



AUG - 8 2013

The Honorable Susana Martinez
Governor of New Mexico
State Capitol Fourth Floor
Santa Fe, New Mexico 87501

Dear Governor Martinez:

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 requests were 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 has requested 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 this waiver through June 30, 2014.

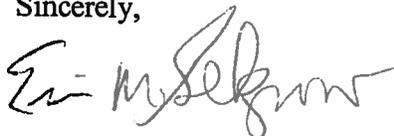
Waiver of WIA Section 129(b)(2)(C) and 20 CFR 665.200(h) to exempt the state from the requirement to provide additional assistance to local areas that have a high concentration of eligible youth.

The State is requesting a waiver of the requirement to provide additional assistance to local areas that have a high concentration of eligible youth. The State is granted this waiver through June 30, 2014.

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 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 continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Roseana Smith, the Federal Project Officer for New Mexico, at (972) 850-4615 or Smith.Roseana@dol.gov.

Sincerely,



Eric M. Seleznow
Acting Assistant Secretary

Enclosure

cc: Nicholas E. Lalpui, Acting Regional Administrator, ETA Dallas Regional Office
Roseana Smith, Federal Project Officer for New Mexico

SUSANA MARTINEZ
GOVERNOR



CELINA BUSSEY
SECRETARY

JOHN SANCHEZ
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STATE OF NEW MEXICO
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July 15, 2013

Nicholas Lalpui
Employment and Training Administration (ETA)
Dallas Regional Office
525 S. Griffin St. Room 317
Dallas, Texas 75202

Dear Mr. Lalpui,

On behalf of the NM Department of Workforce Solutions, please accept this as a formal request for the approval of the waivers below.

Statutory and/or Regulatory Requirements to be Waived

WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) which requires the provision of incentive grants to local workforce development areas.

WIA Section 129(b)(2)(C) and 20 CFR 665.200(h) which requires the state to provide additional assistance to local areas that have a high concentration of eligible youth.

State or Local Statutory and/or Regulatory Barriers

There are no state or local regulatory barriers to implementing the waiver.

Goals and Expected Programmatic outcomes of the Waiver

The goal in requesting this waiver is to ensure that New Mexico is able to prioritize the use of Governor's Reserve funds for the required activities essential to the basic functions of the workforce investment system.

The reduction from 15% to 5% in WIA allotment for Governor's Reserve funds restricts the State's ability to effectively fund and carry out all required statewide workforce investment act activities. Currently, 5% of total allotment is not sufficient to cover the cost of providing incentive grants to local areas and additional assistance to workforce areas that have high concentrations of eligible youth.

Additional Assistance to Workforce areas with High Concentration of Eligible Youth

- As a result of the reduction in Governor's Reserve funds, local boards will receive an additional \$423,087 in WIA youth funds for workforce regions.
- This is more than what has historically been provided or would be set aside to support additional assistance to local areas with high concentration of eligible youth.
- Based on the factors in the federal formula for allocating funds, one-third of these funds are allocated on the basis of relative number of disadvantaged youth, therefore, the funds are already directed at workforce areas with high concentrations of eligible youth.
- For planning purposes, prior to the reduction of state set-aside, the State projected that 1% of Governor's Reserve funds would be set aside for additional assistance to local areas with high concentration of eligible youth; approximately \$116,000. (1% of current set aside is \$6,343)

Incentive Grants to Local Boards

- As a result of the reduction in Governor's Reserve funds, local boards will receive an additional \$787,321 in adult and dislocated worker funds for workforce regions.
- For planning purposes, prior to the reduction in state set-aside, it was projected that 1% of Governor's Reserve funds would be set aside for incentives to local workforce boards; approximately \$116,000. (1% of current set aside is \$6343)

State Governor's Reserve Funds

Due to the execution of cost saving measures, the State is projecting a carry-in of prior year funds in the amount of \$200,000 with a current year allocation of \$634,318 (5% of allocation for statewide activities) for a total of \$834,318 to perform required statewide activities in Program Year 2013.

The State's Governor's Reserve funds are being used to cover the following required activities:

- Operating fiscal and management information systems
- Conducting statewide rapid response activities
- Disseminating list of eligible training providers; performance and program cost information; and information on eligible providers of youth activities
- Conducting monitoring and evaluations of workforce investment activities
- Providing technical assistance to workforce areas that fail to meet local performance measures
- Assisting in the establishment and operation of the workforce investment system
- Submitting required reports

	Est. Cost		Required Statewide Activity
<i>State MIS System</i>	\$100,000	The State hosts the management information system for the tracking of service, participant data and federal reporting	Management information systems; list of eligible training providers; performance and program information and costs
<i>State Staff</i>	\$700,000	Administrator; State Monitors, Fiscal staff support, Information Technology staff support, Program and System analysts	Monitoring and evaluation of workforce activities; technical assistance; establishment and operation of workforce system; submission of required reports
<i>Operating Costs</i>	\$137,000	Overhead expenses	
<i>Total Costs Projected</i>	\$937,000		

Individuals Impacted by the Waiver

The waiver will provide for more flexibility in directing limited funds to those activities that maintain the basic functions of the workforce investment system.

Process for Monitoring Progress in Implementation

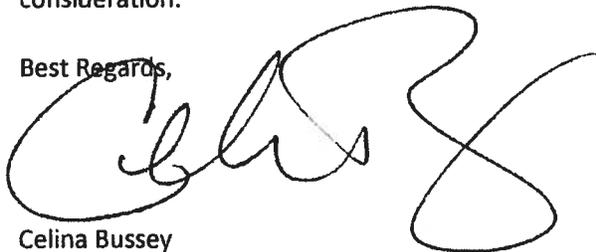
The State will monitor progress and ensure accountability for funds in connection with these waivers by reviewing expenditures, performance and other reports; annual monitoring of programs ; and utilizing the State's management information system to evaluate compliance and overall effectiveness.

Public Comment and Notice to Affected Local Boards

The waiver will be distributed by email to Local Workforce Development Boards through their respective administrative entities. Additionally, the waiver will be posted in the Department of Workforce Solutions website for public review and comment.

We appreciate the opportunity to submit these waiver requests and thank you in advance for your consideration.

Best Regards,



Celina Bussey
Cabinet Secretary

cc: Roseana Smith, ETA Federal Project Officer
Dolores Haley, DWS State Administrative Entity