

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



June 3, 2026

The Honorable Tim Walz
Office of the Governor
75 Rev Dr Martin Luther King Jr Blvd, Suite 130
Saint Paul, MN 55155

Dear Governor Walz:

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 on April 3, 2026, as part of your recent WIOA State Plan modification submission. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Minnesota will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Minnesota and ETA. This action is taken under the Secretary of Labor'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) 2026 and 2027, which includes the entire time period for which states are authorized to spend each of those PY fund allotments, 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 the State to implement its plan to improve the workforce development system. The State may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves, for PY 2026 and PY 2027, which includes the entire time period for which states are authorized to spend each of those PY fund allotments, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. The State may lower the local youth funds expenditure requirement to 50 percent for OSY.

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) 2026 and 2027, 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 the State to implement its plan to improve the workforce development system.

The State is reminded that WIOA Title I waivers may not be used for any discriminatory purposes. All activities and waiver plan provisions must comply with Section 188 of WIOA, the implementing regulations at 29 CFR Part 38, and all applicable federal nondiscrimination laws.

The State must report its waiver outcomes and implementation of the approved waivers 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 blue ink that reads "Henry Mack". The signature is written in a cursive, flowing style.

Henry Mack, Ed.D.
Assistant Secretary

Enclosures

cc: Matt Varilek, Commissioner, Minnesota Department of Employment and
Economic Development
Pam Gerassimides, ETA Regional Administrator
Jenna Holzberg, ETA Federal Project Officer

WIOA WAIVER REQUEST: Allow Use of Individual Training Accounts (ITAs) for In-School Youth

TITLE I YOUTH PROGRAM

PROGRAM YEAR 2026-2027

1. Identification of the statutory or regulatory requirements for which a waiver is being requested:

Minnesota is requesting renewal of a waiver to provide Minnesota WDAs with the flexibility to use Individual Training Accounts (ITAs) for in-school youth under PY26-27 WIOA Youth. The waiver impacts WIOA Regulation 20 CFR 681.550.

According to current WIOA Regulations, ITAs were established to provide individual customer choice in their education and training plans and provide flexibility to service providers. At present, only out-of-school youth (OSY) ages 18-24 can use ITAs. In-school youth (ISY), ages (16-21), deserve the same flexible opportunities for support as out of school youth. Without this waiver, ISY would have to be closed out and enrolled as OSY.

2. Goals that Minnesota and its Workforce Development Areas (WDAs) intend to achieve as a result of the waiver:

The goal of this is to allow WIOA youth service providers the option to use ITAs for ISY, ages 16-21. Serving in-school and out-of-school youth with the same ITA policy allows for continuity of services for all WIOA youth. All youth will be eligible to receive training services, connection to work-based learning and job search support. To better connect youth to work-based learning, both in school and out of school youth would be able to use the Eligible Training Provider List (ETPL) to find training programs that support individualized needs. The waiver would permit youth service providers to customize services to ISY, ages 16-21, to match their interests and abilities.

3. Relationship of Goals to the Minnesota State Plan:

Minnesota's State Plan describes how resources will be used to assist individuals who need assistance to become economic and socially self-sufficient. The populations (i.e. foster youth, homeless youth, pregnant/parenting youth, youth with disabilities, etc.) targeted in Minnesota's plan are those for whom WIOA Youth Programs are critical.

The strategic vision of the One Minnesota Workforce Development Vision is a healthy economy where all Minnesotans have equitable access to a workforce development system in which partners across the state are working toward a collective goal of providing workforce development programs that are responsive to employer needs in in-demand occupations and lead to good jobs with family-sustaining wages.

Minnesota has identified the following goals in the 2024-2027 State Plan:

1. Increase interagency and local area coordination and alignment around shared goals, maximizing efficiency and coordination of workforce funding and programs and improving system integration, and creating a “no wrong door” approach for individuals or employers engaging in the workforce system.
2. Build employer-led industry-sector partnerships across the state to create or expand responsive and equitable workforce development programs and career pathways with embedded work-based learning or on-the-job training, including Registered Apprenticeships, focused on closing gaps in participation and representation based on race, ethnicity, disability, gender, veteran status, and age.
3. Create a more inclusive, equitable, accessible, and proactive workforce system to serve all Minnesotans, preparing employers and the current and emerging workforce for the changing nature of work including new and emerging technology, changing labor market demands, and for the state’s shifting demographics, including our new Minnesotans.

In sum, the data show that current population and aging trends in Minnesota will lead to an extremely tight labor market over the next two decades – with some local areas already experiencing labor force declines. The challenges our state will face over the next 15 years are so great that we’ll need to tackle them with a multi-pronged approach to attract and retain workers of all demographic characteristics. Retaining young talent, including homeless and foster youth, and removing barriers and increasing access to WIOA Youth programming is necessary to address these workforce challenges.

Because communities of color in Minnesota continue to grow faster than the white population, particularly in the younger working-age populations, the labor force will continue to diversify rapidly. Recognizing that the rapidly increasing share of existing workers are people of color, Minnesota’s state plan recognizes that Minnesota must address this problem of

persistent racial disparities directly. By approving this waiver, Minnesota's WIOA Youth service providers can better support this effort by support any BIPOC youth who are homeless or involved in the foster system.

This waiver allows Minnesota to target WIOA Youth resources to a population that is at-risk of homelessness, a group that is experiencing an opportunity gap. Data provided below in this waiver request highlights the success of efforts conducted under the previously approved waiver.

4. Actions the State has undertaken to remove State or local statutory or regulatory barriers:

No State or local statutory or regulatory barriers exist that would prevent the implementation of this waiver.

5. Detailed Goals of the Waiver and the Expected Programmatic Outcomes if the Request is Granted:

Goals of the waiver include:

- Supporting customer choice;
- Supporting employer engagement;
- Connecting education and training strategies;
- Supporting work-based learning; and
- Improving job and career results.

As Minnesota's ETPL grows, the choices available to in-school youth will grow as well. This waiver will allow the in-school student to participate in and benefit from the growth of the employment and training network.

We are expecting the following programmatic outcomes:

- 75 percent of in-school youth, ages 16-21, undertaking occupational training will have ITAs; and,

As required by federal policy, all ITAs will use training providers on the ETPL.

6. Analysis of Minnesota ISY ITA Youth Waiver

(ISYs w/HS Equivalent and w/1+ years of Post-Secondary at Enrollment)

PY 24 Outcomes

WIOA Youth Performance Measure	PY 24NegotiatedMN Goal	All Exiters PY 2024	Percent	PY 2024 ISYw/ITA	Pct. Of PY 24 MN Goal
Youth Employment/ Education/Training Rate 2nd Quarter After Exit (7/1/23 to 6/30/24)	74.50%	69.8%	94.0%	93.3%	125%
Youth Employment/ Education/Training Rate 4th Quarter After Exit (1/1/23 to 12/31/23)	74.90%	71.9%	96.0%	100%	133.5%
Credential Attainment Rate (1/1/2023 to 12/31/23)	62.0%	59.1%	95.3%	81.8%	131.96%
Measurable Skills Gain (7/1/24 to 6/30/25))	53.0%	62.7%	118%	81.8%	131.9%
Median Earnings Second Quarter After Exit (7/1/22 to 6/30/24)	\$5,400	\$ 6,411	119%	N/A	N/A

ISY/ITAYouth Served (7/1/24to 6/30/25)					54
ISY/ITAYouth Exited (4/1/24to 3/31/25)					53
WIOA Youth ITAs for PY2024					
WDA	Name		ISYs	OSYs	Total
WDA 1	Northwest Minnesota		0	0	0
WDA 2	Rural Minnesota		0	0	0

WIOA Youth ITAs for PY2024				
WDA 3	Northeast Minnesota	7	30	37
WDA 4	City of Duluth	1	1	2
WDA 5	Central Minnesota	2	7	9
WDA 6	Southwest Minnesota	0	0	0
WDA 7	South Central Minnesota	1	20	21
WDA 8	Southeast Minnesota	0	0	0
WDA 9	Hennepin Carver County	0	0	0
WDA 10	City of Minneapolis	0	0	0
WDA 12	Anoka County	1	3	4
WDA 14	Dakota - Scott County	0	0	0
WDA 15	Ramsey County	0	0	0
WDA 16	Washington County	0	0	0
WDA 17	Stearns-Benton Counties	0	0	0
WDA 18	Winona	0	0	0
Total		12	61	73

Source- Futureworks as of 8-3-25

Based on the data gleaned from our online FutureWorks WIOA data as of June 30, 2025, we have determined that all ISYs who are in Occupational Skills Training and have an ITA are all using a provider that is on the Minnesota Eligible Training Provider List. The who exited from WIOA Youth from July 1, 2024 through June 30, 2025 were also using providers from the ETPL.

7. Alignment with Department of Labor Policy Priorities

This waiver is in alignment with Department of Labor priorities as follows:

Connecting Education and Training Strategies

This waiver allows WIOA youth service providers to offer in school youth the flexible option to use ITAs to access training programs on the ETPL. The waiver expands the education and training opportunities for in school youth.

Improving Job and Career Results

Allowing both ISY and OSY to use ITAs to find training opportunities that match their interest, support their learning styles and better prepare them for work-based learning and employment.

With the reduced administrative burden on youth service providers, there can be an increased effort on networking and partnering to assure that meet the needs of both eligible in-school and out of school youth and improve shared outcomes.

8. Individuals Affected by the Waiver

ISY (secondary school attendees) who meet the age requirements (ages 16-21 at the time of enrollment) will be the individuals affected by the waiver, especially youth who are under-represented in the workforce. These youth often have multiple barriers to employment requiring additional resources to become self-sufficient. This waiver provides WIOA youth service providers with more flexibility to serve in-school youth who are most in need of services.

9. Monitoring/Local Comment

Monitoring

DEED's youth program staff will monitor the implementation of the waiver at the WDA level on a quarterly basis using FutureWorks, Workforce One, and Service Provider data. DEED's monitoring team will review the progress of waiver implementation. As required, DEED will report to DOL progress in achieving the waiver as well as any changes needed. Additionally, DEED will report information on the waiver and its outcome in Minnesota's WIOA Annual Report.

Local Comment

DEED will ensure through direct communications and through its website that local comment (local Workforce Development Boards, Youth Committees, local business, and organized labor) is obtained on this waiver. Additionally, DEED staff will meet with local WDA/LWDB staff to obtain comments. DEED will inform the Department of Labor of any comments received.

