

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210



May 18, 2023

The Honorable Jared Polis
Governor of Colorado
200 E. Colfax Avenue, Room 136
Denver, CO 80203

Dear Governor Polis:

Thank you for your waiver request submission to the U.S. Department of Labor regarding several statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (enclosed). The waiver request was received on April 3, 2023. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Colorado will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Colorado 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-Peyser 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 approves for Program Year (PY) 2023, which includes the entire time period for which states are authorized to spend those funds, the State's request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Colorado to implement its plan to improve the workforce development system. Colorado may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves for PY 2023, which includes the entire time period for which states are authorized to spend those funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Colorado may lower the local youth funds expenditure requirement to 50 percent for OSY. As a result of this waiver, ETA expects that the number of in-school youth (ISY) served will increase, and performance accountability outcomes for overall WIOA Youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators.

The State must report its waiver outcomes and implementation of the 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. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brent Parton', with a long horizontal flourish extending to the right.

Brent Parton
Acting Assistant Secretary

Enclosure

cc: Joseph Barela, Executive Director, Colorado Department of Labor and Employment
Nicholas Lalpui, Regional Administrator, ETA
Kajuana Donahue, Federal Project Officer, ETA

COLORADO WIOA WAIVER REQUEST

PREPARED BY THE COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT

Waiver of the requirement to expend at least 75 percent of all Governor's reserve and local formula youth funds on out-of-school youth

Colorado requests a waiver of the requirement that the state and local areas spend a minimum of 75 percent of Youth program funds to serve out-of-school youth. The expenditure requirement for out-of-school youth prevents the state of Colorado from being responsive and agile to support all youth as Colorado's economy recovers from the COVID-19 pandemic. This waiver will allow the system to be flexible to meet emergent needs as the state recovers from the emergency, whether that includes state-level special initiatives or innovative local strategies. Colorado requests to lower the target expenditure rate for out-of-school youth to no less than 50% of the Governor's Reserve used to provide direct services to youth and local Youth Title I formula funds.

As we emerge from the COVID-19 pandemic, many K-12 students who were already struggling fell further behind or dropped out altogether. Youth are facing mental health struggles at an alarming rate, and this impacts their ability to succeed in the classroom. To respond to these emerging issues, Colorado proposes to focus a portion of its youth services on dropout prevention for in-school youth and to serve all at-risk youth, regardless of school status.

Colorado currently has this waiver in place through June 30, 2023. The one current participating local area, Tri-County, exceeded PY21 quantifiable goals:

- a. **Metric:** 80% of in-school participants will succeed in dropout prevention by staying enrolled in school and/or graduating high school
Outcome: We exceeded this metric at 93.10%.
- b. **Metric:** Increase credential attainment rate for all Youth participants from 67% (PY20 goal) to 69%
Outcome: We exceeded this metric at 80.00%

With this new waiver request, Colorado seeks to build on the current successes and expand the local areas participating in the waiver.

1. The statutory and/or regulatory requirements the State would like to waive:

WIOA Section 129(a)(4)(A), which requires states and local areas to expend at least 75 percent of all Governor’s reserve and local formula youth funds on out-of-school youth.

2. Actions the State has undertaken to remove State or local barriers:

N/A - There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

3a. State strategic goal(s) supported by the waiver:

GOAL 1: ALIGN STATE PRIORITIES AND FLEXIBLE RESOURCES TO ENSURE ALL COLORADANS HAVE ACCESS TO OPPORTUNITIES FOR QUALITY, LIFE-LONG EDUCATION CONNECTED TO THE FUTURE OF WORK.

In order to ensure a strong pipeline for youth from education into employment and career pathways, the Colorado workforce development system needs to ensure maximum flexibility with our resources. Youth at risk of dropping out typically have multiple barriers to education and/or employment, including low-income youth, young parents, homeless, previously incarcerated, and youth with disabilities, so serving this population aligns with state and WIOA goals. Access to opportunities also encompasses technology and internet access, which many youth do not have to stay connected to education.

