

**State of New Mexico**  
**Waiver Request**

**Statutory and Regulatory Sections to be Waived:** WIOA §129(a)(4)(A) and 20 CFR 681.410

The New Mexico Department of Workforce Solutions (NMDWS) 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 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 and all workforce areas in New Mexico the flexibility to direct up to 50 percent of youth funds to deliver workforce services to in-school youth (ISY), while continuing to serve OSY as a priority population.

**Actions undertaken to remove state or local barriers:**

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

**Department of Labor priorities supported by the Waiver:**

The requirement to expend 75 percent of youth statewide and formula funds on OSY prohibits workforce areas from using discretion when serving youth based on local demographics, resources, economies, and other labor market factors. The requirement weakens Title I's ability to design and deliver meaningful career pathway programs to all youth, regardless of school status. The 75 percent OSY expenditure requirement limits the local areas ability to carry out initiatives that provide necessary educational and training experiences for students that meet the needs of employers.

WIOA's emphasis on credential attainment, this flexibility would allow the workforce areas to provide work-based learning opportunities, such as work experience (WIO §129 (c)(2)(C) and 20 CFR 681.600), to ISY. Providing more work-based learning opportunities to ISY support (strengthen) New Mexico's State Plan commitment to development activities that enhance the choices available to eligible youth and encourage them to complete secondary education, enroll in postsecondary education and advance training, progress through a career pathways and enter into unsubsidized employment that leads to economic self-sufficiency (WIOA §129(b)(2)).

The NMDWS has recently supported the work being done in the secondary school system to improve the state's Career and Technical Education. The New Mexico State Plan identifies this initiative as a partnership between the New Mexico Public Education Department and their College and Career Readiness Bureau. Together the agencies are implementing strategies and activities to promote career exploration and readiness through K-12. Both agencies strive to align resources authorized under WIOA and under

the Strengthening Career and Technical Education for the 21<sup>st</sup> Century (Perkins V) Act. The goals of this partnership are to:

- Align Career and Technical Education (CTE) programs offered through high schools with high demand sectors;
- Facilitate partnerships between the school and business community to grow and expand opportunities for students participating in CTE programs in public schools; and
- Integrate the vision of the state's CTE program with the goals of the regional workforce boards to promote integrated and well-organized integration of education and workforce.

Planned activities moving through the next four years include:

- Increased understanding and utilization of labor market information to drive CTE planning at both the public school and community college level. Additional attention will be given to demonstrating how to utilize existing tools, data, and resource available to enhance decision making and program implementation.
- Assessment of work-based learning opportunities available to students participating in CTE and expansion of quality and number paid and unpaid internships, apprenticeship, and work-based experiences. Specific focus will be given to growing the number of businesses engaged with CTE programs, especially through offering work-based learning aligned with priority sectors.
- Commitment to review and remove barriers that impede program implementation.

Reducing the OSY expenditure requirement to 50 percent would allow the workforce areas to continue serving the OSY population while also increasing their ability to meet the needs of ISY throughout the state in alignment with WIOA's intent by supporting career pathways and preparing young people for in-demand careers in the workforce, regardless of the youth's school status. Under this waiver the local areas would continue to serve OSY as a priority population and track OSY services, expenditures, and performance.

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

- Focuses on ensuring that eligible youth achieve secondary and postsecondary educational success;
- Increases youths' access to opportunities for the education, training, employment and support services that they need;
- Align with WIOA's intent by supporting career pathways and the preparation of young people for in-demand careers; and
- Ensures that ISY do not fall into an at-risk category because of expenditure restrictions.

#### **Strategic Goals of the Waiver:**

- **Serve youth regardless of school status.**  
Allowing local area flexibility to increase spending on providing education and training to ISY would increase workforce opportunities available to all youth and

help prevent at-risk youth from dropping out of school or not pursuing additional education and training that would lead to economic self-sufficiency.

- **Serve ISY in rural communities.**

Help ISY living in rural workforce areas overcome the unique economic and employment challenges facing rural communities.

- **Serve youth according to local need.**

Provide local flexibility to serve OSY and ISY in a way that best meets the needs of the workforce area according to population, resources, and other labor market factors.

- **Continue serving out-of-school youth as a priority population.**

The local areas will continue to give priority of service to OSY.

**Populations impacted by the waiver:**

This waiver is intended to benefit at-risk ISY who face barriers to education, training and employment. OSY will continue to be served as a priority population in accordance with WIOA. The local areas will benefit from increased flexibility to develop solutions to better serve youth according to local need.

**Monitoring waiver implementation progress:**

NMDWS will continue monitoring state and local area performance to assess the effectiveness of this waiver using both state and federal accountability systems to ensure that all negotiated performance measures are met including expenditure percentages, results are accurately reported and will provide necessary technical assistance to the local Boards, one-stop operators and service providers. As part of the monitoring and performance accountability process, NMDWS will collect data on waiver outcomes, which will be included in the WIOA Annual Report. Any waiver renewal requests will include the most recent available outcomes data.

**Public Comment:**

NMDWS will provide for meaning public review and comment. It will publish the proposed waiver in compliance with New Mexico statutory requirements and will review and develop a response to all comments received. NMDWS notified all Boards that the agency is seeing this waiver request and sought their input before submitting this request to USDOL ETA.