



State of New Hampshire
NH Department of Business and Economic Affairs
Office of Workforce Opportunity (OWO)
Workforce Innovation and Opportunity Act
Waiver Request

(1) Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan;

New Hampshire requests a waiver of the U.S. Department of Labor's regulatory requirements regarding the calculation of Modified Total Direct Costs (MTDC) as defined in 2 CFR §200.68. Under federal guidance, MTDC is used to determine indirect cost allocations and recoveries under WIOA and other DOL-administered programs.

The State seeks flexibility to apply an alternate methodology to calculate the indirect cost rate for the awards the Department of Business and Economic Affairs, Office of Workforce Opportunity receives (CFDA numbers 17.235, 17.258, 17.259, 17.278, 17.600) to better align with the fiscal realities of operating as a minimally funded state. While fully aware of the federally negotiated indirect cost rate agreement (NICRA) and its standard application, the waiver would allow BEA to reduce indirect cost recovery for these award in order to maximize the proportion of funds available for direct program services, while maintaining compliance with federal cost principles. Specifically, rather than applying the NICRA to the full MTDC base, the State proposes applying the historically accepted methodology of applying the negotiated indirect cost rate only to the percentage of funds earmarked for State administrative costs under the grants. The State has determined that the amount of indirect costs generated through this alternative application is sufficient to meet administrative needs.

Goals of the waiver include:

- Strengthening program sustainability while maintaining sufficient administrative capacity to ensure compliance, oversight and program integrity. Ensuring accurate and compliant indirect cost allocation under constrained funding circumstances.
- Supporting administrative efficiency while maintaining federal oversight and accountability.

This waiver directly aligns with New Hampshire's Unified State Plan by promoting efficient use of resources, supporting high-quality service delivery, and enhancing the capacity of the State workforce system to serve participants effectively.

(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

New Hampshire has reviewed State statutes, fiscal policies, and administrative rules and confirms that there are no State-level barriers preventing implementation of a modified MTDC methodology. The State has:

- Updated fiscal guidance to align with 2 CFR Part 200, including cost allowability and documentation requirements.
- Allowed the use of approved indirect cost rates and the de minimis rate for subrecipients, where applicable.
- Conducted operational reviews to assess administrative flexibility and fiscal capacity.

The remaining limitation is federal regulatory, not State-imposed, which necessitates this waiver.

(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;

The waiver aims to allow BEA to apply a reduced indirect cost rate for this award to:

- Increase the proportion of funds available for direct services, including workforce training, job placement, and supportive services.
- Maintain program stability and continuity of services despite limited funding.
- Reduce administrative burden associated with strict application of the federally negotiated rate, enabling staff to focus on service delivery.

Expected programmatic outcomes include:

- Improved fiscal efficiency and transparency in cost allocation.
- Enhanced service continuity, particularly for participants with barriers to employment.
- Strengthened administrative and operational capacity of the State and subrecipients.

- Increased focus on participant outcomes such as enrollment, placement, credential attainment, and retention.

(4) Describes how the waiver will align with the Department's policy priorities, such as:

- (A) *supporting employer engagement;*
- (B) *connecting education and training strategies;*
- (C) *supporting work-based learning;*
- (D) *improving job and career results, and*
- (E) *other guidance issued by the Department.*

The waiver aligns with ETA's strategic priorities and guidance, including TEGs emphasizing system alignment, employer engagement, and performance outcomes:

- Employer engagement: Enables administrative resources to support employer-focused services, sector partnerships, and work-based learning opportunities.
- Connecting education and training strategies: Facilitates consistent indirect cost allocation across WIOA programs, supporting collaboration between workforce, adult education, and training partners.
- Supporting work-based learning: Ensures administrative capacity to sustain apprenticeships, internships, and on-the-job training programs.
- Improving job and career results: Frees resources for direct services, leading to improved employment, credential attainment, and retention outcomes.
- Other ETA guidance: Promotes transparency, accountability, and efficient use of federal funds, consistent with TEGL recommendations on fiscal stewardship and program performance.

(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment; and

The waiver affects all participants served under WIOA core Title I programs, MSHA, and SCSEP, including adults, dislocated workers, youth, and individuals with barriers to employment such as:

- (A) Low-income individuals
- (B) Individuals with disabilities
- (C) Out-of-school youth
- (D) Individuals with limited basic skills
- (E) Individuals in rural or underserved communities

By allowing reduced indirect cost recovery, the waiver ensures more funds are available for direct participant services, improving service continuity and quality. Disadvantaged populations benefit from sustained access to career services, training, work-based learning, and supportive services.

(6) Describes the processes used to:

(A) Monitor the progress in implementing the waiver;

New Hampshire will monitor progress in implementing the waiver through established fiscal oversight and performance monitoring processes. The State will conduct regular fiscal reviews, including desk monitoring and on-site or virtual monitoring, to assess compliance with approved cost allocation methodologies and adherence to federal cost principles under 2 CFR Part 200. Monitoring results will be documented, and any identified issues will be addressed through corrective action and technical assistance, as appropriate.

(7) Provide any local board affected by the waiver an opportunity to comment on the request;

The State of NH is a single area state and therefore does not have any local boards.

(8) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.

New Hampshire ensured meaningful public comment on the waiver request in accordance with WIOA and ETA guidance. The waiver request was made available for public review and comment from March 20-April 2, 2026, with notice provided through the State's workforce development website. All comments received were reviewed and considered, and a summary of comments and the State's responses are included with the waiver submission.

(9) Collect and report information about waiver outcomes in the State's WIOA Annual Report.

The State will collect and report information on waiver implementation and outcomes through the WIOA Annual Report. Reporting will include a description of waiver activities, progress toward stated goals, and observed impacts on fiscal management, administrative efficiency, and service delivery. This information will be used to assess

the effectiveness of the waiver and to support continuous improvement of the State's workforce development system.