3b. Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver:

Title I of WIOA outlines a broad youth vision that supports an integrated service delivery system and provides a framework through which states and local areas can leverage other Federal, state, local, and philanthropic resources to support in-school and out-of-school youth. It affirms the workforce system’s commitment to providing high-quality services for all youth and young adults beginning with career exploration and guidance, continued support for educational attainment, opportunities for skills training in in-demand industries and occupations, such as pre-apprenticeships or internships, and culminating with a good job along a career pathway, enrollment in postsecondary education, or a Registered Apprenticeship. This waiver will allow local areas to develop customer-centered strategies that support all youth in education and employment, but especially at-risk youth.

4. Projected programmatic outcomes resulting from implementation of the waiver:

The approval of this waiver has the potential to prevent high school and college dropouts by providing intervention strategies, support services, and technology access to the most at-risk youth. Keeping youth in school has broad implications for businesses, who will need this talent entering their labor supply in the short- and long-term. It is much more cost effective to keep youth persisting in school and on a career pathway than to wait until they drop out of school to

offer intervention. Approval of this waiver will allow for innovative strategies to address barriers facing at-risk youth on an individualized basis and support student retention, transition, and successful outcomes.

Three local areas plan to utilize this waiver to serve approximately 155 in-school youth, beginning July 1, 2023. These local areas have developed strategies and set quantifiable performance targets that demonstrate a positive impact for program participants.

Tri-County (Jefferson/Clear Creek/Gilpin counties) plans to engage 70 in-school youth at risk of dropping out in Jefferson County Public high schools. Jefferson County Workforce Center will provide a continuum of services for dropout prevention, including connecting students to short-term training, workforce preparation activities, and work-based learning opportunities to help them get into career paths that lead to high paying wages or continuing their education. Participants will be identified as at-risk of dropping out by the schools and referred to the program.

Tri-County Performance goals:

- 82% of in-school participants will succeed in dropout prevention by staying enrolled in school and/or graduating high school
- Increase credential attainment rate for all Youth participants from 71% (PY22 goal) to 74%

Adams County Workforce & Business Center (Adams county) plans to leverage partnerships with local school districts and alternative schools to engage 50 in-school youth at risk of dropping out. Adams has established relationships with alternative schools in the many districts in the county. The Adams WIOA youth program is closely connected to the Gateway to College program at the Front Range Community College campus. Adams will also partner with Zero Dropouts for dropout prevention and dropout recovery services.

Adams Performance goals:

- 70% of in-school participants will succeed in dropout prevention by staying enrolled in school and/or graduating high school
- Increase credential attainment rate for all Youth participants from 45.28% (PY22 goal) to 55%

Mesa County Workforce Center (Mesa county) plans to focus on work based learning for 35 students in their junior and senior year of high school in order to prepare more youth for the workforce prior to their graduation. Mesa has a strong partnership with the school district and will capitalize on the relationships with school counselors and administrators to identify eligible students for WBL opportunities.

Mesa Performance goals:

- 75% of in-school participants will succeed in dropout prevention by staying enrolled in school and/or graduating high school
- Increase credential attainment rate for all Youth participants from 59% (PY22 goal) to 63%

5. Individuals, groups or populations benefitting from the waiver:

This waiver is intended to benefit at-risk youth, regardless of school status, with an emphasis on youth at risk of dropping out of high school, GED, alternative, and post-secondary education programs.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:

CDLE has a long standing, comprehensive monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado’s network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct quarterly reviews designed to assure that contract requirements are being met for all WIOA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite. These reviews will include the Youth program strategies, services, and expenditure plans.

The three participating areas will track and report on the dropout prevention rate for participants on a quarterly basis to CDLE. CDLE will monitor credential attainment rate for the participating local areas.

Should this waiver request be granted, CDLE will monitor service delivery and expenditures for in-school and out-of-school youth, including youth at risk of dropping out, and will regularly monitor the impacts of this waiver authority to ensure appropriateness and effectiveness. CDLE will report on the outcomes in the WIOA Annual Report.

7. Assurance of State posting of the request for public comment and notification to affected local workforce development boards:

This waiver request was published for public comment on the public websites maintained by the Colorado Workforce Development Council between February 27 - March 28, 2023. No comments were received. In addition, electronic copies of the waiver were sent via email to local boards and one-stop operators.