



JUL 14 2014

The Honorable John W. Hickenlooper
Governor of Colorado
136 State Capitol
Denver, Colorado 80203-1792

Dear Governor Hickenlooper:

The Employment and Training Administration (ETA) is pleased to respond to your requests for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. The original requests are written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c), and meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's waiver requests (copy enclosed).

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 workforce investment area incentive grants.

The State was previously approved for a waiver of the requirement to provide local workforce investment areas incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance. The State is granted an extension of this waiver through June 30, 2015.

Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) to exempt the state from the requirement to conduct evaluations.

The State was previously approved for a waiver of the requirement to conduct evaluations of workforce investment activities for adults, dislocated workers, and youth in order to establish and promote continuous improvement of the statewide workforce investment system. The State is granted an extension of this waiver through June 30, 2015.

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 required by TEGP No. 29-11, the State should address the impact this waiver has had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Rebecca Sarmiento, the Federal Project Officer for Colorado, at (972) 850-4621 or Sarmiento.Rebecca@dol.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Portia Wu". The signature is fluid and cursive, with the first name "Portia" being larger and more prominent than the last name "Wu".

Portia Wu
Assistant Secretary

cc: Nicholas Lalpui, Acting Regional Administrator, ETA Dallas Regional Office
Rebecca Sarmiento, Federal Project Officer for Colorado

REQUEST FOR EXTENSION OF WAIVERS THROUGH PY14
Workforce Investment Act Waiver Request Template
Required Statewide Activities

Date: April 4, 2014

State: Colorado

Agency: Colorado Department of Labor and Employment

Statutory and/or regulatory requirements to be waived

- Waiver of WIA Section 134(a)(2)(B)(ii) and 20 CFR 665.200(d) requiring the conduct of evaluations of workforce investment activities for adults, dislocated workers, and youth.
- Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) requiring provision of incentive grants to local areas.

Actions undertaken to remove state or local barriers

There are no state or local barriers.

Goals and expected programmatic outcomes of waiver

The reduction to five percent in the WIA allotment for Program Years 2011, 2012, and 2013 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current projected funding level in the Governor's Reserve (8.75% for PY14) will be insufficient to cover the cost of evaluations and performance incentive grants to local areas in addition to covering the following required statewide activities:

1. Operating fiscal and management accountability information systems (WIA Section 134(a)(2)(B)(vi) and 20 C.F.R. 665.200(b)(1)),
2. Submitting required reports (WIA Section 136(f)),
3. Disseminating the list of eligible training providers for adults and dislocated workers (WIA Section 134(a)(2)(B)(i) and 20 C.F.R. 665.200 (b)(1)), and youth activities (20 C.F.R. 665.200(b)(4)),
4. Providing technical assistance to poor performing local areas (WIA Section 134(a)(2)(B)(iv) and 20 C.F.R 665.200(f)), and
5. Assisting in the establishment and operation of one-stop delivery systems described in subsection (c). (WIA Section 134(a)(2)(B)(v), and 20 C.F.R 665.200(g-h))

Our goals in seeking this waiver are to ensure that:

1. The state may prioritize the use of Governor's Reserve funds for the required activities we deem most essential to the basic functions of the workforce investment system
2. The system continues to meet or exceed the Common Measures performance outcomes through maximization of the reduced resources
3. Fiscal and program integrity are maintained through utilization of the remaining Governor's Reserve to support the five required activities listed above

Financial Analysis

The five required statewide activities are listed above in order of priority for use of the Governor's Reserve funds. The costs of these activities are being covered by the WIA 5% set aside, supplemental state funds, cost savings being achieved through technology solutions such as Smart Forms and Adobe Connect meetings, plus reduction in staff costs as a result of not back filling vacancies. These strategies are sufficient to allow coverage of the five required activities, but not the two being waived (evaluations, performance incentive grants, and dissemination of ETPL performance and cost data). The waived activities would require approximately \$1.19 million of additional funds, formerly charged to the WIA 10% set aside that are no longer available. Elimination of the waived activities would have little to no impact on current workforce system services to WIA participants. Rather, we expect positive impacts to the ability of the state's workforce system to develop new and innovative service strategies and evaluate their effectiveness.

PY2013 Governor's Set Aside 5%	\$1,904,184
Amount of Carry Over Funds from Prior Years	\$ 600,064
Total Available	\$2,504,238
Estimated Cost of All Required Activities and State Admin Functions	\$3,518,764
Estimated Costs of Discretionary Activities	\$ 177,933
Total Estimated Costs	\$3,696,697
Shortfall to cover all PY 2013 Required Activities	\$1,192,459
Estimated cost of each waiver activity:	
1. Evaluations	\$ 225,000
2. Performance Incentive Grants	\$ 967,459

Note: Although recent legislation increased the state set aside funds to 8.75% for PY14, Colorado's significantly improved economy has resulted in a slightly reduced allocation impacting Dislocated Worker funds. In addition, a smaller carry-in amount for PY14 is anticipated than occurred for PY13. With these factors in mind, the financial analysis for PY14 statewide activities is expected to remain essentially the same as that for PY13.

Individuals impacted by the waiver

This waiver will provide the state agency with more flexibility in directing the Governor's Reserve funds to those activities that best preserve basic functions of the statewide workforce investment system. This will ensure that all customers and target groups will continue to receive quality services (e.g. there will be no direct impacts to WIA participant services) and will encourage the state's training providers to continue usage of the Eligible Training Provider List.

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 expenditure, performance and other reports, through regular contact with the ETA Regional Office liaisons, and through its monitoring and performance accountability system currently in place.

Notice to Affected Local Boards and Public Comment

This waiver will be published for a period of 30 days on the public web sites maintained by the Colorado Department of Labor and Employment and the Colorado Workforce Development Council, allowing for public comment on its content and potential impact. In addition, a copy of the waiver will be available for public inspection at CDLE offices, and electronic copies of the waiver will be sent via e-mail to State Board members, local Boards and workforce regional directors. Any comments received will be provided to USDOL.

United States Department of Labor, Employment and Training Administration
WIA/W-P Waiver Request Form
Last updated 8-19-2011
OMB Number 1205-0398