



WORKFORCE IMPLEMENTATION GUIDANCE (WIG) LETTER

DATE: August 10, 2020
NO: PS-19-013R
TO: LOCAL WORKFORCE SYSTEM STAKEHOLDERS
FROM: Kristin Laarhoven, OWD Executive Director
SUBJECT: **YOUTH EXPENDITURE WAIVER**

1. **Purpose.** To provide guidance regarding the USDOL approved waiver to lower the spending requirement on the Out-of-School Youth (OSY) population to 50 percent.

2. **References.**

[TCSG Office of Workforce Development Policies & Procedures Guide, Section 3-4.2 Required Youth Elements](#)
[WIOA State Plan 2019 State Waiver Request: Youth Expenditure](#)
[WIOA Section 129 \(a\)\(4\)\(A\)20](#)
[C.F.R. 681.410](#)

3. **Definitions.**

WIOA — Workforce Innovation and Opportunity Act
LWDA — Local Workforce Development Area
OWD — Office of Workforce Development
OSY — Out-of-School Youth
ISY — In-School Youth
WEX — Work Experience

4. **Background.** Under WIOA Section 129 (a)(4)(A) and 20 CFR 681.410, for any program year, not less than 75 percent of the funds shall be used to provide youth workforce investment activities for out-of-school youth. However, States are able to request a waiver of this statutory and regulatory provision.

As such, the Office of Workforce Development (OWL) submitted a State Waiver Request on May 13, 2019 to request that the requirement to expend at least 75 percent of funding on the Out-of-School Youth (OSY) population be lowered to 50 percent for both statewide and local activities. On July 19, 2019, the Employment and Training Administration (ETA) approved the requested waiver for Program Years 2018 and 2019 (July 1, 2018 through June 30, 2020).

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As instructed by USDOL, OWD requested to extend the waiver for additional Program Years as part of Georgia’s Unified State Plan submission in March of 2020. On May 26, 2020, ETA approved the waiver extension for Program Year 2020 (July 1, 2020 through June 30, 2021).

- 5. **Youth Expenditure Waiver.** The strategic goals of the requested waiver include expanding Work Experience (WEX) programs to additional In-School Youth (ISY), expanding youth opportunities to include Pre-Apprenticeship, and increasing services to at-risk and disadvantaged youth currently attending a school.

The potential programmatic outcomes from the implementation of the waiver include:

- a. Ability for LWDA’s to strategically focus their allocated funds on an approach to better serve at-risk youth, while discouraging a disconnection from education institutions. Specifically, among programmatic activities, LWDA’s can fund a greater number of summer WEX activities targeting eligible at-risk ISY. We expect to see a continued increase in graduation rates.
 - b. Opportunity to increase utilization of WIOA to support Pre-Apprenticeship strategies, programs, and participants. The expansion of Pre-Apprenticeship programs will directly lead to a strengthening of the associated Registered Apprenticeship programs throughout the state as well.
 - c. Opportunity to provide support for ISY while equipping them with the academic and technical skills necessary to improve their employability. The expansion of ISY programs will strengthen the talent pipeline for employers, and therefore reduce their training costs and employee turnover.
- 6. **Action Requested.** As a condition of USDOL’s approval, the Employment and Training Administration (ETA) has mandated that OWD submit projected quantifiable outcomes for the core indicators under WIOA for PY20. Implementation of the waiver is not mandatory for LWDA’s. However, if an LWDA plans to take advantage of this waiver to expend less than 75 percent of the state or local youth funds on OSY, that LWDA must submit the projected quantifiable outcomes to OWD (see *Inquiries* section below for appropriate contact).

As a result of this waiver, ETA expects that the number of in-school youth will increase and performance accountability outcomes for overall WIOA Youth (including both in- and out-of-school youth) will remain steady or increase for the majority of the WIOA Youth performance indicators.

- 7. **Inquiries.** Inquiries regarding this guidance should be directed to OWD’s Youth Services Lead Ben Lanier at BLanier@tcsgeu.edu.
- 8. **Attachments.**
Attachment A: 2019 State of Georgia Waiver Request – Youth Expenditure
Attachment B: ETA Response to Waiver Request submitted via 2020 Unified State Plan

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9. **Expiration.** This waiver is subject to USDOL, ETA approval. The current waiver is in effect until June 30, 2021.

10. **Authorization.**

A handwritten signature in blue ink, appearing to be "K. J. A.", is centered on the page.

