



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

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Federal Workforce Funding: New Mexico

Federal Workforce Funds for Program Year (PY) 2016

There are six “core programs” of the Workforce Innovation and Opportunity Act (WIOA), each offering different funds for state workforce development:

- Title I programs for adults
- Title I programs for dislocated workers
- Title I programs for youth
- Title II Adult education and family literacy
- Title III Wagner-Peyser Employment Exchange (Note: Funding for one-stop job centers, also known as American Job Centers)
- Title IV Vocational Rehabilitation (Note: Most funding specifically for people with disabilities falls here)

The three Title I programs (adult, dislocated workers and youth) and Title III (Wagner-Peyser) are administered by the U.S. Department of Labor’s Employment and Training Administration. **Formula grants to states for those four programs** can be found in the Employment and Training Administration [Guidance Letter 17-15](https://wdr.doleta.gov/directives/attach/TEGL/TEGL_17-15.pdf) (https://wdr.doleta.gov/directives/attach/TEGL/TEGL_17-15.pdf).

For New Mexico the current funding stream amounts are:

- Title I programs for adults—**PY 2016: \$5,913,046** (PY 2015: \$5,044,948—17.21% increase)
 - Distributed in two allotments (\$752,957 on July 1, 2016 and \$5,160,089 on October 1, 2016)
- Title I programs for dislocated workers—**PY 2016: \$7,937,300** (PY 2015: \$6,691,816—18.61% increase)
 - Distributed in two allotments (\$1,254,274 on July 1, 2016 and \$6,683,026 on October 1, 2016)
- Title I programs for youth—**PY 2016: \$6,167,206** (PY 2015: \$5,249,778—17.48% increase)
- Title III Wagner-Peyser Employment Exchange—**PY 2016: \$5,632,581** (PY 2015: \$5,501,724—2.38% increase)

Title II and IV are administered by the U.S. Department of Education. **Formula grants to states for Title II** can be found at the [bottom of this webpage](http://www2.ed.gov/programs/adultedbasic/funding.html) (<http://www2.ed.gov/programs/adultedbasic/funding.html>) under the heading “Distribution of Funds Allotted by Year” and FY 2016 allocations can be found [here](http://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/2016-allocationmemo-final.pdf) (<http://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/2016-allocationmemo-final.pdf>). **Formula grants to states for Title IV** can be found [here](https://rsa.ed.gov/programs.cfm?pc=basic-vr&sub=awards) (<https://rsa.ed.gov/programs.cfm?pc=basic-vr&sub=awards>).

For New Mexico, the amounts are:

- Title II Adult education and family literacy—**PY 2016: \$4,071,859** (PY 2015: \$4,197,889)
- Title IV Vocational Rehabilitation (New Mexico Division of Vocational Rehabilitation, specifically—there is one another grant—Commission for the Blind—also listed for New Mexico)—**PY 2016: \$20,373,730** (PY 2015: \$17,143,682)

For New Mexico, the total amount of federal WIOA workforce funds for all six core programs in PY 2016 is **\$50,095,722**.



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Services Supporting Integration for Individuals with Disabilities: State and Federal Policy Considerations

WIOA: Transition Services

- WIOA requires at least 15 percent of public Vocational Rehabilitation (VR) funds be reserved for the delivery of pre-employment transition services to students with disabilities. Pre-employment transition services must be provided to all students with a disability who are “potentially eligible” for VR service, regardless of if they have actually applied to or been deemed eligible for VR services.
- The entire 15 percent or more of VR funds must be used for services; administrative costs do not count towards the reservation requirement. When a state has two designated State units (DSU), as is the case in New Mexico, the state may meet the reservation requirement either by reserving 15 percent of each DSU’s funds or by reserving a percentage of each DSU’s funds that equals 15 percent of the state’s total funds.
- WIOA’s amendments to Section 113 the Rehabilitation Act of 1973 authorizes states to meet the 15 percent reservation by funding, developing and implementing innovative strategies to increase competitive integrated employment, independent living and post-secondary education experiences for students participating in pre-employment transition services, so long as the required activities of Section 113 have been provided.

WIOA: Use of the Subminimum Wage

- WIOA places substantial limitations on the use of the subminimum wage, requiring that 14(c) certificate holders ensure and maintain paperwork confirming that new hires and employees have been provided certain career counseling and transition services opportunities before being paid less than minimum wage. According to [Field Assistance Bulletin 2016-2](#), these requirements went into effect on July 22, 2016 and the U.S. Department of Labor’s Wage and Hour Division (WHD) will enforce the requirements.¹ An employer found in violation of the new requirements can be assessed back pay at the full minimum wage for each employee.
- To be eligible for pay at a subminimum wage, new hires (hired on or after July 22, 2016) who are 24 years old or younger must have:
 1. received transition services,
 2. been found ineligible for VR services or received VR services through an individual plan of employment that resulted in a closure without placement, and
 3. been provided with career counseling services
- To be continue being eligible for pay at a subminimum wage, all current employees must be provided, every six months during the first year of work and annually thereafter, with career counseling services from the DSU and

¹ The Field Assistance Bulletin 2016-2, issued by U.S. Department of Labor’s Wage and Hour Division, can be read in its entirety at https://www.dol.gov/whd/FieldBulletins/fab2016_2.htm



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information from the employer on local self-advocacy, self-determination and peer mentoring training opportunities.

- According to the U.S. Department of Labor, New Mexico currently (as of July 1, 2016) has 520 workers across 5 community rehabilitation providers being paid a subminimum wage, based on self-reporting mechanisms in the 14(c) certificate application.²

Federal Policy Trends Promoting Workforce and Community Integration

Advisory Committee on Increasing Competitive Integrated Employment for Individuals with Disabilities (ACICIEID) Final Report, Released September 15, 2016³

The ACICIEID Final Report includes the following recommendations on the use and oversight of the subminimum wage in order to increase access to competitive integrated employment settings:

- Congress amending FLSA to provide for a phase-out process of 14(c) certificates. A phase-out process should protect individuals currently engaged in subminimum wage work from unintended consequences.
- The WHD provides stronger oversight of 14(c) certificates, including stricter scrutiny of new applications and renewals.
- Federal government support to states in building up the capacity of service systems to provide CIE opportunities.

CMS Home and Community Based Services (HCBS) 2014 Final Rule

The 2014 HCBS Final Rule set new residential and non-residential provider requirements for integrated settings and person-centered planning.⁴ HCBS must be provided in settings that are integrated in and allow for full access to the general community. The final rule also requires that HCBS provide for a person-centered planning process to select settings and service provider, as well as respecting the rights, privacy and dignity of the individual. HCBS settings that do not meet the new requirements have until March 2019 to achieve compliance before becoming ineligible for reimbursement.

² WHD's list of Community Rehabilitation Providers holding 14(c) certificates can be found at <https://www.dol.gov/whd/specialemployment/crplist.htm>

³ The ACICIEID Final Report can be found at https://www.dol.gov/odep/topics/pdf/ACICIEID_Final_Report_9-8-16.pdf

⁴ CMS issued fact sheet outlining key provisions of HCBS final rule can be found at <https://www.medicaid.gov/medicaid-chip-program-information/by-topics/long-term-services-and-supports/home-and-community-based-services/downloads/hcbs-setting-fact-sheet.pdf>