



JOHN H. LYNCH
Governor

State of New Hampshire

OFFICE OF THE GOVERNOR

107 North Main Street, State House - Rm 208
Concord, New Hampshire 03301
Telephone (603) 271-2121
www.nh.gov/governor
governorlynch@nh.gov

February 12, 2008

Doug Small
Acting Assistant Secretary for Employment and Training
US Department of Labor
200 Constitution Avenues, N.W. Room S-2307
Washington, DC 200210

Dear Mr. Small:

Enclosed is the State of New Hampshire's request for a waiver under the Workforce Investment Act, Section 133(b)(4) and 20 CFR 661.420 and 189(i)(4)(B) of the Workforce Investment Act – General Waivers of Statutory or Regulatory Requirements.

New Hampshire is requesting waiver of WIA Section 133(b)(4) and 20 CFR Section 667.140 limiting transfer of funds between the Adult and Dislocated Worker programs to no more than 20% of a program year's allocation. This waiver would provide for the ability to transfer up to 50% of a program year's allocation between the WIA Adult and Dislocated Worker programs.

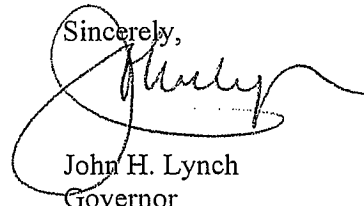
During PY07 New Hampshire has experienced an increase in not only the number of plant closings/mass layoffs, but also the numbers of people being laid-off from a single company. Increased flexibility with regard to allocation of funds would assist in assuring that both Adult and Dislocated Worker services are maintained at a level sufficient to meet the needs of New Hampshire's workforce. We appreciate the opportunity to tailor workforce investment resources to more closely meet these needs.

This waiver request is being submitted concurrently with the 30-day comment period required by regulation. Subsequent to the comment period, the State will provide copies of all comments received.

If you have further questions, please contact Cindy Naiditch at (603) 228-9500.

Thank you for your support, and timely consideration of New Hampshire's waiver request.

Sincerely,



John H. Lynch
Governor

CC: George Copadis, Commissioner, NH Department of labor
Dick Anagnost, State WIB Chair
Michael Power, Executive Director of Community Outreach, Workforce Opportunity Council
Cindy Naiditch, Executive Director of Operations, Workforce Opportunity Council
Grace Kilbane, Regional Administrator Region I, Boston, MA

**State of New Hampshire
Department of Labor
Workforce Investment Act**

Waiver Request: Transfer of WIA Funds between Adult and Dislocated Worker Programs

Date of Request: February 12, 2008

The New Hampshire Department of Labor, the state recipient for the Workforce Investment Act (WIA), is requesting a waiver of the legal requirement limiting transfer of funds between the Adult and Dislocated Worker program to no more than 20% of a program year's allocation. This Waiver would provide the ability to transfer up to 50% of a program year's allocation between these two programs. Should this Waiver be granted, New Hampshire will be able to ensure that the critical workforce needs of our State Workforce Board are met.

The Workforce Opportunity Council, Inc. serves as the administrative entity for all Workforce Investment Act (WIA) funds flowing to the state Department of Labor from the US Department of Labor, and to serve as staff to the State Board. The NH Department of Labor is the fiscal intermediary for the Council, and is the official grant recipient of WIA funds. The US Department of Labor, Region I office in Boston, Massachusetts provides federal oversight and technical assistance to the Council.

The Governor established and certified the Workforce Opportunity Council (Council) as the State's Workforce Board under WIA on September 22, 1999. The Council is chaired by a businessperson and has 42 members, of whom 22 members are business representatives. The Council also includes top officials from agencies that oversee workforce development programs. Board members were generally selected according to the following criteria: geographic representation, industry sectors, company size, and workforce and economic development expertise.

As a single state service delivery area, New Hampshire has developed a highly aligned governance and administrative structure that sets policy direction and performance goals and provides oversight to hold the workforce development system fully accountable. The state workforce development board serves as the major policy setting and governance body for the development, update and evaluation of the planning process to ensure that workforce development programs remain fully responsive to New Hampshire's economic development and labor market needs.

A. Statutory Regulations to be Waived

WIA Section 133(b)(4), 29 USC Section 2963(b)(4) and WIA Final Regulations at 20 CFR Section 667.140, provide that with the approval of the Governor, Workforce Investment Boards (WIBs) may transfer up to 20% of a program year's allocation for Adult employment and training activities, and up to 20% of a program year's allocation for Dislocated Worker employment and training activities between the two programs.

New Hampshire is requesting that this statutory regulation be waived to allow for 50% transfer of funds between the WIA Adult and Dislocated Worker funding streams, to allow for greater flexibility in responding to employment and training needs of NH citizens based on the economic climate within the State.

