

U.S. Department of Labor

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



June 3, 2026

The Honorable Kelly Armstrong
Governor of North Dakota
600 East Boulevard Avenue
Bismark, ND 58505-0100

Dear Governor Armstrong:

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 March 20, 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 North Dakota will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by North Dakota 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 North Dakota'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 individual training accounts (ITAs) for in-school youth (ISY).

ETA Response: ETA approves, for 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 OSY, the State may use ITAs for ISY, ages 16–21. ETA reviewed North Dakota'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. Approval of this waiver should not impede the State's efforts to prioritize OSY, including outreach to the OSY population.

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 fluid and cursive, with the first name "Henry" and last name "Mack" clearly legible.

Henry Mack, Ed.D.
Assistant Secretary

Enclosures

cc: Patrick Bertagnolli, Executive Director, Job Services North Dakota
M. Frank Stluka, Dallas Acting Regional Administrator, ETA
Sean Fells, Federal Project Officer, ETA

North Dakota 2026 WIOA State Plan Modification Waiver Requests

The State of North Dakota is requesting an extension of the following two waivers for use with PY 26, and PY 27 funds:

1. Section 129 (a)(4)(A) and 20 CFR 681.410, which requires not less than 75% of funds allotted to states under Section 127(b)(1)(C), reserved under Section 128(a), shall be used to provide youth workforce investment activities for Out-of-School youth.
2. North Dakota is requesting a waiver to reduce the 75% funding requirement for out-of-school youth to 50%.

Strategies and Goals:

- Allow flexibility to provide services for In-School Youth to complete secondary education, enter post-secondary education, or enter the workforce.
 - Allows ND to be responsive and agile to support all youth for access to opportunities for quality, life-long education connected to the future of work.
 - Intended to benefit at-risk youth, regardless of school status, with an emphasis on youth at risk of dropping out of High School, GED, alternative, and post-secondary education programs.
 - Address the talent pipeline shortages faced by many employers by ensuring the State's youth have the skills and preparation needed to enter the workforce and become contributing members of the local and State economy.
 - Allow the State to expand opportunities for recruitment and enrollment of at-risk In-School Youth who could benefit from the services of the workforce system.
 - Allow the State to serve Out-of-School Youth and In-School Youth in a way that best meets the needs of the local workforce areas according to populations, resources, and other labor market factors.
2. 20 CFR 681.550, to allow WIOA individual training accounts for in-school youth.

Strategies and Goals:

- Increase post-secondary options to disadvantaged In-School Youth
- Increase WIOA youth program participants' access to innovative student retention strategies including dual college enrollment, occupational training, pre-apprenticeship and/or registered apprenticeship programs.
- Ensure that at-risk In-School Youth do not fall into a regulatory gap that could prevent them from receiving the education and training necessary to secure meaningful work and economic self-sufficiency and supports WIOA's goals to expand program options, increase program flexibility and enhance customer choice
- Encouraging transition of youth to postsecondary education and supporting entry into career pathways, including those with low skill levels

North Dakota 2026 WIOA State Plan Modification Waiver Requests

- Increase the number of WIOA youth program participants that utilize an ITA to receive an industry recognized and/or some other postsecondary credential, thereby increasing both credential attainment and MSG performance accountability measures

North Dakota does not have statutory or regulatory barriers related to either of these waiver requests.

Strategies and Goals Waiver #1:

- Allow flexibility to provide services for In-School Youth to complete secondary education, enter post-secondary education, or enter the workforce.
- Allows ND to be responsive and agile to support all youth for access to opportunities for quality, life-long education connected to the future of work.
- Intended to benefit at-risk youth, regardless of school status, with an emphasis on youth at risk of dropping out of High School, GED, alternative, and post-secondary education programs.
- Address the talent pipeline shortages faced by many employers by ensuring the State's youth have the skills and preparation needed to enter the workforce and become contributing members of the local and State economy.
- Allow the State to expand opportunities for recruitment and enrollment of at-risk In-School Youth who could benefit from the services of the workforce system.
- Allow the State to serve Out-of-School Youth and In-School Youth in a way that best meets the needs of the local workforce areas according to populations, resources, and other labor market factors.

Strategies and Goals Waiver #2:

- Increase post-secondary options to disadvantaged In-School Youth
- Increase WIOA youth program participants' access to innovative student retention strategies including dual college enrollment, occupational training, pre-apprenticeship and/or registered apprenticeship programs
- Ensure that at-risk In-School Youth do not fall into a regulatory gap that could prevent them from receiving the education and training necessary to secure meaningful work and economic self-sufficiency and supports WIOA's goals to expand program options, increase program flexibility and enhance customer choice
- Encouraging transition of youth to postsecondary education and supporting entry into career pathways, including those with low skill levels
- Increase the number of WIOA youth program participants that utilize an ITA to receive an industry recognized and/or some other postsecondary credential, thereby increasing both credential attainment and MSG performance accountability measures

North Dakota 2026 WIOA State Plan Modification Waiver Requests

Results for PY24:

PY24 began with implementing the approved Youth waivers. Procedures were updated to reflect available Individual Training Accounts (ITAs) for ISY along with up to 25% more funds available for ISY training. As schools and ISY became aware of the opportunities these waivers provided, WIOA case advisors began enrolling ISY into postsecondary training.