UPDATED: November 2025

WIOA WAIVER REQUEST: Reduce OSY Expenditure Requirement
From 75 Percent to 60 Percent

TITLE I YOUTH PROGRAM

PROGRAM YEARS 2026-2027

1. Identification of the statutory or regulatory requirements for which a waiver is being requested:

The State of Minnesota is requesting renewal of a waiver for Program Years 2024-25 from the Workforce Innovation and Opportunity Act (WIOA) Section 129(a)(4)(A) and the corresponding regulation at 20 CFR 681.410 which requires that at least 75 percent of WIOA youth funds be spent on out-of-school youth. The State of Minnesota is requesting that Minnesota's current waiver be extended to allow Local Workforce Development Areas (LWDAs) to expend 60 percent of WIOA youth funds on out-of-school youth and 40 percent on in-school youth who meet the U.S. Department of Labor's definition of homeless and/or foster youth.

A youth is considered a homeless if the individual:

Lacks a fixed, regular, and adequate nighttime residence; this includes an individual who:

1. Is sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;
 1. Is living in a motel, hotel, trailer park or campground due to a lack of adequate alternative accommodations;
 1. Is living in an emergency or transitional shelter;
 2. Is abandoned in a hospital; or
 3. Is awaiting foster care placement.

Has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, such as a car, park, abandoned building, bus or train station, airport, or camping ground;

Is a migratory child who in the preceding 36 months was required to move from one school district to another due to changes in the parent's or parent's spouse's seasonal employment in agriculture, dairy, or fishing work; or

Is under 18 years of age and absents himself or herself from home or place of legal residence without the permission of his or her family (e.g. runaway youth).

Note: this definition does not include an individual imprisoned or detained under an Act of Congress or State Law. An individual who may be sleeping in a temporary accommodation while away from home should not, as a result of that alone, be recorded as homeless.

A youth is in foster care if the individual:

Is in foster care or has aged out of the foster care system, a child eligible for assistance under section 477 of the Social Security Act (42 USC 677), or in an out of home placement.

This waiver extension request is to continue the previous waiver granted to the State of Minnesota, allowing it to reduce its required out of school expenditure rate from 75 percent to 60 percent so that it could address a gubernatorial priority of serving homeless youth and foster youth before they drop out of school. If this request is approved and extended, this waiver would be made available again to all 16 Local Workforce Investment Boards as an option, beginning in PY 2024. Across PY22 and PY23 Minnesota had seven LWDA's leverage the waiver opportunity.

2. Goals that Minnesota and its Workforce Development Areas (WDAs) intend to achieve as a result of the waiver:

The authors of WIOA recognized the special needs of out-of-school youth, especially those disconnected from school and/or work and who need extraordinary attention to get them on the path to economic and social self-sufficiency. DOL previously approved Minnesota's Homeless Youth/Foster Youth In-School Waiver request recognizing the significant barriers faced by these populations. **The goal of expanding the waiver request to include foster youth is to improve high school graduation rates and the entrance into post-secondary education for this at-risk population. WIOA Youth Service providers in each Minnesota county will identify foster youth in their jurisdictions and offer services to address unmet needs.**

Youth in and transitioning out of foster care have significant barriers to success and, unfortunately, many become homeless youth statistics. National data (National Fact Sheet on the Educational Outcomes of Children in Foster Care, National Working Group on Foster Care and Education, August 2018) indicate the following:

Percentage of foster care youth with more than one living placement	65%
Percentage of foster care youth who change schools when first entering foster care	31% - 75%
Percentage of 17-18 aged foster care youth with 5 or more school changes	34.2%
Percentage of 17-18 aged foster care youth who are consistently absent from school	Twice the rate for all 17–18-year-olds
Percentage of 17-18 aged foster care youth who are suspended from school.	Twice the rate for all 17–18-year-olds
Percentage of 17-18 aged foster care you who are expelled from school	Three times the rate for all 17-18-year-olds
Reading level of 17-18 aged foster care youth	7 th grade; Some reports indicate that 44% read at the high school level
Percentage of 17-18 aged foster care youth who want to go to college	70% - 84%
Percentage of foster care youth receiving special education services	35.6% - 47.3%
Percentage of foster care youth who complete high school curriculum (or GED) by ae 18; by age 21	41.8% - 63%; 65% (nationally: 86%)
Percentage of foster care high school graduates who enroll in college at some time	31.8% - 45.3% (nationally 69.2%)
Percentage of foster care college students who get a BA/BS degree	3%-10.8% (nationally 32.5%)

The Working Group also urged those who working with foster care youth to provide the following to ensure a successful educational experience:

- Support Students to Succeed and Graduate College
- Support Transition to College
- Support Adult Advocates

These components align with the 14 required program elements of WIOA. With increased resources given to WIOA's In-School Program (ISY), resulting from the approval of the renewal request, local service providers will be able to expand services to in-school foster children/teens. The Minnesota Department of Human Services (DHS) indicated in 2021 that over approximately 12,400 Minnesota youth were in foster care.

Many foster youth aging out of the system lack a source of income, access to housing, or healthy and reliable social supports. In examining the relationship between out-of-home placement and homelessness, the St. Paul, Minnesota based Wilder Foundation stated that 68% of homeless youth experience an “out of home placement,” either a social service or corrections placement.^[1] These movements were foster homes (most common), correctional facilities, and mental health institutions. Of those in a social service placement, 28% of the youth said they had run away from foster care, a group home, or other out of home placement, and 10% had to leave placement because they aged out.

The United States Department of Education (June 27, 2016) indicated that a “positive PK-12 education experience has the potential to be a powerful counterweight to the abuse, neglect, separation, impermanence and other barriers faced by youth in foster care.” Attaining a postsecondary credential can enhance their well-being, help make successful transitions to adulthood, and increase the opportunity for personal fulfillment and economic self-sufficiency.

Reducing homelessness across Minnesota has been a priority for a number of years. The Wilder Foundation estimated that 11,371 Minnesotans were homeless, with 19,600 visiting a homeless shelter at least once during the year. Of this amount, children with parents (3,265) and unaccompanied youth under age 24 (1,484) constituted a little less of one half of the state's homeless population. The Wilder Foundation reports that a more accurate estimate of the youth homeless population is 5,800 (youth under 17 years of age) and 7,300 (youth ages 18-24). The majority of homeless youth have chronic mental and physical conditions.

The Minnesota Department of Education has provided the number of homeless students statewide between the 8th and 12th grades:

DOL Program Year (7/1 to 6/30)	Number of Homeless 8th-12th Graders
PY 2022	14,494
PY 2023	10,019 (-31% from PY 2022)
PY 2024	10,697 (-7% from PY 2023)

WIOA youth service providers in Minnesota will continue coordinating with the various schools' McKinney-Vento Program for the Homeless coordinators (see [Homeless McKinney Vento \(mn.gov\)](https://mn.gov/hhs/divisions/hhsa/programs/mckinney-vento/) for information about the McKinney-Vento Program).

Homeless youth have difficulty in school (Minnesota Report Card, 2025)

- Graduation Rate Continuing Dropped Out Unknown

Statewide:	86.5%	7.80%	5.9%	4.4%
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Homeless:	49.30%	23.70%	14.70%	12.30%
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- Test Standards: Reading Standard

Exceeds	Meets	Partially Meets	Does Not Meet
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Statewide:	13.9%	35.7%	20.6%	30.0%
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Homeless:	3,10%	15.20%	20.4%	69.60%
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- Test Standards: Math Standard

Exceeds	Meets	Partially Meets	Does Not Meet
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Statewide:	16.7%	28.5%	22.5%	32.20%
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Homeless:	2.6%	14.0%	15.6%	67.8%
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- Test Standards: Science

Exceeds	Meets	Partially Meets	Does Not Meet
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Statewide:	5.4%	20.7%	27.8%	33.60%
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Homeless: 1.6% 4.7% 12.8% 81.0%

Specific Goals for the Waiver:

Measure/Goal	PY 2024	PY 2025
Total Number of Foster Youth to be Served	130 (45 ISY)	135 (48 ISY)
Total Number of Homeless Youth to be Served	380 Homeless Youth	380 Homeless Youth
Increased School Attendance Rate for Homeless/Foster Youth	+10 Percent	+11 Percent
Increased Number of Foster Youth Earning Academic Credit for Work-Based Learning	+25 Foster Youth	+30 Foster Youth
Increased Number of Homeless Youth Earning Academic Credit for Work-Based Learning	+50 Homeless Youth	+60 Homeless Youth
Increased High School Graduation Rate for Homeless/Foster Youth	+10 Percent	+11 Percent
Increased Number of Homeless/Foster Youth Entering Post-Secondary Training	+15 Homeless/Foster Youth	+20 Homeless/Foster Youth
Increased Number of Homeless/Foster Youth Attaining Industry Recognized Credentials	+30 Homeless/Foster Youth	+40 Homeless/Foster Youth
Increased Number of Homeless/Foster Youth Who Participate in Work Experience or Internship in an In-Demand/High Growth Regional Occupation	+20 Homeless/Foster Youth	+22 Homeless/Foster Youth

Approval of this waiver will allow Minnesota's service providers to continue to develop services to address specific needs of homeless youth and foster youth at a time when they are at the greatest risk of becoming homeless. Minnesota's service providers will continue to leverage best practices like the Integrated Resource Team model to better support homeless and/or foster youth by convening key stakeholders in the youth's life. These teams may include social workers, parents/guardians, school personnel, etc. As with all youth, a core strategic component will be to have the ISS be youth-informed and led to ensure the youth is invested in their educational and employment success. The specific services will address the following needs identified by the Working Group on Foster Care:

- Support Students to Succeed and Graduate College
- Support Transition to College
- Support Adult Advocates

3. Relationship of Goals to the Minnesota State Plan:

One of the purposes of the State Plan is to describe how resources will be used to assist individuals who need assistance to become economic and socially self-sufficient. The populations (i.e. foster youth, homeless youth, pregnant/parenting youth, youth with disabilities, etc.) cited in Minnesota's State Plan are those most in need of WIOA youth services.

The strategic vision of the One Minnesota Workforce Development Vision is a healthy economy where all Minnesotans have equitable access to a workforce development system in which partners across the state are working toward a collective goal of providing workforce development programs that are responsive to employer needs in in-demand occupations and lead to good jobs with family-sustaining wages.

Minnesota has identified the following goals in the 2024-2027 State Plan:

4. Increase interagency and local area coordination and alignment around shared goals, maximizing efficiency and coordination of workforce funding and programs and improving system integration, and creating a "no wrong door" approach for individuals or employers engaging in the workforce system.
5. Build employer-led industry-sector partnerships across the state to create or expand responsive and equitable workforce development programs and career pathways with embedded work-based learning or on-the-job training, including Registered Apprenticeships, focused on closing gaps in participation and representation based on race, ethnicity, disability, gender, veteran status, and age.
6. Create a more inclusive, equitable, accessible, and proactive workforce system to serve all Minnesotans, preparing employers and the current and emerging workforce for the changing nature of work including new and emerging technology, changing labor market demands, and for the state's shifting demographics, including our new Minnesotans.