B. Goals to be Achieved by the Waiver

The Workforce Investment Act (WIA) provides increased flexibility to states in implementing reforms to the workforce development system in exchange for state and local accountability for results, including improved programmatic outcomes. If approved, this Waiver will balance New Hampshire's desire to achieve our WIA strategic planning objectives with the need to demonstrate compliance with the statutory and regulatory requirements for each of the individual programs in our unified plan.

The specific goals to be achieved by the waiver are as follows:

- (1) Improve the ability of the Workforce Board to respond to economic changes within the State.
- (2) Increase access to services based on demand, versus a focus on spending
- (3) Increase the State's ability to respond to industry needs and worker training
- (4) Provide greater flexibility in designing and implementing WIA programs

C. State or Local Statutory or Regulatory Barriers

There is no State or local statutory or regulatory barriers to implementing the proposed Waiver. The Workforce Investment Board and NH DOL policies are in compliance with current federal regulations. Applicable WIA policies will be amended to comply with the terms of this Waiver, if approved.

D. Description of Waiver Goals and Programmatic Outcomes (Need for Waiver)

New Hampshire requests to waive the legal requirement limiting transfer of funds between the Adult and Dislocated Worker programs, allowing the Board to transfer up to 50% of a program year's allocation between these two programs to allow for maximum flexibility in determining the best of use of WIA funds in achieving State planning goals, including the ability to maintain a workforce system that can respond quickly to current and future workforce training needs. This change in policy would avoid having to wait until one funding source becomes available again in July of each year, while other funding is still available, but only for those who meet the specific program requirements for that funding stream.

The State has exercised the option under WIA to transfer the maximum 20% of funds between programs, for each year since the implementation of WIA. Our experience to date has been a greater need for transferring Adult funds to Dislocated Worker funds. PY06 into PY07 has seen a significant increase in not only the number of plant closings and/or mass layoffs, but also in the numbers of individuals being laid off from individual employers. If persistent, the overall downturn in the economy will produce even greater demand for limited dislocated funds, which we will not be able to meet this program year without the authority to transfer funds from the Adult funding stream. At the same time the demand for adult funding has remained fairly constant during this same period, resulting in more than sufficient funds to meet the demand for services.

The role of the Board is to plan, oversee, and evaluate the delivery of workforce training and services delivered by the One-Stop centers. To this end, the board is committed to ensuring that any transfer in funds from one funding source to another will not diminish the Boards capacity to serve target populations to the point where eligible individuals in need of training would be denied due to a depletion of funds, under normal circumstances.

E. Description of Individuals Impacted by the Waiver

Approval of this Waiver will benefit the State Board, NH Works one-stop centers, employers, customers and service provides. Allowing the State to maximize the use of funds from each funding stream to meet local demands, ensures that more individuals, both adult and dislocated workers are able to access employment and training services, without delay

Unlike some other states, New Hampshire continues to serve proportionately more dislocated workers than adult customers. The Board is committed to maintaining a priority of service approach to service for the adult population, and utilizing dislocated worker funds for those individuals who are truly dislocated workers. Allowing the Board the flexibility to allocated resources as needed, while maintaining a balanced service delivery strategy will result in a positive impact on both adult and dislocated worker customers.

F. Description of the Process Used to:

Monitor Progress

The Workforce Opportunity Council maintains a strong monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing services through the NH Works (one-stop) Centers. [Identified as a best practice by US DOL Region I in our most recent federal monitoring review]

On a monthly and quarterly basis, the Council reviews and analyzes enrollment and service levels, program expenditures and performance outcomes for each funding source. Should this Waiver request be granted, the Council will ensure regular review of Adult and Dislocated Worker programs to monitor outcomes and impacts of the additional transfer authority.

Waiver Plan Development, Notification, Coordination and Implementation

The Council actively sought the input of the State Board Executive Committee during the development of this Waiver. Council directors met with the Executive Committee members to review the pros and cons for requesting such a Waiver, including a fiscal and customer impact analysis. Ultimately, the Executive Committee voted unanimously to move forward with a request for a Waiver to transfer up to 50% of funds between the adult and dislocated worker programs.

In addition, this Waiver document will be posted on the NH Works website beginning February 12, 2008 and ending March 12, 2008. allowing for public comment on its content and potential impact. A copy of the Waiver will be available for public inspection at the Workforce Opportunity Council office, and electronic

copies of the Waiver will be sent to Board members. Comments received will be provided shortly after March 12, 2008.

G. Conclusion

As stated throughout this document, granting this Waiver will allow the New Hampshire WIA State Board the flexibility needed to ensure that a consistent flow of funds are available in a timely manner to meet worker demand for employment and training services throughout the program year.