

U.S. Department of Labor

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



June 6, 2022

The Honorable Kay Ivey
Governor of Alabama
600 Dexter Avenue
Montgomery, AL 36130

Dear Governor Ivey:

Thank you for your waiver request 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 (enclosed). The waiver request was received March 09, 2022, as part of your recent WIOA State Plan modification. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Alabama will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Alabama 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 of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (ISY).

ETA Response: ETA approves, for Program Year (PY) 2022 and 2023, the State's request to waive the requirement limiting ITAs to only out-of-school youth (OSY), ages 16–24. In addition to these OSY, the State may use ITAs for ISY, ages 16–21. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Alabama to implement its plan to improve the workforce development system. Approval of this waiver should not impede the State's efforts to prioritize OSY, including outreach to the OSY population.

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".

Brent Parton
Acting Assistant Secretary

Enclosure

cc: Greg Canfield, Secretary, Alabama Department of Commerce
Fitzgerald Washington, Alabama Department of Labor and Industrial Relations
Renata Adjibodou, Acting Regional Administrator, ETA
Winston Tompoe, Regional Director, Office of State Systems, ETA

**PY 2022 Alabama waiver requests, excerpt from State Plan submission
March 9, 2022**

Requested Waiver: Allow the use of individual training accounts (ITAs) for in-school youth, ages 14-21 years.

Statutory and/or regulatory requirements to be waived

20 CFR 681.550 allows ITAs funded by WIOA youth funds to be used by out-of-school youth. The final rule did not expand the use to ITAs to in-school youth. Instead, in-school youth wishing to access ITAs may only do so through the WIOA adult program. Alabama would like to waive the requirement to only allow ITAs for out-of-school youth and expand this flexibility to in-school youth, ages 16-21 years.

The intent of using ITAs in the WIOA out-of-school youth program is to expand training options, increase program flexibility, and enhance customer choice. If the State of Alabama is going to offer an adequate supply of workers to in-demand industry and occupations, it cannot include only those who are determined to be out-of-school as part of that supply. Alabama needs a waiver to support those with post-secondary educational goals past high school. In-school youth deserve the same opportunities for support as those being served as out-of-school youth, and it would be a disservice to those in-school customers to not support them past their high school diploma or its equivalent. Although it has been recommended to close the enrollment of those in-school youth who graduate and then re-enroll them as an out-of-school youth for the purpose of assisting them with an ITA after age 18, this poses a risk that the customer may no longer be eligible under the barrier requirements.

Providing occupational training to in-school youth via an ITA will maximize the service delivery capacity of the State of Alabama's WIOA Youth Program by allowing those youth that are focused on employment to have the same access as adults, dislocated workers, and out-of-school youth to the advantages of ITAs. ITAs for in-school youth will support several strategic goals in Alabama's State Plan:

1. Provision of occupational skills training activities to youth;

2. Participation of youth in apprenticeship programs through the use of ITAs for the classroom learning component of apprenticeship; and
3. Contributing to the achievement of Alabama's postsecondary attainment goal of adding 500,000 credential holders to the workforce and raising Alabama's labor force to the national average by 2025, especially creating career pathways for in-school youth.

The State of Alabama is requesting a **renewal** of this waiver, which was approved and included in the Program Year (PY) 2020-2023 State Plan. Since the waiver was approved, approximately 14 in-school youth have been served who would not have been eligible for an ITA without the waiver. Most of these youth graduated high school at the age of 17 and would not have been eligible to receive services or an ITA as an adult or out-of-school youth. Six have successfully completed their ITA. Three participants did not complete their ITA and five are still attending classes. Alabama plans to provide technical assistance to Local Workforce Development Areas (LWDAs) during the upcoming year to expand the use of this waiver.

State or Local Statutory Barriers

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

Strategic Goals of the Waiver and Expected Programmatic Outcomes

This waiver if granted would have a significant impact on all of the youth performance measures as well as increase the number of youth served in Alabama. We anticipate approximately 20 in-school youth will be served per year who would not be eligible for an ITA otherwise if this waiver is approved. The State overall and the majority of LWDAs have had difficulty meeting the Credential Attainment within a Year After Exit measure for youth.

This waiver would assist the State and LWDAs in meeting this measure since in-school youth would be encouraged and provided the necessary tools through the program to complete their education and training, which would not only lead to valuable credentials for the youth but also increase the youth credential rate for the state. We anticipate that 50% of in-school youth enrolled in ITAs will earn a credential. Additionally, the State and LWDAs would have increases in the number of Measurable Skills Gains (MSGs) since the in-youth would be involved in occupational, pre-apprenticeship, or apprenticeship training. We anticipate 50% of in-school youth enrolled in ITAs will obtain a MSG. In turn, Placed in Employment/Education Second Quarter,

Placed in Employment/Education Fourth Quarter, and Median Earnings Second Quarter to be impacted positively.

