U.S. Department of Labor Assistant Secretary for
Employment and Training
Washington, D.C. 20210

July 20, 2026

The Honorable David M. Apatang
Governor of the Commonwealth of the Northern Mariana Islands
Juan A. Sablan Memorial Building
Capitol Hill
Saipan, MP 96950

Dear Governor Apatang:

Thank you for your waiver request submission to the U.S. Department of Labor 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 requests were received April 30, 2026, as part of your recent WIOA State Plan submission.

The Commonwealth of the Northern Mariana Islands (Commonwealth) submitted the following waiver requests:

- 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 local formula youth funds on out-of-school youth (OSY); and
- Waiver of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (ISY).

This letter is to inform the Commonwealth that these waiver requests are not necessary. As noted in the memo on February 13, 2024, sent to the Commonwealth, "WIOA Adult, Dislocated Worker, and Youth Outlying Area Consolidated Grant" allows outlying areas to use funds interchangeably among programs. Participants may be enrolled in any Adult, Dislocated Worker, or Youth activity. Participants must still meet the eligibility criteria for at least one of the WIOA title I funding streams (Adult, Dislocated Worker, or Youth). As a result of the consolidation, outlying areas are not required to meet the following WIOA requirements for which you requested waivers:

- 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 local formula youth funds on out-of-school youth (OSY); and
- Waiver of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (ISY).

In addition to these statutory flexibilities, the Consolidated Grant Agreement provides outlying areas with several important administrative and programmatic options designed to support effective implementation of WIOA Title I Adult, Dislocated Worker, and Youth programs. CNMI's approved grant permits the Commonwealth to deploy resources interchangeably across program activities based on local need. This authority supports integrated service delivery, reduces administrative burden, and enables more strategic use of limited resources.

The Consolidated Grant Agreement also permits outlying areas to adopt alternative performance indicators that reflect local labor market conditions and population characteristics; implement simplified one-stop partner arrangements tailored to their geographic and service delivery realities; and utilize streamlined fiscal controls that ensure strong stewardship of federal funds while reducing reporting burden. Together, these flexibilities reinforce Congress's intent to ensure that outlying areas can fully participate in WIOA under conditions that acknowledge their unique governance structures and distinct economic contexts.

ETA remains committed to supporting outlying areas in understanding, evaluating, and making full use of all flexibilities available under the Consolidated Grant Agreement. ETA will continue to provide technical assistance to help the Commonwealth examine these provisions, determine which options best meet the Commonwealth's needs, and implement them effectively and in alignment with statutory and regulatory requirements.

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,

Henry Mack

Henry Mack, Ed.D.
Assistant Secretary

Enclosure

cc: Frances A. Torres, Director, CNMI Department of Labor Workforce Investment Agency
Dr. Tamika Ledbetter, San Francisco Regional Administrator, ETA
Paul Castro-Rodriguez, Federal Project Officer, ETA

Northern Mariana Islands (CNMI)

PY2026-2027

Waiver Request 1: Waiver of WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the state and local areas expend 75 percent of local formula youth funds on out-of-school youth (OSY).

1. Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the state or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate the Unified or Combined Plan;

While the CNMI received approvals in Program Years 2024 and 2025 to reduce the expenditure requirements for out-of-school youths from 75 percent to 50 percent, the CNMI requests that ETA considers a complete waiver to allow the CNMI the flexibility to serve out-of-school and in-school youths on a first come first serve basis as provisioned in the Consolidated Funding for the territories.

The CNMI seeks this waiver to provide maximum flexibility to serve both out-of-school and in-school youth on a first-come, first-served bases in recognition of the CNMI's small population, limited funding, and unique labor market needs. A complete waiver of the 75 percent out-of-school youth expenditure requirement would allow the CNMI to respond more effectively to youth demand, prevent delays in service, and ensure that available funds are fully utilized to connect youth to education, training, and employment opportunities. This approach aligns with the CNMI Unified State Plan by expanding access to career pathways, increasing credential attainment, and strengthening the workforce pipeline in high-demand sectors.

2. Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

The CNMI has reviewed all applicable State and local policies and has determined that there are no statutory or regulatory barriers that prevent implementation of this waiver.

3. Describes the goals of the waiver and expected programmatic outcomes if the request is granted;

The goals of the waiver are to maximize the use of limited youth funds, increases access to services both in-school and out-of-school youth, and provide the CNMI with flexibility to respond to changing labor market and participant needs. If granted, the waiver is expected to increase overall youth enrollment, reduce the wait times for services, improve utilization of available funds, and expand participation in career exploration , occupational training, work-based learning, credential attainment, and postsecondary transition activities.

4. Describe how the waiver will align with the Department's policy priorities, such as:
    1. supporting employer engagement;
    2. connecting education and training strategies;
    3. supporting work-based learning;
    4. improving job and career results, and
    5. other guidance issued by the Department.

The waiver aligns with the Department's policy priorities by allowing the CNMI to target services to youth based on employer demand and participant need rather than a fixed expenditure requirement. The waiver will support employer engagement by increasing the number of youth who can participate in training and employment activities connected to priority industries such as healthcare, construction, tourism, education, information technology, and the skilled trades. It will strengthen connections between education and training strategies by allowing in-school and out-of-school youth to access career pathways, industry-recognized credentials, and postsecondary opportunities. The waiver also supports work-based learning through increased participation in internships, work experience, pre-apprenticeships, on-the-job training, and Registered Apprenticeship opportunities. By enabling more youth to receive timely services, the waiver is expected to improve credential attainment, employment, and long-term career outcomes. The waiver is further aligned with the Department's guidance on sector strategies, youth engagement, equity, career pathways, and the pillars of America's Talent Strategy, including employer-led workforce development, integrated education and workforce systems, and skills-based advancement.

5. Describes the individuals affected by the waiver; and

The affected individuals by this waiver are eligible WIOA ISY and OSY ages of 14-24 who face barriers to employment as specified in WIOA. Both ISYs and OSYs will benefit from the waiver, particularly youth who may otherwise be denied services due to the expenditure requirements.

6. Describes the processes used to:
    1. Monitor the progress in implementing the waiver;
    2. Provide notice to any local board affected by the waiver;

3. Ensure meaningful public comment, including comment by business and organized labor on the waiver.
4. Collect and report information about waiver outcomes in the State's WIOA Annual Report.
5. The most recent data available regarding the results and outcomes observed through implementation of the existing waiver, in cases where the State seeks renewal of a previously approved waiver.

The CNMI will monitor implementation of the waiver through quarterly review of enrollment, expenditures, service delivery, and performance outcomes using its case management and fiscal reporting systems. Progress will be tracked by monitoring the proportion of funds used to serve in-school and out-of-school youth, participation in training and work-based learning activities, credential attainment, and employment outcomes. Notice of the waiver request and any approved waiver will be provided to the State Workforce Development Board, partner agencies, service providers, employers, and other stakeholders through meetings, electronic distribution, and public posting. Meaningful public comment will be ensured by posting the waiver for review and soliciting input from business, organized labor, education and workforce partners, and community organizations. Information on implementation and outcomes will be reported in the CNMI's WIOA Annual Report. Recent results from the currently approved waiver demonstrate its effectiveness, as total youth enrollment increased from 99 participants in PY2024 to 194 participants in PY2025, an increase of approximately 96 percent, reflecting greater access to services and more effective use of limited youth funds.

Waiver Request 2: Waiver of 20 CFR 681.550 to allow WIOA Individual Training Accounts (ITAs) for in-school youth (ISY).

1. Identifies the statutory or regulatory requirements for which a waiver is requested and the goals that the state or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate the Unified or Combined Plan;

The CNMI request to renew the waiver of 20 CFR 681.550 to continue to allow WIOA Individual Training Accounts (ITAs) for eligible in-school youth (ISY) for Program Years 2026 and 2027.