In sum, the data show that current population and aging trends in Minnesota will lead to an extremely tight labor market over the next two decades – with some local areas already experiencing labor force declines. The challenges our state will face over the next 15 years are so great that we'll need to tackle them with a multi-pronged approach to attract and retain workers of all demographic characteristics. Retaining young talent, including homeless and foster youth, and removing barriers and increasing access to WIOA Youth programming is necessary to address these workforce challenges.

Because communities of color in Minnesota continue to grow faster than the white population, particularly in the younger working-age populations, the labor force will continue to diversify rapidly. Recognizing that the rapidly increasing share of existing workers are people of color, Minnesota's state plan recognizes that Minnesota must address this problem of persistent racial disparities directly. By approving this waiver, Minnesota's WIOA Youth service providers can better support this effort by support any BIPOC youth who are homeless or involved in the foster system.

This waiver allows Minnesota to target WIOA Youth resources to a population that is at-risk of homelessness, a group that is experiencing an opportunity gap. Data provided below in this waiver request highlights the success of efforts conducted under the previously approved waiver.

4. Actions that the State has undertaken to remove State or local statutory or regulatory barriers:

No State or local statutory or regulatory barriers exist that would prevent the implementation of this waiver.

5. Detailed Goals of the Waiver and the Expected Programmatic Outcomes if the Request is Granted:

Anticipated outcomes for youth targeted by this waiver (homeless in-school youth and youth in foster care):

- Increased school attendance rates
- Increased number of youths earning academic credit for work-based learning
- Increased high school graduation rates
- Increased number of youths entering post-secondary training
- Increased number of youths attaining credentials
- Increased number of youth who participate in work experience or internships in an in-demand/high growth regional occupation

Data on MN's Waiver to OSY Expenditure Requirement: From 75% to 60% for Minnesota WDAs Serving Foster or Homeless Youth

Measure	PY23Actual	PY24 Actual
Total Number of Foster Youth Served (Served 4/1/23 to 3/31/24)	103 (38 ISY)	124 (38 ISY)
Total Number of Homeless Youth Served (Served 4/1/23 to 3/31/24)	307 (51 ISY)	380 (76 ISY)
Number of Foster Youth High School Diplomas/GEDs (Exited/served - 4/1/23 to 3/31/24)	11-(7 ISY)	16 (11 ISY)
Number of Homeless Youth High School Diplomas/GEDs (Exited/served - 4/1/23 to 3/31/24)	12 (10 ISY)	19 (11 ISY)
Increased Number of Homeless/Foster Youth Entering Post-Secondary Training (Exiters only - 4/1/23 to 3/31/24)	19 Youth	16 Youth
Increased Number of Homeless/Foster Youth Attaining Industry-Recognized Credentials (Exited/served – 4/1/23 to 3/31/24)	91 (10 ISY)	67 (15 ISY)
Increased Number of Homeless/Foster Youth Who Participated in Work Experience or Internship in an In-Demand/High-Growth Regional Occupation (Exited/served – 4/1/23 to 3/31/24)	44 (12 ISY)	143 (48 ISY)

Data Source: Workforce One Advanced Search Results, 1/9/2024. Appropriate date ranges used with corresponding performance reporting dates.

Analysis of Minnesota ISY Homeless/Runaway Youth Waiver (ISYs w/<HS Equivalent and Homeless/Runaway at Enrollment)

PY 24 Outcomes

WIOA Youth Performance Measure	PY 24 Negotiated MN Goal	All Exiters PY 2024	Percent	PY 2024 ISYw/ITA	Pct. Of PY 24 MN Goal
Youth Employment/ Education/Training Rate 2nd Quarter After Exit (7/1/23 to 6/30/24)	74.50%	75.5%	94.0%	25%	33.5%
Youth Employment/ Education/Training Rate 4th Quarter After Exit (1/1/23 to 12/31/23)	74.90%	76.5%	96.0%	71.4%	95.4%
Credential Attainment Rate (1/1/2023 to 12/31/23)	62.0%	52.8%	95.3%	100%	161.3%
Measurable Skills Gain (7/1/24 to 6/30/25))	53.0%	56.0%	118%	66.7%	125.79%
Median Earnings Second Quarter After Exit (7/1/22 to 6/30/24)	\$5,400	\$4,440	119%	N/A	N/A

WIOA Youth Performance Measure	PY 23NegotiatedMN Goal	All Exiters PY 23	Percent	PY 23 ISYw/ITA	Pct. O 23MN C
Youth Education/Employment/Training Rate Second Quarter After Exit (7/1/22 to 6/30/23)	69.0%	74%	107%	40%	58%
Youth Education/Employment/Training Rate Fourth Quarter After Exit (1/1/22 to 12/31/22)	69.0%	72%	104%	33%	48%
Credential Attainment Rate (1/1/2022 to 12/31/22)	62%	52%	84%	0.0%	0.0%
Measurable SkillsGain (7/1/23 to6/30/24)	42.0%	57%	135.%	50%	119%
Median Earnings Second Quarter AfterExit (7/1/22 to 6/30/23)	\$4,000	\$5,970	149%	N/A	N/A

ISY/ITA Youth Served (7/1/23 to 6/30/24) 17

ISY/ITA Youth Exited (4/1/2 to3 3/31/24) 11

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Data Source: ETA-9169 reports, respective years

Program Year 2024 : Serving Foster Youth

WIOA youth service providers maintain regular contact with youth shelters, youth opportunity centers, county social service agencies to recruit foster youth into WIOA. Minnesota's employment and training service to its foster youth population is further illustrated by the link below: <https://mn.gov/deed/programs-services/office-youth-development/special/shared-vision/>

In Program Year 2024, Minnesota's WIOA Youth Program served 124 foster youth. However, 43 of these individuals were classified as in-school youth. The new 60 percent out-of-school expenditure rate would permit Minnesota's youth service providers to increase services to foster youth who are in-school but most at risk of homelessness. This effort will reduce the current dropout rate and homelessness rate among the foster youth population. It also comes at a time where many at-risk youth (especially homeless and/or foster youth) continue to rely more on schools to provide food and support as the effects of the pandemic linger.

The expanded waiver will further Minnesota's needed efforts, as identified in the State Plan, to diversify its workforce given that the "in-school" foster youth population is becoming much more diverse.

Analysis of Minnesota ISY Foster Youth Waiver

(ISYs w/<HS Equivalent and Foster Youth-Current/Past at Enrollment)

PY 24 Outcomes

WIOA Youth Performance Measure	PY 24 Negotiated MN Goal	All Exiters PY 2024	Percent	PY 2024 ISYw/ITA	Pct. Of C
Youth Employment/ Education/Training Rate 2nd Quarter After Exit (7/1/23 to 6/30/24)	74.50%	75.5%	94.0%	100%	134%
Youth Employment/ Education/Training Rate 4th Quarter After Exit (1/1/23 to 12/31/23)	74.90%	76.5%	96.0%	100%	133.5%
Credential Attainment Rate (1/1/2023 to 12/31/23)	62.0%	52.8%	95.3%	100%	161.3%
Measurable Skills Gain (7/1/24 to 6/30/25))	53.0%	56.0%	118%	83%	157.2%
Median Earnings Second Quarter After Exit (7/1/22 to 6/30/24)	\$5,400	\$4,440	119%	N/A	N/A

ISY/ITA Youth Served (7/1/24 to 6/30/25) 47 ISY/ITA Youth Exited (4/1/24 to 3/31/25) 17

PY 23 Outcomes

WIOA Youth Performance Measure	PY 23 Negotiated MN Goal	All Exiters PY 23	Percent	PY 23 ISYw/ITA	Pct. Of PY 23 MN Goal
Youth Education/Employment/Training Rate Second Quarter After Exit (7/1/22 to 6/30/23)	69.0%	74%	107%	100%	145%
Youth Education/Employment/Training Rate Fourth Quarter After Exit (1/1/22 to 12/31/22)	69.0%	72%	104%	0.0%	0.0%
Credential Attainment Rate (1/1/2022 to 12/31/22)	62%	52%	84%	0.0%	0.0%
Measurable Skills Gain (7/1/23 to 6/30/24)	42.0%	57%	135.0%	67%	159%
Median Earnings Second Quarter After Exit (7/1/22 to 6/30/23)	\$4,000	\$5,970	149%	N/A	N/A

ISY/ITA Youth Served (7/1/24 to 6/30/25) 8

ISY/ITA Youth Exited (4/1/2 to 3/31/24) 3

Source: Internal DEED Data via FutureWorks: Accessed 9-19-25

6. Alignment with Department of Labor Policy Priorities

This waiver is in alignment with Department of Labor priorities as follows:

Connecting Education and Training Strategies

The intent of the waiver is to provide coordinated services to foster youth who are in-school and at risk of homelessness. Education and training services will be provided based on individual need. Integrated Resource Teams (IRTs) and the Guideposts for Success are integral parts of this effort.

Supporting Work-Based Learning

The expanded waiver will increase the number of youth aging out of foster care who in work-based learning. Targeted youth have the opportunity to work in high growth/in-demand jobs participate in regional economies.

Improving Job and Career Results

WIOA youth services to targeted youth will result in an increase in the number of youth who earn academic credit for work-based learning and the number of youth who attain industry-recognized credentials and enter post-secondary education.

7. Individuals Affected by the Waiver

Foster youth who are in-school but at risk of homelessness will be positively impacted by the expanded waiver. Youth from communities of color who are under-represented in the workforce are priorities in Minnesota's State Plan and they will be impacted by this waiver.

8. Monitoring/Local Comment

Monitoring:

DEED's youth program staff will monitor the implementation of the waiver at the WDA level on a quarterly basis using FutureWorks, Workforce One, and Service Provider data. DEED's monitoring team will review the progress of waiver implementation. As required, DEED will report to DOL progress in achieving the waiver as well as any changes needed. Additionally, DEED will report information on the waiver and its outcome in Minnesota's WIOA Annual Report.

Local Comment:

DEED will ensure through direct communications and through its website that local comment (local Workforce Development Boards, Youth Committees, local business, and organized labor) is obtained on this waiver. Additionally, DEED staff will meet with local WDA/LWDB staff to obtain comments. DEED will inform the Department of Labor of any comments received.

Updated November 2025

[\[1\]](#) Wilder Research: "Homelessness in Minnesota: Youth on their Own, Findings from the 2015 Minnesota Homeless Study," April 2017

STATE OF MINNESOTA

WIOA WAIVER REQUEST: Reduce OSY Expenditure Requirement From 75 Percent to 60 Percent

TITLE I YOUTH PROGRAM

PROGRAM YEARS 2026-2027

I. Identification of the statutory or regulatory requirements for which a waiver is being requested:

The State of Minnesota is requesting renewal of a waiver from the Workforce Innovation and Opportunity Act (WIOA) Section 129(a)(4)(A) and the corresponding regulation at 20 CFR 681.410 which requires that at least 75 percent of WIOA youth funds be spent on out-of-school youth. The State of Minnesota is requesting that Minnesota's current waiver be extended to allow Local Workforce Development Areas (LWDAs) to expend 60 percent of WIOA youth funds on out-of-school youth and 40 percent on in-school youth who meet the U.S. Department of Labor's definition of homeless and/or foster youth.

