

U.S. Department of Labor

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



December 7, 2023

The Honorable Janet T. Mills
Governor of Maine
1 State House Station
Augusta, ME 04333

Dear Governor Mills:

Thank you for your waiver request submission to the U.S. Department of Labor regarding several statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (enclosed). The waiver request was received on November 1, 2023. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Maine will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Maine and ETA. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner-Peyser Act in WIOA Section 189(i).

Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY).

ETA Response: ETA approves for Program Year (PY) 2023, which includes the entire period for which states are authorized to spend those funds, the State's request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Maine to implement its plan to improve the workforce development system. Maine may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

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

The State must report its waiver outcomes and implementation of the approved waiver in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide technical assistance to you in support of your goals. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,



Laura Watson
Deputy Assistant Secretary

Enclosure

cc: Ginny Carroll, Director, Division of Policy and Evaluation, Maine Department of Labor
Gregg Wertz, Regional Administrator, ETA
Kate Banimenia, Federal Project Officer, ETA



JANET T. MILLS
GOVERNOR

STATE OF MAINE
DEPARTMENT OF LABOR
BUREAU OF EMPLOYMENT SERVICES
55 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0055

LAURA A. FORTMAN
COMMISSIONER

October 30, 2023

Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington D.C. 20001

Attn: Waiver Request Coordinator:

Please accept this request for waiver of the requirement to expend 75% of WIOA Title IB Youth funds on out-of-school youth. Approval of this waiver will permit local areas to invest more WIOA funds in work experience activities for eligible high school youth and provide additional supports to eligible, first-time college students with barriers to successfully completing their program and attaining a degree/credential.

This waiver request was posted for public comment from October 2, 2023, through October 28, 2023. One comment was received and is attached. On behalf of Governor Mills and Commissioner Fortman, your review and consideration of these requests is greatly appreciated. If you have questions, I can be reached at 207-592-5944 or via email at virginia.a.carroll@maine.gov.

Sincerely,

V. Carroll

Ginny Carroll
Director, Division of Policy and Evaluation

cc: Janet T. Mills, Governor
Laura A. Fortman, Commissioner
Kimberley Moore, Bureau Director
Kate Banimenia, Region One FPO

Maine Waiver Submission

Waiver of State and Local Youth Spending Flexibility

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

The State of Maine is requesting an extension and/or continuation of the waiver of Section 129(a)(4)(A) and 20 CFR 681.410 which requires that state and local areas spend not less than 75 percent of youth funds to provide career and training services to out-of-school youth. Continuation of this waiver will allow the State of Maine and local areas the flexibility to direct more WIOA youth funds toward delivery of workforce services to low-income, high school aged youth with barriers to employment and education.

This request is being made under the Secretary's authority at WIOA Section 189(i)(3)(B) to waive certain requirements of WIOA Title I. Waiver of this requirement will supply greater flexibility and increase capacity to respond to the training and employment needs of Maine youth.

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

There are no state or local barriers to this request for spending flexibility.

3. Description of State Strategic Goals

The vision outlined in Maine's Unified Plan to partner with and respond to the talent needs of Maine employers; create a system of lifelong learning and employment connection for Maine residents; and build an integrated workforce development infrastructure accountable to residents and businesses is actively in play. It outlines how Maine's workforce system will help to achieve goals identified in Maine's Economic Development Plan; namely, that 60 percent of Maine workers will attain a credential of value by 2025, and Maine's labor pool will increase by 75,000.

According to Annie E. Casey's Kids Count Data Book, 4,000 Maine teens ages 16-19 were not attending school and not working in 2021. This untapped labor pool is the most elusive which is why connecting with youth while they are still in high school is so critical. A key goal of the Maine Children's Cabinet is to ensure that high school students have access to career exploration activities and paid work experiences, practices proven to increase high school graduation rates and successful transition to employment, or postsecondary education including registered apprenticeship.

Maine Goals and Priorities That Will Be Supported by Continuation of This Waiver:

- 1. Increase the number of high school graduates**
- 2. Increase high school graduates' successful entry into employment, registered apprenticeship, or postsecondary education**
- 3. Increase services to youth at risk of dropping out of high school**
- 4. Increase the overall number of WIOA youth served per program year**
- 5. Increase Maine High Schools' awareness of WIOA services available to eligible high school students**
- 6. Decrease the number of disconnected youths by connecting youth with paid work experience, pre-apprenticeship, and extended learning opportunities before they drop out or detach from the system.**
- 7. Increase involvement of Maine employers, apprenticeship sponsors, schools, and workforce system partners in activities that ensure high school youth successfully transition to employment and/or advanced training**

Background:

On May 5, 2021, Maine's Governor Janet Mills received a letter approving a waiver of this requirement, which remained in effect through June 30, 2023. Local area service providers had some difficulty re-initiating relationships with local area high-schools and reeducating them about the benefits of WIOA youth program services for at-risk youth students who could benefit from individualized career exploration, planning future career pathways, access to supportive services, and paid work experiences.

