



July 2, 2020

The Honorable Katherine Brown  
Governor of Oregon  
Office of the Governor  
State Capitol  
900 Court Street, NE  
Suite 254  
Salem, OR 97301-4582

Dear Governor Brown:

Thank you for your waiver requests submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system. The waiver requests were received April 15, 2020, as part of your recent WIOA State Plan submission. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Oregon will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Oregon and ETA. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner–Peysner Act in WIOA Section 189(i).

Requested Waiver: Waiver of the obligation of eligible training providers (ETPs) to report performance data on all students in a training program at WIOA Sections 116(d)(4)(A) and 122 and 20 CFR 677.230(a)(4) and (5) and 20 CFR 680.

ETA Response: The State's request to waive the obligation of ETPs to report performance data on all students in a training program is approved through June 30, 2021. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Oregon to implement its plan to improve the workforce development system. The State must provide information regarding how the Governor will take into account the outcomes of all students in an ETP program of study, with respect to their employment and earnings, as required for the demonstration of continued eligibility in 20 CFR 680.460(f)(1)(iii) and WIOA Section 122. The State will continue to collect and report data for all WIOA-funded participants in accordance with all statutory and regulatory requirements, including WIOA Sections 116 and 122, and as specified at 20 CFR 677.230 and 680.460. While ETA recognizes the importance of informing consumer choice through the provision of quality data on training outcomes, we also recognize that the systems to collect the required performance data from providers take time to develop and implement in a way that maximizes training provider participation, which is a critical component of the workforce development system. Starting July

1, 2021, the State's obligation to report performance data on all students in a training program will be reinstated.

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 2020, which includes the entire time period for which states are authorized to spend PY 20 funds, the State's request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. The State may lower the expenditure requirement of Governor's reserve to 50 percent for OSY. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Oregon to implement its plan to improve the workforce development system.

In addition, ETA approves for PY 2020, which includes the entire time period for which states are authorized to spend PY 20 funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Oregon may lower the local youth funds expenditure requirement to 50 percent for OSY. As a result of this waiver, ETA expects that the number of in-school youth served will increase and performance accountability outcomes for overall WIOA Youth (including both in- and out-of-school youth) will remain steady or increase for the majority of the WIOA Youth performance indicators.

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. The Department proposed additional flexibility in its budgets for Fiscal Years 2018 through 2021 to give governors more decision-making authority to meet the workforce needs of their states. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Pallasch".

John Pallasch

cc: Kurt Tackman, Deputy Director, Higher Education Coordinating Commission  
Nicholas Lalpui, Dallas/San Francisco Regional Administrator, ETA  
Latha Seshadri, Federal Project Officer, ETA