A youth is considered a homeless if the individual:

Lacks a fixed, regular, and adequate nighttime residence; this includes an individual who:

- i. Is sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;
- ii. Is living in a motel, hotel, trailer park or campground due to a lack of adequate alternative accommodations;
- iii. Is living in an emergency or transitional shelter;
- iv. Is abandoned in a hospital; or
- v. Is awaiting foster care placement.

Has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, such as a car, park, abandoned building, bus or train station, airport, or camping ground;

Is a migratory child who in the preceding 36 months was required to move from one school district to another due to changes in the parent's or parent's spouse's seasonal employment in agriculture, dairy, or fishing work; or

Is under 18 years of age and absents himself or herself from home or place of legal residence without the permission of his or her family (e.g. runaway youth).

Note: this definition does not include an individual imprisoned or detained under an Act of Congress or State Law. An individual who may be sleeping in a temporary accommodation while away from home should not, as a result of that alone, be recorded as homeless.

A youth is in foster care if the individual:

Is in foster care or has aged out of the foster care system, a child eligible for assistance under section 477 of the Social Security Act (42 USC 677), or in an out of home placement.

This waiver extension request is to continue the previous waiver granted to the State of Minnesota, allowing it to reduce its required out of school expenditure rate from 75 percent to 60 percent so that it could address a gubernatorial priority of serving homeless youth and foster youth before they drop out of school. If this request is approved and extended, this waiver would be made available again to all 16 Local Workforce Investment Boards as an option. In PY24 and PY25, Minnesota had ten LWDA's take advantage of the waiver opportunity.

II. Goals that Minnesota and its Workforce Development Areas (WDAs) intend to achieve as a result of the waiver:

The authors of WIOA recognized the special needs of out-of-school youth, especially those disconnected from school and/or work and who need extraordinary attention to get them on the path to economic and social self-sufficiency. DOL previously approved Minnesota's Homeless Youth/Foster Youth In-School Waiver request recognizing the significant barriers faced by these populations. **The goal of expanding the waiver request to include foster youth is to improve high school graduation rates and the entrance into post-secondary education for this at-risk population. WIOA Youth Service providers in each Minnesota county will identify foster youth in their jurisdictions and offer services to address unmet needs.** This waiver request aligns with the broader strategic goals, specifically, the goal to have a "no wrong door" approach to service delivery. Reducing the OSY expenditure to 60% will allow WIOA Youth Service providers to better meet local employer needs through increased engagement with in-school homeless/foster youth. In addition to Minnesota's strategic goals, this waiver request aligns with Executive Order 14359 "Fostering the Future for American Children and Families" in which, in part, calls for increasing access to education and training grants like WIOA to support credentialed programs to promote educational success, workforce advancement and financial literacy.¹

Youth in and transitioning out of foster care have significant barriers to success and, unfortunately, many become homeless youth statistics. National data (National Fact Sheet on the Educational Outcomes of Children in Foster Care, National Working Group on Foster Care and Education, August 2018) indicate the following:

Percentage of foster care youth with more than one living placement	65%
Percentage of foster care youth who change schools when first entering foster care	31% - 75%
Percentage of 17-18 aged foster care youth with 5 or more school changes	34.2%
Percentage of 17-18 aged foster care youth who are consistently absent from school	Twice the rate for all 17-18-year-olds
Percentage of 17-18 aged foster care youth who are suspended from school.	Twice the rate for all 17-18-year-olds

¹ <https://www.govinfo.gov/content/pkg/FR-2025-11-19/pdf/2025-20406.pdf>

Percentage of 17-18 aged foster care youth who are expelled from school	Three times the rate for all 17-18-year-olds
Reading level of 17-18 aged foster care youth	7 th grade; Some reports indicate that 44% read at the high school level
Percentage of 17-18 aged foster care youth who want to go to college	70% - 84%
Percentage of foster care youth receiving special education services	35.6% - 47.3%
Percentage of foster care youth who complete high school curriculum (or GED) by age 18; by age 21	41.8% - 63%; 65% (nationally: 86%)
Percentage of foster care high school graduates who enroll in college at some time	31.8% - 45.3% (nationally 69.2%)
Percentage of foster care college students who get a BA/BS degree	3%-10.8% (nationally 32.5%)

The Working Group also urged those who working with foster care youth to provide the following to ensure a successful educational experience:

- Support Students to Succeed and Graduate College
- Support Transition to College
- Support Adult Advocates

These components align with the 14 required program elements of WIOA. With increased resources given to WIOA's In-School Program (ISY), resulting from the approval of the renewal request, local service providers will be able to expand services to in-school foster children/teens. The Minnesota Department of Human Services (DHS) indicated in 2021 that over approximately 12,400 Minnesota youth were in foster care.

Many foster youth aging out of the system lack a source of income, access to housing, or healthy and reliable social supports. In examining the relationship between out-of-home placement and homelessness, the St. Paul, Minnesota based Wilder Foundation stated that 68% of homeless youth experience an "out of home placement," either a social service or corrections placement.² These movements were foster homes (most common), correctional facilities, and mental health institutions. Of those in a social service placement, 28% of the youth said they had run away from foster care, a group home, or other out of home placement, and 10% had to leave placement because they aged out.

The United States Department of Education (June 27, 2016) indicated that a "positive PK-12 education experience has the potential to be a powerful counterweight to the abuse, neglect, separation, impermanence and other barriers faced by youth in foster care." Attaining a postsecondary credential can enhance their well-being, help make successful transitions to adulthood, and increase the opportunity for personal fulfillment and economic self-sufficiency.

² Wilder Research: "Homelessness in Minnesota: Youth on their Own, Findings from the 2015 Minnesota Homeless Study," April 2017

Reducing homelessness across Minnesota has been a priority for a number of years. The Wilder Foundation estimated that 11,371 Minnesotans were homeless, with 19,600 visiting a homeless shelter at least once during the year. Of this amount, children with parents (3,265) and unaccompanied youth under age 24 (1,484) constituted a little less of one half of the state's homeless population. The Wilder Foundation reports that a more accurate estimate of the youth homeless population is 5,800 (youth under 17 years of age) and 7,300 (youth ages 18-24). The majority of homeless youth have chronic mental and physical conditions. The Minnesota Department of Education has provided the number of homeless students statewide between the 8th and 12th grades:

DOL Program Year (7/1 to 6/30)	Number of Homeless 8th-12th Graders
PY 2022	14,494
PY 2023	10,019 (-31% from PY 2022)
PY 2024	10,697 (-7% from PY 2023)

WIOA youth service providers in Minnesota will continue coordinating with the various schools' McKinney-Vento Program for the Homeless coordinators (see [Homeless McKinney Vento \(mn.gov\)](https://mn.gov/homeless-mckinney-vento) for information about the McKinney-Vento Program).

Homeless youth have difficulty in school (Minnesota Report Card, 2025)

- | | | | |
|------------------|------------|-------------|---------|
| Graduation Rate | Continuing | Dropped Out | Unknown |
| Statewide: 86.5% | 7.80% | 5.9% | 4.4% |
| Homeless: 49.30% | 23.70% | 14.70% | 12.30% |
- | | | | |
|----------------------------------|--------|-----------------|---------------|
| Test Standards: Reading Standard | | | |
| Exceeds | Meets | Partially Meets | Does Not Meet |
| Statewide: 13.9% | 35.7% | 20.6% | 30.0% |
| Homeless: 3.10% | 15.20% | 20.4% | 69.60% |
- | | | | |
|-------------------------------|-------|-----------------|---------------|
| Test Standards: Math Standard | | | |
| Exceeds | Meets | Partially Meets | Does Not Meet |
| Statewide: 16.7% | 28.5% | 22.5% | 32.20% |
| Homeless: 2.6% | 14.0% | 15.6% | 67.8% |
- | | | | |
|-------------------------|-------|-----------------|---------------|
| Test Standards: Science | | | |
| Exceeds | Meets | Partially Meets | Does Not Meet |
| Statewide: 5.4% | 20.7% | 27.8% | 33.60% |
| Homeless: 1.6% | 4.7% | 12.8% | 81.0% |

Approval of this waiver will allow Minnesota's service providers to continue to develop services to address specific needs of homeless youth and foster youth at a time when they are at the greatest risk of becoming homeless. Minnesota's service providers will continue to leverage best practices like the Integrated Resource Team model to better support homeless and/or foster youth by

convening key stakeholders in the youth's life. These teams may include social workers, parents/guardians, school personnel, etc. As with all youth, a core strategic component will be to have the Individual Service Strategy (ISS) be youth-informed and led to ensure the youth is invested in their educational and employment success. The specific services will address the following needs identified by the Working Group on Foster Care:

- Support Students to Succeed and Graduate College
- Support Transition to College
- Support Adult Advocates

III. Relationship of Goals to the Minnesota State Plan:

Minnesota's State Plan is to describe how resources will be used to assist individuals who need assistance to become economic and socially self-sufficient. The populations (i.e. foster youth, homeless youth, pregnant/parenting youth, youth with disabilities, etc.) cited in Minnesota's State Plan are those most in need of WIOA youth services.

The strategic vision of the One Minnesota Workforce Development Vision is a healthy economy where all Minnesotans have equitable access to a workforce development system in which partners across the state are working toward a collective goal of providing workforce development programs that are responsive to employer needs in in-demand occupations and lead to good jobs with family-sustaining wages.

Minnesota has identified the following goals in the 2024-2027 State Plan, as updated by the 2026 modification:

1. Increase interagency and local area coordination and alignment around shared goals, maximizing efficiency and coordination of workforce funding and programs and improving system integration, and creating a "no wrong door" approach for individuals or employers engaging in the workforce system.

This goal was modified to recognize a strategic focus on increased interagency and local area coordination and alignment around shared goals. This coordination should result in partners understanding how their individual work contributes to the collective goals, and how the work of each of the partners in the workforce system can meet the needs of individuals and employers. This shared understanding will help enhance the "no wrong door" approach which will ensure that our workforce customers – employers and job seekers – will be able to understand and access the full range of workforce services offered in the state whether they engage a CareerForce Center, a community college, or any partner in the system.

2. Build new and support employer-led industry-sector partnerships across the state to create or expand responsive and equitable workforce development programs and career pathways with embedded work-based learning or on-the-job training, including Registered Apprenticeships, focused on closing gaps in participation and representation based on race, ethnicity, disability, gender, veteran status, and age.

This goal was modified to provide more emphasis on the importance of developing or expanding sector partnerships to inform workforce development programs, and for there to be a more specific focus on addressing gaps in opportunities in in-demand occupations for underrepresented populations.