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Attachment A

WIOA State Plan 2019 State of Georgia Waiver Request

The Technical College System of Georgia's Office of Workforce Development (OWD), on behalf of the State of Georgia, is seeking a waiver in accordance with the Workforce Innovation and Opportunity Act (WIOA) at Section 129(a)(4)(A) and 20 Code of Federal Regulation (CFR) 681.410. Under WIOA Section 129(a)(4)(A) and 20 CFR 681.410, for any program year, not less than 75 percent of the funds allotted under Section 127(b)(1)(C), reserved under Section 128(a), and available for statewide activities under subsection (b), and not less than 75 percent of funds available to local areas under subsection (c), shall be used to provide youth workforce investment activities for out-of-school youth.

Georgia is requesting the following waiver to this statutory and regulatory provision:

A waiver of the requirement to expend at least 75 percent of funding on the Out-of-School (OSY) population be lowered to 50 percent for both statewide and local activities.

While OWD recognizes the value and importance of WIOA's heightened emphasis on the alignment of programs that serve out-of-school youth in order to ensure they obtain the skills necessary to prepare for educational achievement and workforce participation, it creates an undue burden for our Local Workforce Development Areas (LWDAs). This is especially burdensome when:

1. ISY Work Experience programming is limited as a result of the 75% rule for OSY funds.

LWDAs in Georgia have a successful track record of providing notable Work Experience programs for ISY; however, many of these same areas are now only able to provide summer Work Experience for the youth in their service delivery areas, and for some even those programs have received cuts due to decreased funding. This means that fewer ISY are given the opportunity to participate in programs that will ensure youth enter the workforce with an expanded level of employability and soft skills that are necessary to secure entry level jobs and beyond. Communities have grown to rely on these resources and are disappointed that very successful programming is no longer available to their ISY.

2. Limited ISY funding creates restrictions for the expansion of Pre-Apprenticeship programs.

Georgia is currently the recipient of the American Apprenticeship Initiative (AAI) Grant. Through the implementation of this grant, the state has greatly expanded Registered Apprenticeship resources for employers and their prospective workforce. Although the state is interested in expanding Pre-Apprenticeship resources, LWDAs have been hesitant due to the lack of ISY funding. As a result, ISY are not given the opportunity to participate in Pre-Apprenticeships, and the state is unable to provide the full breadth of apprenticeship opportunities to its citizens. Pre-Apprenticeship programs can provide basic skills, integrated instructional models, and other activities designed to prepare youth with the skills needed to enter into a Registered Apprenticeship.

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3. Due to the constraints in ISY funding, many high poverty counties no longer operate year-round in-school programs, or if provided, limit programming to rising seniors with restricted services.

The federal requirement is creating a hardship for many LWDAs, resulting in terminated or limited services offered or provided to ISY under WIOA guidelines. This eliminates opportunities for early intervention for youth in danger of dropping out and leads to at-risk youth becoming disconnected from an education system.

This request is submitted in accordance with the Secretary's waiver authority outlined in Section 189(i)(3)(B) of WIOA and 20 CFR 679.600 thru 679.640. This waiver request will assist Georgia to further develop its workforce while continuing to focus on innovative strategies for a demand-driven workforce.

Actions to Remove Barriers:

There is currently no state or local statutory or regulatory barriers to implementing the requested waiver. The State of Georgia's regulations and policy statements are in compliance with current federal law.

Strategic Goals of Requested Waiver:

1. Expand already successful Work Experience programs to additional ISY.
2. Expand youth opportunities to include Pre-Apprenticeship programs, which serve as a stepping stone to prepare youth for entry into a Registered Apprenticeship. Registered Apprenticeships are an effective strategy for engaging employers, pipelining job seekers into high demand fields, and increasing the skills and earnings of those employees.
3. Increase services to at-risk and disadvantaged youth currently attending a school (as defined by State Law). Increasing the percent of funding allocated to ISY will assist in increasing secondary education attainment and workforce readiness among low-income youth.

