U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

MAR 1 8 2013

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

Dear Governor Hickenlooper:

We are pleased to be able to respond to your request for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission (copy enclosed). 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.

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

The State is requesting a waiver to exempt it from conducting 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 this waiver effective July 1, 2012 through June 30, 2013.

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 is requesting a waiver to exempt it from 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 this waiver effective July 1, 2012 through June 30, 2013.

Waiver of 20 CFR 665.200(b)(3) to exempt the state from the requirement to disseminate training provider performance and cost information.

The State is requesting a waiver of the requirement to disseminate training provider performance and cost information. The State is granted this waiver effective July 1, 2012 through June 30, 2013.

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 it 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 by TEGL No. 29-11, the State should address the impact its 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 continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Cynthia Green, Federal Project Officer for Colorado, at (972) 850-4619 or Green.Cynthia@dol.gov.

Sincerely,

Jane Oates

Jane Oates
Assistant Secretary

Enclosure

cc: Nickolas Lalpuis, Acting Regional Administrator, ETA Dallas Regional Office
Cynthia Green, Federal Project Officer for Colorado

STATE OF COLORADO WAIVER PLAN
FOR WORKFORCE INVESTMENT ACT PROGRAMS
Revised January 2013

The Colorado Department of Labor and Employment (CDLE), the state administrative entity for the Workforce Investment Act (WIA), is submitting one new waiver, plus requesting the extension of 9 current waivers of the legal requirements under the Workforce Investment Act. This waiver plan addresses the requirements of TEGL 26-09 (WIA Waiver Policy and Waiver Decisions for PY2009 and 2010) and TEGL 9-11 (Revised FY12 Funding Levels and Clarification of the Level of the Governor's Reserve), with new and extended waivers intended for implementation through June 30, 2013.

Should the waiver requests be granted, CDLE will be able to ensure the timely and effective implementation and expenditure of all grant funds in support of individuals and business during this period of slowed economic recovery. This will also provide greater flexibility and encourage increased innovation to drive system transformation through regional sector strategies that create talent pipelines to meet business needs.

This waiver request follows the format identified in WIA Section 189(i)(4)(B) (29 USCA Section 2939(i)(4)(B)) and WIA Final Regulations at 20 CFR Section 661.420(c).

A. REQUEST FOR APPROVAL OF ONE NEW WAIVER FOR PY12

Workforce Investment Act Waiver Request Template
Required Statewide Activities

Date: Revised January 16, 2013
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.
- Waiver of 20 CFR 665.200(b)(3) requiring dissemination of training provider performance and cost information.

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 Year 2011 and PY2012 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 funding level in the Governor's Reserve is insufficient to cover the cost of evaluations, incentive grants to local areas, and dissemination of training provider performance and cost information. The state's reduced funds are being used to cover the following required 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

- 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
- the system continues to meet or exceed the Common Measures performance outcomes through maximization of the reduced resources
- 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, 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 three being waived (evaluations, performance incentive grants, and dissemination of ETPL performance and cost data). The waived activities would require approximately $1.06 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, impacts are expected to the ability of the state's workforce system to develop new and innovative service strategies and evaluate their effectiveness.

PY2012 Governor's Set Aside 5%	$1,944,024
Amount of Carry Over Funds from Prior Years	$ 249,853
Total Available	**$2,193,877**
Estimated Cost of All Required Activities and State Admin Functions	$3,082,227
Estimated Costs of Discretionary Activities	$ 177,933
Total Estimated Costs	**$3,260,160**
Shortfall to cover all PY 2012 Required Activities	**$1,066,283**
Estimated cost of each waiver activity:	
1. Evaluations	$ 125,000
2. Performance Incentive Grants	$ 861,283
3. ETPL Performance/Cost Information	$ 80,000

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 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
The waiver, along with the state plan, will be reviewed by the Colorado Workforce Development Council. Then it 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 local Boards and workforce centers. Comments received will be provided with submission of the state and waiver plans.