3. Create a more inclusive, equitable, accessible, and proactive workforce system to serve all Minnesotans, preparing employers and the current and emerging workforce for the changing nature of work including new and emerging technology, changing labor market demands, and for the state's shifting demographics, including our new Minnesotans.

This goal was modified to have a focus on innovative service delivery with customer-focused design so that our workforce system is more nimble and ready to respond to the changing ways our customers interact with the workforce system. This includes creating ways to better anticipate future workforce needs.

In sum, the data show that current population and aging trends in Minnesota will lead to an extremely tight labor market over the next two decades – with some local areas already experiencing labor force declines. The challenges our state will face over the next 15 years are so great that we'll need to tackle them with a multi-pronged approach to attract and retain workers of all demographic characteristics. Retaining young talent, including homeless and foster youth, and removing barriers and increasing access to WIOA Youth programming is necessary to address these workforce challenges.

Because communities of color in Minnesota continue to grow faster than the white population, particularly in the younger working-age populations, the labor force will continue to diversify rapidly. Recognizing that the rapidly increasing share of existing workers are people of color, Minnesota's state plan recognizes that Minnesota must address this problem of persistent racial disparities directly. By approving this waiver, Minnesota's WIOA Youth service providers can better support this effort, and especially those who are homeless or involved in the foster system.

This waiver allows Minnesota to target WIOA Youth resources to a population that is homeless or at-risk of homelessness, a group that is experiencing an opportunity gap. Data provided below in this waiver request highlights the success of efforts conducted under the previously approved waiver.

IV. Actions that the State has undertaken to remove State or local statutory or regulatory barriers:

No State or local statutory or regulatory barriers exist that would prevent the implementation of this waiver.

V. Detailed Goals of the Waiver and the Expected Programmatic Outcomes if the Request is Granted:

Implementation of Minnesota’s waiver to reduce the out-of-school youth (OSY) expenditure requirement from 75 percent to 60 percent has expanded access to services for in-school homeless and foster youth and improved key outcomes. From PY23 to PY24, the number of homeless youth served increased from 307 to 380, including growth in in-school youth participation from 51 to 76. Foster youth served increased from 103 to 124. High school diploma and GED attainment also improved, with foster youth completions increasing from 11 to 16 and homeless youth from 12 to 19. Participation in work experience and internships significantly increased from 44 to 143 youth. In addition, ISY participants demonstrated strong performance outcomes in PY24, including a 100 percent credential attainment rate and measurable skill gains exceeding statewide levels,

If approved, Minnesota will continue to expand services to in-school homeless and foster youth while improving education and workforce outcomes. The state projects serving at least 385 homeless youth annually by PY27 and increasing foster youth served to approximately 135. High school diploma and GED attainment is expected to continue to increase, along with growth in postsecondary training enrollment and industry-recognized credential attainment. Participation in work-based learning will be sustained at or above current levels, with continued emphasis on in-demand occupations. Performance outcomes for ISY are expected to improve, including measurable skill gains of at least 70 percent and continued high rates of credential attainment and employment or education placement.

Outcome Measure	PY24 Actual	PY26 Target	PY27 Target
Homeless Youth Served (ISY and OSY)	380	383	385
Foster Youth Served (ISY and OSY)	124	130	135
Homeless or Foster Youth Attaining HS Diploma/GED	35	38	42
Homeless or Foster Youth Attaining Credentials	67	75	85
Homeless or Foster Youth in Work Experience	143	145	150
Homeless or Foster ISY Measurable Skill Gains	66.7%	70%	72%
Homeless or Foster ISY Credential Attainment	100%	85%	85%

PY25 data is not included as it is not yet available.

Past Data on MN’s Waiver to OSY Expenditure Requirement: From 75% to 60% for Minnesota WDAs Serving Foster or Homeless Youth

Measure	PY23 Actual	PY24 Actual
Total Number of Foster Youth Served	103 (38 ISY)	124 (38 ISY)
Total Number of Homeless Youth Served	307 (51 ISY)	380 (76 ISY)
Number of Foster Youth High School Diplomas/GEDs	11 (7 ISY)	16 (11 ISY)
Number of Homeless Youth High School Diplomas/GEDs	12 (10 ISY)	19 (11 ISY)
Increased Number of Homeless/Foster Youth Entering Post-Secondary Training	19	16
Increased Number of Homeless/Foster Youth Attaining Industry-Recognized Credentials	91 (10 ISY)	67 (15 ISY)
Increased Number of Homeless/Foster Youth Who Participated in Work Experience or Internship in an In-Demand/High-Growth Regional Occupation	44 (12 ISY)	143 (48 ISY)

Data Source: Workforce One Advanced Search Results of PY23/24. Appropriate date ranges used with corresponding performance reporting dates.

Program Year 2024 : Serving Foster Youth

WIOA youth service providers maintain regular contact with youth shelters, youth opportunity centers, county social service agencies to recruit foster youth into WIOA. Minnesota's employment and training service to its foster youth population is further illustrated by the link below:

<https://mn.gov/deed/programs-services/office-youth-development/special/shared-vision/>

In Program Year 2024, Minnesota's WIOA Youth Program served 124 foster youth. However, 38 of these individuals were classified as in-school youth. The new 60 percent out-of-school expenditure rate would permit Minnesota's youth service providers to increase services to foster youth who are in-school but most at risk of homelessness. This effort will reduce the current dropout rate and homelessness rate among the foster youth population. It also comes at a time where many at-risk youth (especially homeless and/or foster youth) continue to rely more on schools to provide food and support as the effects of the pandemic linger.

The expanded waiver will further Minnesota's needed efforts, as identified in the State Plan, to diversify its workforce given that the "in-school" foster youth population is becoming much more diverse.

VI. Alignment with Department of Labor Policy Priorities

This waiver is in alignment with Department of Labor priorities as follows:

Connecting Education and Training Strategies

The intent of the waiver is to provide coordinated services to foster youth who are in-school and at risk of homelessness. Education and training services will be provided based on individual need. Integrated Resource Teams (IRTs) and the Guideposts for Success are integral parts of this effort.

Supporting Work-Based Learning

The expanded waiver will increase the number of youth aging out of foster care who participate in work-based learning. Targeted youth have the opportunity to work in high growth/in-demand jobs in regional economies.

Improving Job and Career Results

WIOA youth services to targeted youth will result in an increase in the number of youth who earn academic credit for work-based learning and the number of youth who attain industry-recognized credentials and enter post-secondary education.

VII. Individuals Affected by the Waiver

Foster youth who are in-school but at risk of homelessness will be positively impacted by the expanded waiver. Youth who are under-represented in Minnesota's workforce are priorities in Minnesota's State Plan and they will be impacted by this waiver.

VIII. Monitoring/Local Comment

Monitoring:

DEED's youth program staff will monitor the implementation of the waiver at the WDA level on a quarterly basis using FutureWorks, Workforce One, and Service Provider data. DEED's monitoring team will review the progress of waiver implementation. As required, DEED will report to DOL progress in achieving the waiver as well as any changes needed. Additionally, DEED will report information on the waiver and its outcome in Minnesota's WIOA Annual Report.

Local Comment:

This waiver was posted for a 30-day public comment period beginning on March 16, 2026. Notification to affected local boards was also issued on March 16, 2026. No comments were received during the 30-day period regarding this ITA waiver request.

Updated May 2026

STATE OF MINNESOTA

WIOA WAIVER REQUEST: Allow Use of Individual Training Accounts (ITAs) for In-School Youth

TITLE I YOUTH PROGRAM

PROGRAM YEAR 2026-2027

I. Identification of the statutory or regulatory requirements for which a waiver is being requested:

Minnesota is requesting renewal of a waiver to provide Minnesota WDAs with the flexibility to use Individual Training Accounts (ITAs) for in-school youth under PY26-27 WIOA Youth. The waiver impacts WIOA Regulation 20 CFR 681.550.

According to current WIOA Regulations, ITAs were established to provide individual customer choice in their education and training plans and provide flexibility to service providers. At present, only out-of-school youth (OSY) ages 18-24 can use ITAs. In-school youth (ISY), ages (16-21), deserve the same flexible opportunities for support as out of school youth. Without this waiver, ISY would have to be closed out and enrolled as OSY.

II. Goals that Minnesota and its Workforce Development Areas (WDAs) intend to achieve as a result of the waiver:

- The goal of this is to allow WIOA youth service providers the option to use ITAs for ISY, ages 16-21. Serving in-school and out-of-school youth with the same ITA policy allows for continuity of services for all WIOA youth. All youth will be eligible to receive training services, connection to work-based learning and job search support. To better connect youth to work-based learning, both in school and out of school youth would be able to use the Eligible Training Provider List (ETPL) to find training programs that support individualized needs. The waiver would permit youth service providers to customize services to ISY, ages 16-21, to match their interests and abilities. This waiver request aligns with the strategic goals outlined in Minnesota's State Plan. It provides flexibility in program design, allowing services to be tailored to individual needs while helping youth remain engaged throughout the program. The waiver also allows youth services providers to have additional flexibility with service delivery, supporting participants in receiving training to meet employer needs.

III. Relationship of Goals to the Minnesota State Plan:

Minnesota's State Plan describes how resources will be used to assist individuals who need assistance to become economic and socially self-sufficient. The populations (i.e. foster youth,

homeless youth, pregnant/parenting youth, youth with disabilities, etc.) targeted in Minnesota's plan are those for whom WIOA Youth Programs are critical.

The strategic vision of the One Minnesota Workforce Development Vision is a healthy economy where all Minnesotans have equitable access to a workforce development system in which partners across the state are working toward a collective goal of providing workforce development programs that are responsive to employer needs in in-demand occupations and lead to good jobs with family-sustaining wages.

Minnesota has identified the following goals in the 2024-2027 State Plan, as updated by the 2026 modification:

1. Increase interagency and local area coordination and alignment around shared goals, maximizing efficiency and coordination of workforce funding and programs and improving system integration, and creating a "no wrong door" approach for individuals or employers engaging in the workforce system.

This goal was modified to recognize a strategic focus on increased interagency and local area coordination and alignment around shared goals. This coordination should result in partners understanding how their individual work contributes to the collective goals, and how the work of each of the partners in the workforce system can meet the needs of individuals and employers. This shared understanding will help enhance the "no wrong door" approach which will ensure that our workforce customers – employers and job seekers – will be able to understand and access the full range of workforce services offered in the state whether they engage a CareerForce Center, a community college, or any partner in the system.

2. Build new and support employer-led industry-sector partnerships across the state to create or expand responsive and equitable workforce development programs and career pathways with embedded work-based learning or on-the-job training, including Registered Apprenticeships, focused on closing gaps in participation and representation based on race, ethnicity, disability, gender, veteran status, and age.

This goal was modified to provide more emphasis on the importance of developing or expanding sector partnerships to inform workforce development programs, and for there to be a more specific focus on addressing gaps in opportunities in in-demand occupations for underrepresented populations.