In addition to these programmatic outcomes, Alabama expects to achieve the following goals:

- Improve the ability of local workforce development boards, youth program providers, and workforce and education lead agencies to respond quickly to the needs of in-school youth, ages 16-21 years;
- Increase the quality of learning opportunities;
- Increase employment and training opportunities;
- Improve coordination by reducing fragmentation of service delivery;
- Increase the opportunities for work-based learning;
- Improve customer choice and increase empowerment for youth, making them capable and responsible for making thoughtful choices about their career;
- Reduce unnecessary paperwork;
- Develop an emerging workforce with prepared candidates ready for work; and
- Increase accountability.

Alignment with USDOL/ETA Policy Priorities

In the WIOA Final Rule, the intent of using ITAs in the WIOA out-of-school youth program is to expand training options, increase program flexibility, enhance customer choice, and reduce paperwork. Alabama would like in-school youth, ages 16-21, to also have this option. This waiver encourages this youth population to seriously look at career pathways in the in-demand occupations and empowers them to make their own decisions, thereby taking responsibility for their actions. The waiver also assists in the preparation of an emerging workforce with candidates who are ready for work.

Description of Individuals, Groups, or Populations Impacted by the Waiver

WIOA in-school youth participants, ages 16-21 years, will benefit from this waiver. By virtue of the WIOA program's eligibility requirements, Alabama is directly addressing service delivery for disadvantaged populations and individuals with multiple barriers to employment. This waiver will enable the youth population ages 16-21 years to seriously look at career pathways and in-demand occupations, increase training and employment opportunities for this population of youth, and empower youth to make their own decisions.

Description of the Process to Monitor the Waiver Program and Collect Waiver Outcome Information

Upon USDOL's approval of the Four-Year Combined State Plan Modification including this waiver request, the Alabama Workforce Development Board will communicate the waiver allowance to all its members and statewide partners.

The Workforce Development Division (WDD) of the Alabama Department of Commerce will revise applicable state level policy and ensure applicable operational guidance reflects the waiver allowance parameters. WDD will widely communicate these changes by posting revised policy on its public website. Additionally, WDD will communicate directly with all key stakeholders including the Local Workforce Development Areas (LWDAs) by way of email to announce the revised policy and other information important to convey regarding the waiver allowance. WDD will track and report youth participant activities through the AlabamaWorks! Participant case management/financial tracking system.

Also, case managers in the one-stop career centers will collaborate with subrecipient youth services providers as well as pre-apprenticeship and apprenticeship program sponsors. Case managers will maintain copies of necessary forms in youth participant case files. Case managers and/or WDD staff may request additional information from program sponsors or employers as necessary.

Youth In-School ITAs will be delivered to youth primarily at the local level. If a local board decides to offer ITAs for eligible in-school youth, ages 16-21 at time of program enrollment, the board will amend their local ITA policy accordingly and may amend any other local policies impacted by this waiver as need be. As is the case with WIOA funded activities, the local board is responsible for oversight and monitoring. The local board will ensure local area policies pertaining to this waiver allowance and ITAs will be adhered to by all parties concerned. The local board is responsible to communicate relevant information to local stakeholders, Alabama Career Center System staff and partners, lead agencies and youth program providers. Local case workers will be directed to document the use of an ITA in each eligible youth's individual service strategy, which contains the goals and objectives for the youth's participation in WIOA programs and activities as well as the participant service plan. Per existing policy and operational procedures, youth participant services must be recorded in the AlabamaWorks! case management system including ITA-related training, supportive services, follow-up and outcomes.

The WDD State Reporting Section will coordinate with appropriate data and case management staff to ensure in-school data is accurately captured and reported in Youth WIOA performance measures.

At the end of each program year after the waiver allowance is implemented, the WDD State Reporting Section will evaluate impacts, if any, the availability of in-school youth ITAs have had on the state's workforce development system and report this data to the Alabama Workforce Development Board.

Opportunity for Local Board and Public Comment on the Waiver Request

Workforce development stakeholders, including local boards, businesses, and organized labor organizations, will be notified of the State of Alabama's Four-Year Combined State Plan Modification including this waiver request through an e-mail alert. The e-mail alert will contain instructions on how to submit comments. In addition, both the general public and stakeholders will have access to the waiver request on the Alabama WIOA website: <https://wioa-alabama.org>. The public comment period will be open for fourteen (14) days.