's existing State Plan will expire on June 30, 2012. This letter constitutes a written determination under WIA Section 112 (29 USC 2822) that the Employment and Training Administration (ETA) is temporarily extending the approval of Montana's State Plan for WIA Title I and the Wagner-Peyser Act into PY 2012, July 1, 2012 through December 31, 2012. The State has already received its formula allotment for the WIA Youth program for FY 2012. The State is eligible to receive WIA formula allotments for Adult and Dislocated Worker programs and W-P initial base program allotments under the PY 2012 annual funding agreement for WIA and the PY 2012/Fiscal Year 2013 annual funding agreement for W-P.

Performance Levels

Montana requested to temporarily extend its existing PY 2011 WIA and W-P performance goals for a portion of PY 2012. ETA has incorporated these performance goals, identified as PY 2012 performance goals, into the Regional and National Office copies of the State Plan. Please include these PY 2012 goals in the State's official copy of the State Plan. As required by TEGL 21-11, the state must renegotiate its new PY 2012 goals upon submission of its full State Plan.

Waivers

As part of the State's extension of the WIA/W-P State Plan, and as described in TEGL No. 21-11, the State requested temporary extensions of Montana's PY 2011 waivers of statutory and regulatory requirements under WIA for PY 2012. The disposition of the State's waiver

extensions 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.

Extension of Waivers

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

The State was previously granted 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 an extension of this waiver through December 31, 2012.

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

The State was previously granted 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 an extension of this waiver through December 31, 2012. 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.

Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The State was previously granted a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The State is granted an extension of this waiver through December 31, 2012. Under this waiver, the State can use ITAs for older youth and out-of-school youth program participants. The State must continue to make the 10 youth program elements available as described at WIA Section 129(c) (2). The State should ensure that funds used for ITAs are tracked and that the ITAs are reflected in the individual service strategies for these youth.

Waiver of WIA Section 134(a) (2) (B) (iii) and 20 CFR 665.200(e) to exempt a state from the requirement to provide local area incentive grants.

The State is granted an extension of the waiver through December 31, 2012 to exempt it from the requirement to provide local areas incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance.

Waiver of WIA regulations at 20 CFR 661.300(f) to allow the State Board to carry out the roles of a Local Board.

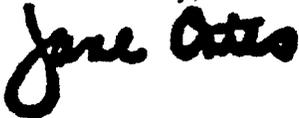
The State was previously granted a waiver to permit the state to apply 20 CFR 661.300(f) to the statewide regional planning area described in its State Plan. This provision allows states that operate as a single local workforce investment area to use the state workforce investment board to carry out the requirements of the local workforce investment board. The State is seeking to continue to use its State Board to carry out the roles and responsibilities of the Local Boards in the designated region encompassing the state.

We are granting the waiver through December 31, 2012. Under the waiver, the Governor may designate the State Board to carry out the roles and responsibilities of the Local Boards in the designated region encompassing the state, in the same manner as permitted in single service delivery area states.

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 this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as described in TEGL No. 07-11, page 2, 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.

We look forward to receiving your full State Plan for PY 2012 and working together as you implement it. If you have any questions related to the issues discussed above, please contact Jesus Morales, the Federal Project Officer for Montana, at (972) 850-4616, or Morales.Jesus@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Joseph Juarez, Regional Administrator, ETA Dallas Regional Office
Jesus Morales Federal Project Officer for Montana



Governor Brian Schweitzer

Montana

Department of Labor and Industry

Workforce Services Division

April 11, 2012

Joseph Juarez, Regional Administrator
U.S. Department of Labor/ETA
525 Griffin Street Room 317
Dallas, TX 75202

Dear Mr. Juarez,

The Montana Department of Labor and Industry is requesting an extension of its current Workforce Investment Act/Wagner-Peyser Strategic Plan, in conformity with Training and Employment Guidance Letter No. 21-11. The Plan is in effect until June 30, 2012. We are requesting that it continue in effect until a new integrated 5-year plan is submitted and approved. We are also requesting an extension of the current negotiated performance standards for the WIA Title I and Wagner-Peyser programs. We anticipate the submission of a new integrated plan by the last week of August 2012.

Montana has five waivers that we are requesting to be extended with the Plan. All waivers were extended or approved with the most recent plan extension, granted by ETA in June 2011. All five waivers expire June 30, 2012. These waivers are:

- 1) A waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.
- 2) A waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.
- 3) A waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt the State from the requirement to provide local area incentive grants.
- 4) Application of 20 CFR 661.300(f) to allow the State Workforce Investment Board to carry out the role of a Local Workforce Investment Board.
- 5) A waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

Montana's economic situation is changing, and we need to re-examine our workforce development priorities in response to this change. Therefore, we expect that we will need most of the time available to develop an integrated plan that reflects the new economic reality.



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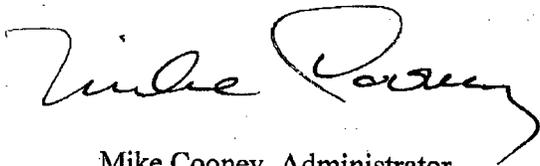
The eastern half of Montana is experiencing a great increase in petroleum exploration and extraction, due to the exploitation of deposits in the Bakken formation. A rapid increase in demand for labor and an equally rapid population increase in this area have affected the labor supply statewide.

While the eastern side of Montana is booming, the western half is still struggling with high unemployment. Virtually every county in western Montana has an unemployment rate greater than the state average, and some county rates are double the state average. The labor supply, in the west, is hundreds of miles from the labor demand, in the east. New alliances and partnerships will be necessary to meet the needs of employers and to offer work opportunities for the unemployed.

Thank you for your consideration. If you have questions, you may contact:

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Workforce Services Division
Montana Department of Labor and Industry
(406)444-3478 (406)444-3037 FAX
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Helena MT 59624-1728

Sincerely,



Mike Cooney, Administrator
Workforce Services Division
Montana Department of Labor and Industry

CC: Keith Kelly
Gary Wright
Dave Morey