3. Create a more inclusive, equitable, accessible, and proactive workforce system to serve all Minnesotans, preparing employers and the current and emerging workforce for the changing nature of work including new and emerging technology, changing labor market demands, and for the state's shifting demographics, including our new Minnesotans.

This goal was modified to have a focus on innovative service delivery with customer-focused design so that our workforce system is more nimble and ready to respond to the changing ways our customers interact with the workforce system. This includes creating ways to better anticipate future workforce needs.

In sum, the data show that current population and aging trends in Minnesota will lead to an extremely tight labor market over the next two decades – with some local areas already experiencing labor force declines. The challenges our state will face over the next 15 years are so great that we'll need to tackle them with a multi-pronged approach to attract and retain workers of all demographic characteristics. Retaining young talent, and removing barriers and increasing access to WIOA Youth programming is necessary to address these workforce challenges.

IV. Actions the State has undertaken to remove State or local statutory or regulatory barriers:

No State or local statutory or regulatory barriers exist that would prevent the implementation of this waiver.

V. Detailed Goals of the Waiver and the Expected Programmatic Outcomes if the Request is Granted:

Implementation of the ITA waiver for in-school youth (ISY) expanded access to occupational training and resulted in strong performance outcomes. In PY24, 12 ISY participants were served using ITAs, with high levels of success across all performance indicators. ISY participants achieved a 94 percent employment and education rate in the second quarter after exit and 100 percent in the fourth quarter. Credential attainment and measurable skill gains both reached 81.8 percent, exceeding statewide performance levels. All ITA-funded training was provided through ETPL-approved providers, ensuring alignment with in-demand occupations.

As Minnesota's ETPL grows, the choices available to in-school youth will grow as well. This waiver will allow the in-school student to participate in and benefit from the growth of the employment and training network.

We are expecting the following programmatic outcomes:

If approved, Minnesota will expand the use of ITAs for ISY and build on prior success. By PY27, at least 75 percent of ISY participating in occupational training are expected to utilize ITAs, with total participation increasing to approximately 15 ISY annually. Credential attainment and measurable skill gains are projected to increase to at least 85 percent, while employment and education outcomes will be sustained at or above 95 percent in the second quarter and 96 percent in the fourth quarter after exit. The number of ETPL providers serving youth is also expected to grow by 10 to 15 percent, further strengthening access to high-quality training opportunities.

As required by federal policy, all ITAs will use training providers on the ETPL.

VI. Analysis of Minnesota ISY ITA Youth Waiver

WIOA Youth ITAs for PY2024				
WDA	Name	ISYs	OSYs	Total
WDA 1	Northwest Minnesota	0	0	0
WDA 2	Rural Minnesota	0	0	0
WDA 3	Northeast Minnesota	7	30	37
WDA 4	City of Duluth	1	1	2
WDA 5	Central Minnesota	2	7	9
WDA 6	Southwest Minnesota	0	0	0
WDA 7	South Central Minnesota	1	20	21
WDA 8	Southeast Minnesota	0	0	0
WDA 9	Hennepin Carver County	0	0	0
WDA 10	City of Minneapolis	0	0	0
WDA 12	Anoka County	1	3	4
WDA 14	Dakota - Scott County	0	0	0
WDA 15	Ramsey County	0	0	0
WDA 16	Washington County	0	0	0
WDA 17	Stearns-Benton Counties	0	0	0
WDA 18	Winona	0	0	0
Total		12	61	73

Source – LWDA ITA survey

Based on the data gleaned from our online FutureWorks WIOA data as of June 30, 2025, we have determined that all ISYs who are in Occupational Skills Training and have an ITA are all using a provider that is on the Minnesota Eligible Training Provider List. Those ISY who exited from WIOA Youth from July 1, 2024 through June 30, 2025 and used an ITA were also using providers from the ETPL.

VII. Alignment with Department of Labor Policy Priorities

This waiver is in alignment with Department of Labor priorities as follows:

Connecting Education and Training Strategies

This waiver allows WIOA youth service providers to offer in school youth the flexible option to use ITAs to access training programs on the ETPL. The waiver expands the education and training opportunities for in school youth.

Improving Job and Career Results

Allowing both ISY and OSY to use ITAs to find training opportunities that match their interest, support their learning styles and better prepare them for work-based learning and employment.

With the reduced administrative burden on youth service providers, there can be an increased effort on networking and partnering to assure that meet the needs of both eligible in-school and out of school youth and improve shared outcomes.

VIII. Individuals Affected by the Waiver

ISY (secondary school attendees) who meet the age requirements (ages 16-21 at the time of enrollment) will be the individuals affected by the waiver, especially youth who are under-represented in the workforce. These youth often have multiple barriers to employment requiring additional resources to become self-sufficient. This waiver provides WIOA youth service providers with more flexibility to serve in-school youth who are most in need of services.

IX. Monitoring/Local Comment

Monitoring

DEED's youth program staff will monitor the implementation of the waiver at the WDA level on a quarterly basis using FutureWorks, Workforce One, and Service Provider data. DEED's monitoring team will review the progress of waiver implementation. As required, DEED will report to DOL progress in achieving the waiver as well as any changes needed. Additionally, DEED will report information on the waiver and its outcome in Minnesota's WIOA Annual Report.

Local Comment

This waiver was posted for a 30-day public comment period beginning on March 16, 2026. Notification to affected local boards was also issued on March 16, 2026. No comments were received during the 30-day period regarding this ITA waiver request.

UPDATED: May 2026

STATE OF MINNESOTA

WIOA WAIVER REQUEST: Reduce OSY Expenditure Requirement From 75 Percent to 60 Percent

TITLE I YOUTH PROGRAM

PROGRAM YEARS 2026-2027

I. Identification of the statutory or regulatory requirements for which a waiver is being requested:

The State of Minnesota is requesting renewal of a waiver from the Workforce Innovation and Opportunity Act (WIOA) Section 129(a)(4)(A) and the corresponding regulation at 20 CFR 681.410 which requires that at least 75 percent of WIOA youth funds be spent on out-of-school youth. The State of Minnesota is requesting that Minnesota's current waiver be extended to allow Local Workforce Development Areas (LWDAs) to expend 60 percent of WIOA youth funds on out-of-school youth and 40 percent on in-school youth who meet the U.S. Department of Labor's definition of homeless and/or foster youth.

A youth is considered a homeless if the individual:

Lacks a fixed, regular, and adequate nighttime residence; this includes an individual who:

- i. Is sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;
- ii. Is living in a motel, hotel, trailer park or campground due to a lack of adequate alternative accommodations;
- iii. Is living in an emergency or transitional shelter;
- iv. Is abandoned in a hospital; or
- v. Is awaiting foster care placement.

Has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, such as a car, park, abandoned building, bus or train station, airport, or camping ground;

Is a migratory child who in the preceding 36 months was required to move from one school district to another due to changes in the parent's or parent's spouse's seasonal employment in agriculture, dairy, or fishing work; or

Is under 18 years of age and absents himself or herself from home or place of legal residence without the permission of his or her family (e.g. runaway youth).

Note: this definition does not include an individual imprisoned or detained under an Act of Congress or State Law. An individual who may be sleeping in a temporary accommodation while away from home should not, as a result of that alone, be recorded as homeless.

A youth is in foster care if the individual:

Is in foster care or has aged out of the foster care system, a child eligible for assistance under section 477 of the Social Security Act (42 USC 677), or in an out of home placement.

This waiver extension request is to continue the previous waiver granted to the State of Minnesota, allowing it to reduce its required out of school expenditure rate from 75 percent to 60 percent so that it could address a gubernatorial priority of serving homeless youth and foster youth before they drop out of school. If this request is approved and extended, this waiver would be made available again to all 16 Local Workforce Investment Boards as an option. **In PY24 and PY25, Minnesota had ten LWDA's take advantage of the waiver opportunity.**

II. Goals that Minnesota and its Workforce Development Areas (WDAs) intend to achieve as a result of the waiver:

The authors of WIOA recognized the special needs of out-of-school youth, especially those disconnected from school and/or work and who need extraordinary attention to get them on the path to economic and social self-sufficiency. DOL previously approved Minnesota's Homeless Youth/Foster Youth In-School Waiver request recognizing the significant barriers faced by these populations. **The goal of expanding the waiver request to include foster youth is to improve high school graduation rates and the entrance into post-secondary education for this at-risk population. WIOA Youth Service providers in each Minnesota county will identify foster youth in their jurisdictions and offer services to address unmet needs. This waiver request aligns with the broader strategic goals, specifically, the goal to have a "no wrong door" approach to service delivery. Reducing the OSY expenditure to 60% will allow WIOA Youth Service providers to better meet local employer needs through increased engagement with in-school homeless/foster youth. In addition to Minnesota's strategic goals, this waiver request aligns with Executive Order 14359 "Fostering the Future for American Children and Families" in which, in part, calls for increasing access to education and training grants like WIOA to support credentialed programs to promote educational success, workforce advancement and financial literacy.¹**

Youth in and transitioning out of foster care have significant barriers to success and, unfortunately, many become homeless youth statistics. National data (National Fact Sheet on the Educational Outcomes of Children in Foster Care, National Working Group on Foster Care and Education, August 2018) indicate the following:

Percentage of foster care youth with more than one living placement	65%
Percentage of foster care youth who change schools when first entering foster care	31% - 75%
Percentage of 17-18 aged foster care youth with 5 or more school changes	34.2%
Percentage of 17-18 aged foster care youth who are consistently absent from school	Twice the rate for all 17-18-year-olds
Percentage of 17-18 aged foster care youth who are suspended from school.	Twice the rate for all 17-18-year-olds

¹ <https://www.govinfo.gov/content/pkg/FR-2025-11-19/pdf/2025-20406.pdf>

Percentage of 17-18 aged foster care youth who are expelled from school	Three times the rate for all 17-18-year-olds
Reading level of 17-18 aged foster care youth	7 th grade; Some reports indicate that 44% read at the high school level
Percentage of 17-18 aged foster care youth who want to go to college	70% - 84%
Percentage of foster care youth receiving special education services	35.6% - 47.3%
Percentage of foster care youth who complete high school curriculum (or GED) by age 18; by age 21	41.8% - 63%; 65% (nationally: 86%)
Percentage of foster care high school graduates who enroll in college at some time	31.8% - 45.3% (nationally 69.2%)
Percentage of foster care college students who get a BA/BS degree	3%-10.8% (nationally 32.5%)

The Working Group also urged those who working with foster care youth to provide the following to ensure a successful educational experience:

- Support Students to Succeed and Graduate College
- Support Transition to College
- Support Adult Advocates

These components align with the 14 required program elements of WIOA. With increased resources given to WIOA's In-School Program (ISY), resulting from the approval of the renewal request, local service providers will be able to expand services to in-school foster children/teens. The Minnesota Department of Human Services (DHS) indicated in 2021 that over approximately 12,400 Minnesota youth were in foster care.