The CNMI intends to renew this waiver to continue providing ITAs to eligible in-school youths so they may access occupational skills training that leads to industry-recognized credentials, postsecondary success, and employment in high-demand sectors. The waiver supports the goals of the Unified State Plan by expanding access to career pathways, increasing credential attainment, improving employment outcomes all youths, and strengthening the future workforce pipeline in the CNMI.

Continuation of the waiver is especially important in the CNMI, where limited training options and geographic isolation require greater flexibility to serve in-school youth before the disengage from education. By allowing ITAs for in-school youth, the CNMI can better align education and workforce services, support earlier career exploration and skill development, and prepare youth for priority industries such as construction, healthcare, tourism, education, and skilled trades.

The waiver is also consistent with the pillars of the America's Talent Strategy by advancing demand-driven training aligned with employer needs, improving worker mobility through recognized credentials and career pathways, strengthening integrated systems between education and workforce programs, and promoting accountability through measurable outcomes in youth participation, credential attainment, and employment.

2. Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

There are no State or local statutory or regulatory barriers that will affect the implementation of this waiver.

3. Describes the goals of the waiver and expected programmatic outcomes if the request is granted;

If granted, the waiver will enable the CNMI to continue providing ITAs to eligible in-school youth, increasing access to occupational skills training, industry-recognized credentials, and work-based learning opportunities tied to high-demand occupations. The goals of the waiver are to improve early career preparation, increase credential attainment and postsecondary transition, reduce the number of youth who become disconnected from school or work, and strengthen the CNMI further workforce pipeline.

The expected programmatic outcomes include increased participation of in-school youth in training activities, higher rates of credential attainment and employment, stronger alignment between education and workforce services, and improved placement of youth into employment, apprenticeships, postsecondary education in priority sectors.

4. Describe how the waiver will align with the Department's policy priorities, such as:

    1. supporting employer engagement;

    2. connecting education and training strategies;

3. supporting work-based learning;
4. improving job and career results, and
5. other guidance issued by the Department.

Approval of this waiver will support a coordinated talent development strategy that better prepares in-school youth for employment in the CNMI's priority industries. By allowing ITAs for in-school youth, the CNMI can deliver training that is connected to employer demand, embedded withing career pathways, and reinforced through work-based learning and credential attainment. The waiver is aligned with USDOL ETA guidance emphasizing sector strategies, youth engagement, and measurable outcomes, while also advancing America's Talent Strategy pillars of employer leadership, integrated education and workforce systems and stronger career results.

5. Describe the individuals affected by the waiver; and

The continued approval of the waiver will benefit in-school youths who wish to advance their career interests while concurrently enrolled in secondary education increasing their competitiveness and employability skills for a seamless transition into the workforce.

6. Describe the processes used to:
    1. Monitor the progress in implementing the waiver;
    2. Provide notice to any local board affected by the waiver;
    3. Ensure meaningful public comment, including comment by business and organized labor on the waiver.
    4. Collect and report information about waiver outcomes in the State's WIOA Annual Report.
    5. The most recent data available regarding the results and outcomes observed through implementation of the existing waiver, in cases where the State seeks renewal of a previously approved waiver.

The administering entity, DOL WIA, will track the use of ITAs for eligible programs of study listed on the ETPL allowing expanded access for in-school youth to receive workforce services.

DOL WIA will conduct surveys to measure the successes of the waiver from both the employer and participants viewpoints.

Results of the surveys as well as outcomes will be reported in the annual statewide performance and narrative report.

An immediate observation to the prior approval of the waiver resulted in a significant increase in enrollment among eligible youths. In the annual performance reports for PY 2025 and 2024, an approximate 96 percent increase was realized in enrollment. This substantial growth is indicative that the waiver has expanded our reach to serve in-school youths. Program Year 2025 provided 115 in-school youths career exploration through a work-based learning opportunity.