As reported in our first request for waiver, students from low-income homes are more likely to drop out of high school than those from higher-income homes. According to the 2023 Maine Kids Count report issued by the Maine Children’s Alliance, child poverty rates in Maine range from 9.9% in Maine’s most southern, urban county to 22.5% in rural northern counties. As a result of the pandemic, the percent of students graduating high school is lower today than when we applied for the first waiver, with high school graduation rates only just inching back up to 86.1 percent in 2023.

Maine’s rural nature creates challenges in finding, engaging, and staying connected to youth who have disconnected from high school (dropped out or graduated) continued flexibility to use WIOA funds to engage youth while they are still in high school remains a critical tool to ensure this untapped labor pool remains connected. WIOA can positively affect high school completion rates through provision of meaningful career guidance, appropriate supports, and provision of paid work experiences for low-income students.

The Maine Children’s Cabinet has taken significant measures (through release of American Rescue Plan Act funds) to expand the number of high school youth receiving career exploration and paid work experiences. These funds have supported high schools to include a paid work experience as key component of Extended Learning Opportunities (ELOs) that allow students to earn high school credits while they engage in career exploration activities and paid work experiences, including pre-apprenticeship programs. The Children’s Cabinet has taken significant steps to ensure high schools with Extended Learning Opportunity (ELO) programs are connected to Title IB youth service providers who partner with the schools to complement this work.

Evidence based practices such as extended learning opportunities and paid work experience for high school youth are changing perspectives of youth most at risk of dropping out, as the following example presented to the Children’s Cabinet shows:

“A high school student at risk of dropping out received a paid work experience at a local automotive repair shop as part of an Extended Learning Opportunity (ELO) for which the student would earn credit toward high school graduation. The student had a significant history of truancy yet attended the work experience daily without fail. The student learned first-hand how to apply math skills to mechanical functions on the job. The experience was so fulfilling this student now aspires to continue on this career path, has returned to school and is on track to graduate.”

Pre-apprenticeships in Maine are a new tool for encouraging students to remain in school until graduation and result in entry into employment through transition to registered apprenticeship programs or postsecondary education. The Maine Apprenticeship Council certified the following pre-apprenticeship programs for high school aged students, some portions of the construction curricula provided by the International Brotherhood of Electrical Workers (IBEW):

Sponsor	Partner(s)	Industry	Pre-Apprenticeship Program
Educate Maine	Maine Aquaculture Association	Aquaculture	Aquaculture Pioneers
AGC Maine*	Reed & Reed Construction	Construction	Carpenter
Hospitality Maine	Learning Works & YouthBuild	Hospitality	Culinary
Hospitality Maine	Foster CTE**	Hospitality	Culinary

*AGC = Associated General Contractors of Maine **CTE = Career and Technical Education Centers

The Maine Apprenticeship Council is currently reviewing the following pre-apprenticeship programs:

Sponsor	Partner(s)	Industry	Pre-Apprenticeship Program
Educate Maine	Region 10 CTE	Trades	Automotive Technician
Portland Adult Education	ReVision Energy	Construction	Clean Energy
AGC Maine	Bath CTE	Construction	Maine Construction Academy
AGC Maine	Biddeford CTE	Construction	Maine Construction Academy

Pre-apprenticeship programs not only launch high-school youth on a pathway to high-quality registered apprenticeship but are an innovative tool for supporting high-school completion and renewed interest in academics, as students learn

how to apply academic concepts to their day-to-day work activities. Local area service providers in the process of enrolling youth into pre-apprenticeship programs and are reliant on continuation of this waiver to support the full number of WIOA eligible in-school youth identified to participate as the following statement from David Wurm, Director of Workforce Services for Workforce Solutions/Goodwill Northern New England, the WIOA youth service provider in Coastal Counties emphasizes:

“In the coming months, we have two major projects driving our youth recruitment efforts. First is a pre-apprenticeship with Associated General Contractors (AGC) who are engaging in partnerships with local high school districts. Participants will include a mix of rising seniors, soon to be high school graduates, and recent graduates. There is potential for enrollment of 80-100 youth this summer which will be expensive and more skewed towards in-school youth which will require an increase the amount of spending for in-school youth. The other project is a summer youth work experience to provide high school and recently graduated students opportunity to try out high quality jobs this coming summer. We anticipate enrolling 15-20 youth which will also increase our need for continuation of the waiver. Anecdotally our referral percentages (not including these two projects) are around 50/50 in-school versus out-of-school youth, so we have capacity to serve larger numbers; however, we would have to put the brakes on in-school enrollments if we do not receive continuation of this waiver.”