Many foster youth aging out of the system lack a source of income, access to housing, or healthy and reliable social supports. In examining the relationship between out-of-home placement and homelessness, the St. Paul, Minnesota based Wilder Foundation stated that 68% of homeless youth experience an "out of home placement," either a social service or corrections placement.² These movements were foster homes (most common), correctional facilities, and mental health institutions. Of those in a social service placement, 28% of the youth said they had run away from foster care, a group home, or other out of home placement, and 10% had to leave placement because they aged out.

The United States Department of Education (June 27, 2016) indicated that a "positive PK-12 education experience has the potential to be a powerful counterweight to the abuse, neglect, separation, impermanence and other barriers faced by youth in foster care." Attaining a postsecondary credential can enhance their well-being, help make successful transitions to adulthood, and increase the opportunity for personal fulfillment and economic self-sufficiency.

² Wilder Research: "Homelessness in Minnesota: Youth on their Own, Findings from the 2015 Minnesota Homeless Study," April 2017

Reducing homelessness across Minnesota has been a priority for a number of years. The Wilder Foundation estimated that 11,371 Minnesotans were homeless, with 19,600 visiting a homeless shelter at least once during the year. Of this amount, children with parents (3,265) and unaccompanied youth under age 24 (1,484) constituted a little less of one half of the state's homeless population. The Wilder Foundation reports that a more accurate estimate of the youth homeless population is 5,800 (youth under 17 years of age) and 7,300 (youth ages 18-24). The majority of homeless youth have chronic mental and physical conditions. The Minnesota Department of Education has provided the number of homeless students statewide between the 8th and 12th grades:

DOL Program Year (7/1 to 6/30)	Number of Homeless 8th-12th Graders
PY 2022	14,494
PY 2023	10,019 (-31% from PY 2022)
PY 2024	10,697 (-7% from PY 2023)

WIOA youth service providers in Minnesota will continue coordinating with the various schools' McKinney-Vento Program for the Homeless coordinators (see [Homeless McKinney Vento \(mn.gov\)](https://mn.gov/homeless-mckinney-vento) for information about the McKinney-Vento Program).

Homeless youth have difficulty in school (Minnesota Report Card, 2025)

- | | | | |
|------------------|------------|-------------|---------|
| Graduation Rate | Continuing | Dropped Out | Unknown |
| Statewide: 86.5% | 7.80% | 5.9% | 4.4% |
| Homeless: 49.30% | 23.70% | 14.70% | 12.30% |
- | | | | |
|----------------------------------|--------|-----------------|---------------|
| Test Standards: Reading Standard | | | |
| Exceeds | Meets | Partially Meets | Does Not Meet |
| Statewide: 13.9% | 35.7% | 20.6% | 30.0% |
| Homeless: 3.10% | 15.20% | 20.4% | 69.60% |
- | | | | |
|-------------------------------|-------|-----------------|---------------|
| Test Standards: Math Standard | | | |
| Exceeds | Meets | Partially Meets | Does Not Meet |
| Statewide: 16.7% | 28.5% | 22.5% | 32.20% |
| Homeless: 2.6% | 14.0% | 15.6% | 67.8% |
- | | | | |
|-------------------------|-------|-----------------|---------------|
| Test Standards: Science | | | |
| Exceeds | Meets | Partially Meets | Does Not Meet |
| Statewide: 5.4% | 20.7% | 27.8% | 33.60% |
| Homeless: 1.6% | 4.7% | 12.8% | 81.0% |

Approval of this waiver will allow Minnesota's service providers to continue to develop services to address specific needs of homeless youth and foster youth at a time when they are at the greatest risk of becoming homeless. Minnesota's service providers will continue to leverage best practices like the Integrated Resource Team model to better support homeless and/or foster youth by

convening key stakeholders in the youth's life. These teams may include social workers, parents/guardians, school personnel, etc. As with all youth, a core strategic component will be to have the Individual Service Strategy (ISS) be youth-informed and led to ensure the youth is invested in their educational and employment success. The specific services will address the following needs identified by the Working Group on Foster Care:

- Support Students to Succeed and Graduate College
- Support Transition to College
- Support Adult Advocates

III. Relationship of Goals to the Minnesota State Plan:

Minnesota's State Plan is to describe how resources will be used to assist individuals who need assistance to become economic and socially self-sufficient. The populations (i.e. foster youth, homeless youth, pregnant/parenting youth, youth with disabilities, etc.) cited in Minnesota's State Plan are those most in need of WIOA youth services.

The strategic vision of the One Minnesota Workforce Development Vision is a healthy economy where all Minnesotans have equitable access to a workforce development system in which partners across the state are working toward a collective goal of providing workforce development programs that are responsive to employer needs in in-demand occupations and lead to good jobs with family-sustaining wages.

Minnesota has identified the following goals in the 2024-2027 State Plan, as updated by the 2026 modification:

1. Increase interagency and local area coordination and alignment around shared goals, maximizing efficiency and coordination of workforce funding and programs and improving system integration, and creating a "no wrong door" approach for individuals or employers engaging in the workforce system.

This goal was modified to recognize a strategic focus on increased interagency and local area coordination and alignment around shared goals. This coordination should result in partners understanding how their individual work contributes to the collective goals, and how the work of each of the partners in the workforce system can meet the needs of individuals and employers. This shared understanding will help enhance the "no wrong door" approach which will ensure that our workforce customers – employers and job seekers – will be able to understand and access the full range of workforce services offered in the state whether they engage a CareerForce Center, a community college, or any partner in the system.

2. Build new and support employer-led industry-sector partnerships across the state to create or expand responsive and equitable workforce development programs and career pathways with embedded work-based learning or on-the-job training, including Registered Apprenticeships, focused on closing gaps in participation and representation based on race, ethnicity, disability, gender, veteran status, and age.

This goal was modified to provide more emphasis on the importance of developing or expanding sector partnerships to inform workforce development programs, and for there to be a more specific focus on addressing gaps in opportunities in in-demand occupations for underrepresented populations.

3. Create a more inclusive, equitable, accessible, and proactive workforce system to serve all Minnesotans, preparing employers and the current and emerging workforce for the changing nature of work including new and emerging technology, changing labor market demands, and for the state's shifting demographics, including our new Minnesotans.

This goal was modified to have a focus on innovative service delivery with customer-focused design so that our workforce system is more nimble and ready to respond to the changing ways our customers interact with the workforce system. This includes creating ways to better anticipate future workforce needs.

In sum, the data show that current population and aging trends in Minnesota will lead to an extremely tight labor market over the next two decades – with some local areas already experiencing labor force declines. The challenges our state will face over the next 15 years are so great that we'll need to tackle them with a multi-pronged approach to attract and retain workers of all demographic characteristics. Retaining young talent, including homeless and foster youth, and removing barriers and increasing access to WIOA Youth programming is necessary to address these workforce challenges.

Because communities of color in Minnesota continue to grow faster than the white population, particularly in the younger working-age populations, the labor force will continue to diversify rapidly. Recognizing that the rapidly increasing share of existing workers are people of color, Minnesota's state plan recognizes that Minnesota must address this problem of persistent racial disparities directly. By approving this waiver, Minnesota's WIOA Youth service providers can better support this effort, and especially those who are homeless or involved in the foster system.

This waiver allows Minnesota to target WIOA Youth resources to a population that is homeless or at-risk of homelessness, a group that is experiencing an opportunity gap. Data provided below in this waiver request highlights the success of efforts conducted under the previously approved waiver.

IV. Actions that the State has undertaken to remove State or local statutory or regulatory barriers:

No State or local statutory or regulatory barriers exist that would prevent the implementation of this waiver.

V. Detailed Goals of the Waiver and the Expected Programmatic Outcomes if the Request is Granted:

Implementation of Minnesota's waiver to reduce the out-of-school youth (OSY) expenditure requirement from 75 percent to 60 percent has expanded access to services for in-school homeless and foster youth and improved key outcomes. From PY23 to PY24, the number of homeless youth served increased from 307 to 380, including growth in in-school youth participation from 51 to 76. Foster youth served increased from 103 to 124. High school diploma and GED attainment also improved, with foster youth completions increasing from 11 to 16 and homeless youth from 12 to 19. Participation in work experience and internships significantly increased from 44 to 143 youth. In addition, ISY participants demonstrated strong performance outcomes in PY24, including a 100 percent credential attainment rate and measurable skill gains exceeding statewide levels,

If approved, Minnesota will continue to expand services to in-school homeless and foster youth while improving education and workforce outcomes. The state projects serving at least 385 homeless youth annually by PY27 and increasing foster youth served to approximately 135. High school diploma and GED attainment is expected to continue to increase, along with growth in postsecondary training enrollment and industry-recognized credential attainment. Participation in work-based learning will be sustained at or above current levels, with continued emphasis on in-demand occupations. Performance outcomes for ISY are expected to improve, including measurable skill gains of at least 70 percent and continued high rates of credential attainment and employment or education placement.

Outcome Measure	PY24 Actual	PY26 Target	PY27 Target
Homeless Youth Served (ISY and OSY)	380	383	385
Foster Youth Served (ISY and OSY)	124	130	135
Homeless or Foster Youth Attaining HS Diploma/GED	35	38	42
Homeless or Foster Youth Attaining Credentials	67	75	85
Homeless or Foster Youth in Work Experience	143	145	150
Homeless or Foster ISY Measurable Skill Gains	66.7%	70%	72%
Homeless or Foster ISY Credential Attainment	100%	85%	85%

PY25 data is not included as it is not yet available.

Past Data on MN's Waiver to OSY Expenditure Requirement: From 75% to 60% for Minnesota WDAs Serving Foster or Homeless Youth

Measure	PY23 Actual	PY24 Actual
Total Number of Foster Youth Served	103 (38 ISY)	124 (38 ISY)
Total Number of Homeless Youth Served	307 (51 ISY)	380 (76 ISY)
Number of Foster Youth High School Diplomas/GEDs	11 (7 ISY)	16 (11 ISY)
Number of Homeless Youth High School Diplomas/GEDs	12 (10 ISY)	19 (11 ISY)
Increased Number of Homeless/Foster Youth Entering Post-Secondary Training	19	16
Increased Number of Homeless/Foster Youth Attaining Industry-Recognized Credentials	91 (10 ISY)	67 (15 ISY)
Increased Number of Homeless/Foster Youth Who Participated in Work Experience or Internship in an In-Demand/High-Growth Regional Occupation	44 (12 ISY)	143 (48 ISY)

Data Source: Workforce One Advanced Search Results of PY23/24. Appropriate date ranges used with corresponding performance reporting dates.

