



SEP 04 2019

The Honorable Chris Sununu
Governor of New Hampshire
Office of the Governor
107 North Main Street
Concord, NH 03301

Dear Governor Sununu:

Thank you for New Hampshire's waiver request dated July 10, 2019, 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 (copy enclosed). This letter provides the Employment and Training Administration's (ETA) official response to the State's request and memorializes that New Hampshire will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by New Hampshire 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-Peyser Act in WIOA Section 189(i).

Requested Waivers: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that states expend 75 percent of all local youth formula funds and Governor's reserve youth funds on out-of-school youth (OSY).

ETA Response: The State's request to waive the requirement that states expend 75 percent of all local formula youth funds and Governor's reserve youth funds on OSY is approved through June 30, 2020. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of New Hampshire to implement its plan to improve the workforce development system. New Hampshire may lower the target expenditure rate for local youth formula funds and Governor's reserve youth funds to 50 percent for OSY.

ETA is available for further discussion and to provide technical assistance to the State to support achieving its goals. The Department of Labor proposed additional flexibility in its Fiscal Year 2018, 2019, and 2020 budgets to give governors more decision-making authority to meet the workforce needs of their states and will continue to propose these additional flexibilities in future fiscal years.

Should you have questions or wish to explore additional flexibility, feel free to 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:

Jacqueline Heuser, Director, Office of Workforce Opportunity

Leo Miller, Boston/Philadelphia Regional Administrator, Employment and Training Administration

Tim Martin, Director, Office of State Systems, Employment and Training Administration



May 8, 2019

Timothy S. Martin
Acting Regional Administrator
USDOL ETA Region 1
JFK Federal building room e-350
Government Center
Boston, Massachusetts 02203

Dear Mr. Martin:

The New Hampshire State Workforce Innovations Board (SWIB) is seeking a waiver of the requirement under Workforce Innovation and Opportunity Act (WIOA) §129(a)(4) and 20 CFR 681.410 that the state and local workforce development areas (workforce areas) spend not less than 75 percent of youth funds to provide services to out-of-school youth (OSY).

This request is for a waiver to allow the state of New Hampshire (single area state board) the flexibility to direct up to 50 percent of youth funds to deliver workforce and educational services to ISY and 50 percent to continue to serve OSY as a priority population.

This request is being made under the Secretary's authority at WIOA Section 189(i)(3)(B) to waive certain requirements of WIOA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act. We believe approval of this request will maximize the impact of WIOA dollars in New Hampshire, as well as provide greater flexibility and increased capacity to respond to the training and employment needs of our youth.

Thank you in advance for your review and consideration of this waiver request. Please contact me with any questions.

Sincerely,

Jacqueline Heuser, WIOA Director
Office of Workforce Opportunity

Cc: Dick Anagnost, SWIB Chair
Will Arvelo, BEA State Director of Economic Development

New Hampshire State Workforce Innovation Board

WAIVER REQUEST – 75% Out-of-School Youth Expenditure Requirement

Statutory and regulatory provisions

The New Hampshire State Workforce Innovations Board (SWIB) is seeking a waiver of the requirement under Workforce Innovation and Opportunity Act (WIOA) §129(a)(4) and 20 CFR 681.410 that the state and local workforce development areas (workforce areas) spend not less than 75 percent of youth funds to provide services to out-of-school youth (OSY).

The Small State Exception Request under WIOA sec. 129(a) (4) (8) allows a state that receives a small state minimum allotment under WIOA sec. 127(b)(1) (relating to the youth formula program) or 132(b) (1) (relating to the adult formula program) to submit a request for approval to the Department to decrease the percentage of funds spent on out-of-school youth (OSY) to not less than 50 percent in a local area. If a state wishes to submit a small state OSY exception request, they must submit the request for PY 2019 by September 30, 2019. The request must be submitted to the appropriate ETA Regional Administrator and contain the required justification outlined in the WIOA final rule at 20 CFR 681.410 (b).

This request is for a waiver to allow the state of New Hampshire (single area state board) the flexibility to direct up to 50 percent of youth funds to deliver workforce and educational services to ISY and 50 percent to continue to serve OSY as a priority population.

Actions taken to remove state or local statutory or regulatory barriers

There are no state or local statutory or regulatory barriers to implementing the requested waiver. New Hampshire, SWIB and/or grant recipient regulations and policy statements comply with current federal law.

Waiver goals and expected outcomes

First and foremost, while provision of services to OSY is vital, the requirement to expend 75 percent of youth statewide and formula funds on OSY prohibits states and workforce areas from using discretion when serving youth based on state and local demographics, resources, economies, employment outlooks, and other labor market factors. The requirement also weakens the SWIB's ability to design and deliver meaningful career pathway programs to all youth, regardless of school status. The 75 percent OSY expenditure requirement limits state and local ability to carry out such initiatives that provide necessary educational and training experiences for students and that meet employer's workforce education and skills needs.

In addition, while the WIOA Youth program in New Hampshire has historically met the 75 percent out-of-school expenditure requirement, this is because as a single area state, we have restricted budgets and programming to meet this goal. As a small state minimum allocation state, with limited funds the scale of our programs is such that if one program fails to perform at 100% of goal, it could offset the balance of expenditures resulting in non-compliance.

A waiver to allow a 50-50 split in OSY and ISY expenditures, allows the SWIB to: maintain a commitment to serving OSY, aligned with the intent of WIOA regulations; comply with program requirements without having to sacrifice program integrity; and have the flexibility to plan and implement WIOA youth programming that meets the needs of New Hampshire's youth.

Goals

- Serve youth according to local and statewide need - Provide local and state-level flexibility to serve OSY and ISY in a way that best meets each workforce area's needs according to population, resources, economy, employment outlook, and other labor market factors.
- Continue serving out-of-school youth as a priority population - Continue to give priority of service to OSY and achieve any OSY expenditure target authorized by DOLETA through this waiver request.

Programmatic outcomes

The approval of this waiver would permit the SWIB the opportunity to determine how best to meet the educational and training needs of youth, regardless of school status, and specific to the population, geographical location, and economic and employment conditions of each workforce area. The flexibility to design and offer the right mix of programming to meet local economic needs is germane to the State's overarching goal to create and support a workforce of young people qualified and prepared to meet the current and future needs of employers in their workforce areas and throughout the state.

Department of Labor's policy priorities

This waiver aligns with DOL's policy priorities in that it:

- increases youths' access to and opportunities for the education, training, employment, and support services that they need;
- aligns with WIOA's intent by supporting career pathways and the preparation of young people for in-demand careers; and
- maintains a focus on the delivery of services to OSY youth consistent with legislative intent

Individuals impacted by the waiver

This waiver will benefit all youth who face barriers to education, training, and employment. OSY will benefit, because they will continue to be a priority population in accordance with WIOA. The SWIB will benefit from increased flexibility to develop unique solutions to serve youth according to local conditions and needs.

Process for monitoring waiver implementation progress

If approved, SWIB staff shall manage and monitor the implementation WIOA youth expenditures consistent with the terms of the waiver, adjusting as needed to ensure that the state meets its performance goals and objectives. Specifically, SWIB staff will monitor progress under this waiver by reviewing monthly expenditure and performance reports submitted by sub-recipients of WIOA youth funding.

Notice to affected boards

New Hampshire is a single state board i.e., SWIB. The SWIB is the entity seeking this waiver request.

Public comment

To ensure meaningful public comment, including comments from business and organized labor, the SWIB will post this waiver request on the State's NH Works website for 30 days following submission to ETA USDOL. Comments received will be forwarded to the USDOL and included as a modification to the state's WIOA Combined Plan.