Waiver 1: Preliminary findings show a marked decrease of Adult funds used for ISY. The Adult program retained approximately \$80,000. This was a welcome result as the Adult program is the largest target population in North Dakota, and this funding stream experiences a funding hold almost every year as available funds run low before the next year's funds become available. A direct effect is a decrease in Adult funding hold timeframe.

Waiver 2: WIOA advisors commented on greater flexibility provided through this approach. They see an enhanced seamless process for ISY allowing more time to develop trusting relationships, assess, and implement employment plans for those going on to postsecondary education. This approach provides greater flexibility and agility to serve North Dakota Youth regardless of school status. Another commenter states these waivers are a “game-changer” for ISY in rural areas, allowing for more opportunities and access to training programs.

Working with out-of-school youth (OOSY) often feels rushed when their goals are to begin postsecondary training programs as soon as possible. Youth have a start date in mind for a training program before they begin the process of eligibility, enrollment or assessment. WIOA case advisors find it is much more difficult to work through the processes with OOSY that take some time and help the youth to maintain their enthusiasm for the training program.

Preliminary statistics show a total of 15 ISY enrolled in postsecondary using ITAs.

- 80% completed the training program
- 100% who completed the training program earned a credential
- 100% who exited the program earned at least one MSG

This demonstrates an increase for ISY compared to PY24/23 in overall Y measures

WIOA advisors commented on greater flexibility provided through this approach. They see an enhanced seamless process for ISY allowing more time to develop trusting relationships, assess, and implement employment plans for those going on to postsecondary education. This approach provides greater flexibility and agility to serve North Dakota Youth regardless of school status. Another commenter states these waivers are a “game-changer” for ISY in rural areas, allowing for more opportunities and access to training programs.

Working with out-of-school youth (OOSY) often feels rushed when their goals are to begin postsecondary training programs as soon as possible. Youth have a start date in mind for a training program before they begin the process of eligibility, enrollment or assessment. WIOA case advisors find it is much more difficult to work through the processes with OOSY that take some time and help the youth to maintain their enthusiasm for the training program.

North Dakota 2026 WIOA State Plan Modification Waiver Requests

Preliminary statistics show a total of 15 ISY enrolled in postsecondary using ITAs.

- 80% completed the training program
- 100% who completed the training program earned a credential
- 100% who exited the program earned at least one MSG

This is an increase for ISY performance measures compared to PY24/23.

Early assumptions:

- Both waivers allow for more seamless services for ISY
- Results show improved measures of credentials and MSGs captured
- ISY who go directly to postsecondary training programs may be more likely to complete their training programs with a continuation of services

WAIVER REQUEST 1: 20 CFR 681.550 – Individual Training Account Usage for In-School Youth (ITAs for ISY)

US DOL ETA waiver reviewers request the following clarification and additional information:

1. Provide a separate narrative for ITAs for ISY waiver request

This waiver aims to expand post-secondary options for disadvantaged In-School Youth by increasing access to innovative student retention strategies such as dual enrollment, occupational training, and pre-apprenticeship or registered apprenticeship programs. It seeks to ensure that opportunity youth do not fall into regulatory gaps that could limit their ability to obtain the education and training needed for meaningful employment and economic self-sufficiency, while supporting broader goals of expanding program options, enhancing flexibility, and improving customer choice. The approach also encourages successful transitions into postsecondary education and entry into career pathways, including for youth with lower skill levels. Additionally, it promotes greater use of Individual Training Accounts (ITAs) among participants to obtain industry-recognized or other postsecondary credentials, thereby improving credential attainment and measurable skill gains (MSG) performance outcomes.

2. Detail specific, quantifiable projected programmatic outcomes

A. Youth funds in the amount of \$80,000 will be used for Youth ITAs. This is a benefit to the WIOA Adult program as Adult funding will not need to be used with this waiver. The Adult funding stream experiences a funding hold almost every year as available funds run low before the next year's allocation becomes available. This provides a direct benefit in the Adult funding hold timeframe.