Program Year 2024 : Serving Foster Youth

WIOA youth service providers maintain regular contact with youth shelters, youth opportunity centers, county social service agencies to recruit foster youth into WIOA. Minnesota's employment and training service to its foster youth population is further illustrated by the link below:

<https://mn.gov/deed/programs-services/office-youth-development/special/shared-vision/>

In Program Year 2024, Minnesota's WIOA Youth Program served 124 foster youth. However, 38 of these individuals were classified as in-school youth. The new 60 percent out-of-school expenditure rate would permit Minnesota's youth service providers to increase services to foster youth who are in-school but most at risk of homelessness. This effort will reduce the current dropout rate and homelessness rate among the foster youth population. It also comes at a time where many at-risk youth (especially homeless and/or foster youth) continue to rely more on schools to provide food and support as the effects of the pandemic linger.

The expanded waiver will further Minnesota's needed efforts, as identified in the State Plan, to diversify its workforce given that the "in-school" foster youth population is becoming much more diverse.

VI. Alignment with Department of Labor Policy Priorities

This waiver is in alignment with Department of Labor priorities as follows:

Connecting Education and Training Strategies

The intent of the waiver is to provide coordinated services to foster youth who are in-school and at risk of homelessness. Education and training services will be provided based on individual need. Integrated Resource Teams (IRTs) and the Guideposts for Success are integral parts of this effort.

Supporting Work-Based Learning

The expanded waiver will increase the number of youth aging out of foster care who participate in work-based learning. Targeted youth have the opportunity to work in high growth/in-demand jobs in regional economies.

Improving Job and Career Results

WIOA youth services to targeted youth will result in an increase in the number of youth who earn academic credit for work-based learning and the number of youth who attain industry-recognized credentials and enter post-secondary education.

VII. Individuals Affected by the Waiver

Foster youth who are in-school but at risk of homelessness will be positively impacted by the expanded waiver. Youth who are under-represented in Minnesota's workforce are priorities in Minnesota's State Plan and they will be impacted by this waiver.

VIII. Monitoring/Local Comment

Monitoring:

DEED's youth program staff will monitor the implementation of the waiver at the WDA level on a quarterly basis using FutureWorks, Workforce One, and Service Provider data. DEED's monitoring team will review the progress of waiver implementation. As required, DEED will report to DOL progress in achieving the waiver as well as any changes needed. Additionally, DEED will report information on the waiver and its outcome in Minnesota's WIOA Annual Report.

Local Comment:

This waiver was posted for a 30-day public comment period beginning on March 16, 2026. Notification to affected local boards was also issued on March 16, 2026. No comments were received during the 30-day period regarding this ITA waiver request.

Updated May 2026

STATE OF MINNESOTA

WIOA WAIVER REQUEST: Allow Use of Individual Training Accounts (ITAs) for In-School Youth

TITLE I YOUTH PROGRAM

PROGRAM YEAR 2026-2027

I. Identification of the statutory or regulatory requirements for which a waiver is being requested:

Minnesota is requesting renewal of a waiver to provide Minnesota WDAs with the flexibility to use Individual Training Accounts (ITAs) for in-school youth under PY26-27 WIOA Youth. The waiver impacts WIOA Regulation 20 CFR 681.550.

According to current WIOA Regulations, ITAs were established to provide individual customer choice in their education and training plans and provide flexibility to service providers. At present, only out-of-school youth (OSY) ages 18-24 can use ITAs. In-school youth (ISY), ages (16-21), deserve the same flexible opportunities for support as out of school youth. Without this waiver, ISY would have to be closed out and enrolled as OSY.

II. Goals that Minnesota and its Workforce Development Areas (WDAs) intend to achieve as a result of the waiver:

- The goal of this is to allow WIOA youth service providers the option to use ITAs for ISY, ages 16-21. Serving in-school and out-of-school youth with the same ITA policy allows for continuity of services for all WIOA youth. All youth will be eligible to receive training services, connection to work-based learning and job search support. To better connect youth to work-based learning, both in school and out of school youth would be able to use the Eligible Training Provider List (ETPL) to find training programs that support individualized needs. The waiver would permit youth service providers to customize services to ISY, ages 16-21, to match their interests and abilities. *This waiver request aligns with the strategic goals outlined in Minnesota's State Plan. It provides flexibility in program design, allowing services to be tailored to individual needs while helping youth remain engaged throughout the program. The waiver also allows youth services providers to have additional flexibility with service delivery, supporting participants in receiving training to meet employer needs.*

III. Relationship of Goals to the Minnesota State Plan:

Minnesota's State Plan describes how resources will be used to assist individuals who need assistance to become economic and socially self-sufficient. The populations (i.e. foster youth,

homeless youth, pregnant/parenting youth, youth with disabilities, etc.) targeted in Minnesota's plan are those for whom WIOA Youth Programs are critical.

The strategic vision of the One Minnesota Workforce Development Vision is a healthy economy where all Minnesotans have equitable access to a workforce development system in which partners across the state are working toward a collective goal of providing workforce development programs that are responsive to employer needs in in-demand occupations and lead to good jobs with family-sustaining wages.

Minnesota has identified the following goals in the 2024-2027 State Plan, as updated by the 2026 modification:

1. Increase interagency and local area coordination and alignment around shared goals, maximizing efficiency and coordination of workforce funding and programs and improving system integration, and creating a "no wrong door" approach for individuals or employers engaging in the workforce system.

This goal was modified to recognize a strategic focus on increased interagency and local area coordination and alignment around shared goals. This coordination should result in partners understanding how their individual work contributes to the collective goals, and how the work of each of the partners in the workforce system can meet the needs of individuals and employers. This shared understanding will help enhance the "no wrong door" approach which will ensure that our workforce customers – employers and job seekers – will be able to understand and access the full range of workforce services offered in the state whether they engage a CareerForce Center, a community college, or any partner in the system.

2. Build new and support employer-led industry-sector partnerships across the state to create or expand responsive and equitable workforce development programs and career pathways with embedded work-based learning or on-the-job training, including Registered Apprenticeships, focused on closing gaps in participation and representation based on race, ethnicity, disability, gender, veteran status, and age.

This goal was modified to provide more emphasis on the importance of developing or expanding sector partnerships to inform workforce development programs, and for there to be a more specific focus on addressing gaps in opportunities in in-demand occupations for underrepresented populations.

3. Create a more inclusive, equitable, accessible, and proactive workforce system to serve all Minnesotans, preparing employers and the current and emerging workforce for the changing nature of work including new and emerging technology, changing labor market demands, and for the state's shifting demographics, including our new Minnesotans.

This goal was modified to have a focus on innovative service delivery with customer-focused design so that our workforce system is more nimble and ready to respond to the changing ways our customers interact with the workforce system. This includes creating ways to better anticipate future workforce needs.

In sum, the data show that current population and aging trends in Minnesota will lead to an extremely tight labor market over the next two decades – with some local areas already experiencing labor force declines. The challenges our state will face over the next 15 years are so great that we'll need to tackle them with a multi-pronged approach to attract and retain workers of all demographic characteristics. Retaining young talent, and removing barriers and increasing access to WIOA Youth programming is necessary to address these workforce challenges.

IV. Actions the State has undertaken to remove State or local statutory or regulatory barriers:

No State or local statutory or regulatory barriers exist that would prevent the implementation of this waiver.

V. Detailed Goals of the Waiver and the Expected Programmatic Outcomes if the Request is Granted:

Implementation of the ITA waiver for in-school youth (ISY) expanded access to occupational training and resulted in strong performance outcomes. In PY24, 12 ISY participants were served using ITAs, with high levels of success across all performance indicators. ISY participants achieved a 94 percent employment and education rate in the second quarter after exit and 100 percent in the fourth quarter. Credential attainment and measurable skill gains both reached 81.8 percent, exceeding statewide performance levels. All ITA-funded training was provided through ETPL-approved providers, ensuring alignment with in-demand occupations.

As Minnesota's ETPL grows, the choices available to in-school youth will grow as well. This waiver will allow the in-school student to participate in and benefit from the growth of the employment and training network.

We are expecting the following programmatic outcomes:

If approved, Minnesota will expand the use of ITAs for ISY and build on prior success. By PY27, at least 75 percent of ISY participating in occupational training are expected to utilize ITAs, with total participation increasing to approximately 15 ISY annually. Credential attainment and measurable skill gains are projected to increase to at least 85 percent, while employment and education outcomes will be sustained at or above 95 percent in the second quarter and 96 percent in the fourth quarter after exit. The number of ETPL providers serving youth is also expected to grow by 10 to 15 percent, further strengthening access to high-quality training opportunities.

As required by federal policy, all ITAs will use training providers on the ETPL.

VI. Analysis of Minnesota ISY ITA Youth Waiver

WIOA Youth ITAs for PY2024				
WDA	Name	ISYs	OSYs	Total
WDA 1	Northwest Minnesota	0	0	0
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WDA 8	Southeast Minnesota	0	0	0
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WDA 17	Stearns-Benton Counties	0	0	0
WDA 18	Winona	0	0	0
Total		12	61	73

Source – LWDA ITA survey

Based on the data gleaned from our online FutureWorks WIOA data as of June 30, 2025, we have determined that all ISYs who are in Occupational Skills Training and have an ITA are all using a provider that is on the Minnesota Eligible Training Provider List. Those ISY who exited from WIOA Youth from July 1, 2024 through June 30, 2025 and used an ITA were also using providers from the ETPL.

VII. Alignment with Department of Labor Policy Priorities

This waiver is in alignment with Department of Labor priorities as follows:

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This waiver allows WIOA youth service providers to offer in school youth the flexible option to use ITAs to access training programs on the ETPL. The waiver expands the education and training opportunities for in school youth.

Improving Job and Career Results

Allowing both ISY and OSY to use ITAs to find training opportunities that match their interest, support their learning styles and better prepare them for work-based learning and employment.

With the reduced administrative burden on youth service providers, there can be an increased effort on networking and partnering to assure that meet the needs of both eligible in-school and out of school youth and improve shared outcomes.

VIII. Individuals Affected by the Waiver

ISY (secondary school attendees) who meet the age requirements (ages 16-21 at the time of enrollment) will be the individuals affected by the waiver, especially youth who are under-represented in the workforce. These youth often have multiple barriers to employment requiring additional resources to become self-sufficient. This waiver provides WIOA youth service providers with more flexibility to serve in-school youth who are most in need of services.

IX. Monitoring/Local Comment

Monitoring

DEED's youth program staff will monitor the implementation of the waiver at the WDA level on a quarterly basis using FutureWorks, Workforce One, and Service Provider data. DEED's monitoring team will review the progress of waiver implementation. As required, DEED will report to DOL progress in achieving the waiver as well as any changes needed. Additionally, DEED will report information on the waiver and its outcome in Minnesota's WIOA Annual Report.

Local Comment

This waiver was posted for a 30-day public comment period beginning on March 16, 2026. Notification to affected local boards was also issued on March 16, 2026. No comments were received during the 30-day period regarding this ITA waiver request.

UPDATED: May 2026