Programmatic Outcomes from Implementation of the Waiver:

1. Approval of this waiver will allow Georgia's LWDAs to strategically focus their allocated funds on an approach to better serve at-risk youth while discouraging a disconnection from education institutions. When teens are exposed to work through summer and year-round employment, internships, and service opportunities, they are far more likely to stay in school, graduate on time, and be consistently employed as adults. Specifically, among other programmatic activities, this waiver would allow LWDAs to fund a greater number of summer work experience activities targeting eligible at-risk in-school youth. This program design will include a combination of summer credit recovery in conjunction with summer work experience. We expect to also see a continued increase in graduation rates because of expanding opportunities that keep students invested in their education. This structure is in high demand and has proven effective in keeping youth engaged in positive activities when school is not in session. An opportunity is created to enhance the individual student experience through stronger partnerships with the school system and supportive services.

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2. Approval of this waiver will allow the State of Georgia and LWDAs to better utilize WIOA to support Pre-Apprenticeship strategies, programs, and participants. Therefore, increasing the amount of youth with skill gains for employability. The expansion of Pre-Apprenticeship programs will directly lead to a strengthening of the associated Registered Apprenticeship programs as well.

3. Approval of this waiver will provide support for ISY while equipping them with academic and technical skills necessary to improve their employability. The expansion of ISY programs will increase the opportunity for youth to finish high school and continue on a pathway into a career or postsecondary education. In addition, employers will have a stronger talent pipeline reducing their training costs and employee turnover.

Individuals, Groups, or Populations impacted by the Waiver:

The decreased requirement in out-of-school expenditure to 50% will significantly affect multiple populations of the public workforce system, including, but not limited to:

1. Georgia's at-risk and disadvantaged youth population and their families
2. Local Workforce Development Areas
3. American Job Centers and subcontracted service providers staff
4. Local employers
5. Georgia Department of Education
6. Technical College System of Georgia's Office of Workforce Development

Monitoring Waiver Implementation:

Annual WIOA on-site programmatic reviews will include an evaluation of the impact of the waiver on local programs to ensure programmatic goals and outcomes are being met.

OWD's Youth Services Lead, dedicated to the administration of the WIOA Youth programs, will continually examine the effectiveness of the waiver throughout the program year. This strategy ensures that the goals described above, as well as those outlined in the existing state and local WIOA plans, are consistent with the established objectives of WIOA, and federal and state regulations.

Notice to Local Boards and Public Comment:

Concurrent with the submission of this waiver request, the State will notify all 19 Local Workforce Development Board Directors of the state's intent of this request. Upon approval of the waiver, OWD will issue a Policy Statement notifying all local Workforce Development Boards that this change will be implemented effective immediately.

Local Workforce Development Boards will be provided a copy of this waiver request and given the opportunity to contact OWD prior to submission of the State's Unified WIOA Plan modification to discuss and have input on the waiver request. All local boards will also have access to the draft Unified Plan and an opportunity to comment during the public review and comment period.

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This waiver request will be included in the Unified Plan Submission and subject to public comment within the Plan guidelines and the WIOA requirements outlined in WIOA regulations at 20 CFR 676.130(d).

Georgia will collect and report information about waiver outcomes in the State's WIOA Annual Report.

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Attachment B

USDOL, ETA Response to Youth Expenditure Waiver Request

May 26, 2020

The Honorable Brian Kemp
Governor of Georgia
203 State Capitol, Atlanta, GA 30334

Dear Governor Kemp,

Thank you for your waiver requests submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (copy enclosed). The waiver request was received March 2, 2020, as part of your recent WIOA State Plan submission. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that Georgia will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Georgia and ETA. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner–Peyster Act in WIOA Section 189(i).

[...]

Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY).

ETA Response: ETA conditionally approves for Program Years (PYs) 2019 and 2020, which includes the entire time period for which states are authorized to spend PY 19 and 20 funds, the State's request to waive the requirement that the State and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY). Prior to implementation of this waiver, the State must update its waiver request to include projected quantifiable outcomes (i.e., for the core indicators under WIOA or shorter-term state defined indicators) for WIOA youth served under the waiver. ETA reviewed the state's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Georgia to implement its plan to improve the workforce development system. Georgia may lower the expenditure requirement of Governor's reserve and local youth formula funds percent to 50 percent for OSY. As a result of this waiver, ETA expects that the number of in-school youth served will increase and performance accountability outcomes for overall WIOA Youth (including both in- and out-of-school youth) will remain steady or increase for the majority of the WIOA Youth performance indicators.

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The State must report its waiver outcomes and implementation of each approved waiver in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide technical assistance to you in support of your goals. The Department proposed additional flexibility in its budgets for Fiscal Years 2018 through 2021 to give governors more decision-making authority to meet the workforce needs of their states. [...]

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