“In terms of where this waiver is most effective and how it impacts our thinking and operations, I highlight the AGC pre-apprenticeship project. They will be launching four cohorts launching throughout our region over next three months, with significant potential for WIOA Youth spending (\$100,000 for the Pre-Apprenticeship activities, and potentially more if Work Experience or OJT after). Ideally, we would connect with these youth as soon as possible to start building rapport, identifying supportive service needs, and preparing them for the cohort so they will remain successful during it and beyond. Most are graduating seniors, so we are concerned about in-school versus out-of-school spending and fear we may have to wait to enroll youth until after they graduate high school thus affecting the value of pre-apprenticeship as an innovative method to keep youth in-school until they graduate.”

Outcomes of Maine’s Initial Waiver:

The chart below that shows the number of in-school youth both prior to and after receipt of the initial waiver (please note, credential attainment and measurable skill gains are still being calculated for PY22). It also shows that the majority of in-school youth being served are at the high school level which aligns with the goals of the Maine Children’s Cabinet. PY20 was an anomaly due to the pandemic, but overall enrolled youth are on track for credential attainment and measurable skill gains as well as increases in the number participating in a paid work experience while in school.

PY	School Level	Number Served	Attained Credential	Attained MSG	Entered Emp/Educ 2 nd Quarter	Entered Emp/Educ 4 th Quarter	Work Experience
PY19	High School	59	47	61	16	13	45
	Postsecondary	17	5	16	6	7	11
	TOTAL	76	52	77	22	20	56
PY20	High School	46	34	52	29	22	48
	Postsecondary	13	5	15	6	3	5
	TOTAL	59	39	67	35	25	53
PY21	High School	69	41	73	20	30	63
	Postsecondary	12	4	17	7	8	7
	TOTAL	81	45	90	27	38	70
PY22	High School	95	38	79	30	17	63
	Postsecondary	18	1	12	10	14	6
	TOTAL	113	39	91	40	31	69

4. How This Waiver Complements USDOL Priorities

Continuation of this waiver supports the principles outlined in the USDOL's recent Youth Employment Works Strategy, including the following:

- A "no wrong door" system that permits both in and out of school youth to access a seamless system of services that lead to high-quality careers.
- Increase in public and private commitments to youth and young adult career pathways such that businesses, employers, labor organizations, schools, workforce system partners invest in high-quality pathways for young people.
- Guaranteed paid work experiences so that ALL young people can access and participate in career aligned work experiences that are safe and age appropriate.

5. Quantifiable projected programmatic outcomes resulting from implementation of the waiver.

Continuation of this waiver will result in additional innovative collaborations between WIOA Youth services, Maine high schools, Maine employers and Apprenticeship sponsors. Maine will be able to document the value of youth pre-apprenticeship programs and paid work experience activities for high school youth by tracking performance outcomes of in-school youth enrolled in these activities, including high school completion rates, transition to registered apprenticeship, employment, and/or advanced training. Maine expects to see an increase in the median earnings achieved by youth who enter employment as well as a reduction in the number of youths disconnected from work or education thereby expanding Maine's labor pool. Other expected outcomes for youth participants include an increase in the number of youths who attain a measurable skill gain and earn an industry-recognized credential.

6. Individuals, groups, or populations benefiting, or otherwise impacted by the waiver.

Current and future workers will be equipped to meet industry talent needs, through attainment of the goal that 60 percent of Maine's workforce will hold a credential of value by 2025. A more networked, aligned and demand-driven workforce system across public and private partners will foster the growth of Maine's economy while supporting equitable, safe, productive employment opportunities. Employers will benefit from direct involvement in preparing the future workforce which will also ensure a ready supply of capable and skilled workers.

7. How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information.

Maine DOL will oversee and monitor the implementation of continuation of this waiver, including quantifying expanded services to in-school youth and expanded expenditure of in-school youth funding through regular tracking of in-school enrollments and performance outcomes.

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

A press release inviting public comments was published on October 2, 2023, providing a two-week comment period; in addition, required partners, local boards and service provider agencies were informed directly. One comment was received and is attached to this submittal. A copy of the press release is attached to this submittal.