B. A continuation of this waiver will result in the following:

With waiver for In-School Youth – Individual Training Accounts

PY24 through PYQ32025

- 30 enrolled (Enrolled as Youth rather than Adults)
- 12 of 16 (75%) completed training
- Q2 Wages - \$7679.85 avg, \$10,379.58 Mean wage
- Q4 Wages – Not yet available (just one wage available)

3. Describe how oversight and monitoring will be accomplished

Job Service ND state level staff monitor WIOA program services and activities at the Job Service Workforce Centers annually. WIOA youth files are sampled and reviewed for compliance with federal WIOA regulations, and Job Service WIOA Youth program policy

ND Response to 1st Additional Info Request 7May2026

and procedure directives. All documents required for monitoring and data validation are stored electronically within the document management module of Geographic Solutions. Results and recommendations of the monitoring are reviewed with the Job Service Workforce Center managers and supervisors. A written report identifying deficiencies and recommendations for improvement is disseminated for a response and if warranted, corrective action. This monitoring enables WIOA Youth coordinators to readily see how well Job Service Workforce Centers are performing in case management and where improvements may be needed.

Desk reviews include regular monitoring of participant WIOA Youth program expenditures. The process of monitoring expenditures includes pulling a sample of payments from all the quarterly payments made on behalf of WIOA Youth program participants. Documents justifying payments are uploaded into the document management module of the virtual one stop system. The results of the review are documented and compiled in a formal report and disseminated to the WIOA managers and supervisors for response and as warranted, corrective action.

4. Note how previously projected outcomes compare to new projected outcomes for comparison

For comparison purposes, compare the following to statistics directly above in 2B.

Prior to waiver for In-School Youth – Individual Training Accounts

PY 22/23

- 0 Training enrollments for In-School Youth
- 4 Youth enrolled as eligible Adults

WAIVER REQUEST 2: WIOA Section 129(a)(4)(A) and 20 CFR 681.410 – Out-Of-School Youth Expenditure (75% for OSY)

US DOL ETA waiver reviewers request the following clarification and additional information:

1. Provide a separate narrative for Out-of-School Youth Expenditure Waiver

This waiver allows for the reduction of Out-of-School Youth Expenditures from 75% to 50%, thus providing additional funding for the In-School Youth population. It adds greater flexibility in providing services to In-School Youth, supporting their completion of secondary education, transition into postsecondary education, or entry into the workforce. It enables North Dakota to remain responsive and adaptable in offering all youth access to quality, lifelong education aligned with the future of work. The approach is designed to benefit at-risk/opportunity youth regardless of school status, with particular emphasis on those at risk of dropping out or participating in GED, alternative, or postsecondary education programs.

It helps address talent pipeline shortages by ensuring youth are equipped with the skills and preparation needed to contribute to the state and local economy. Additionally, it expands opportunities for recruiting and enrolling at-risk/opportunity, In-School Youth into workforce services and allows the state to serve both In-School and Out-of-School Youth in ways that best reflect local workforce needs, population dynamics, available resources, and labor market conditions.

2. Detail specific, quantifiable projected programmatic outcomes

Comparing PY 24 to PY 22/23, this waiver has resulted in the following youth expenditures:

- a. PY 24 – Youth funding to support current Training expenditures: \$220,987.04
- b. PY 24 – Youth funding for current Support Services: \$70,234.02

The current Training costs of \$220,987.04 provides savings to the Adult program funding. These expenditures would have come from the WIOA Adult program for those eligible, if this waiver were not in place. In a minimally funded state, like ND that runs out of Adult funding each year, this is an extremely important issue. The ability to fund Training activities from Youth funds makes a tremendous difference to WIOA Adult program participants.

In addition, the flexibility this waiver provides allows for a balanced budget for In-School Youth versus Out-of-School Youth funding.

3. Describe how oversight and monitoring will be accomplished

Monitoring of WIOA Youth program expenditures occurs at various points in the case management process: 1) At the point a payment is allocated all required documents must be submitted and reviewed by state level staff. 2) Support Services monitoring occurs where the process of monitoring expenditures includes pulling a sample of payments from all the

ND Response to 1st Additional Info Request 7May2026

quarterly payments made on behalf of WIOA Youth program participants. Documents justifying payments are uploaded into the document management module of the virtual one stop system. The results of the review are documented and compiled in a formal report and disseminated to the WIOA managers and supervisors for response and as warranted, corrective action. 3) Review of financial expenditures reported to DOL on required intervals.

4. Note how previously projected outcomes to compare to new projected outcomes for comparison]

Prior to receiving this waiver, the following were the Training and support service expenditures for PY 22/23.

- PY 22/23 Training expenditures: \$24,860.11
- PY 22/23 Support Services expenditures: \$2,200

This waiver resulted in a higher concentration on the Youth program overall. An additional benefit of this concentration resulted in increased in Youth Work Experience activities as follows:

Work Experience - including On-the-Job Training

- April 2024 – 35 participants
- April 2026 – 58 participants

WAIVER REQUEST 1: 20 CFR 681.550 – Individual Training Account Usage for In-School Youth (ITAs for ISY)

US DOL ETA waiver reviewers request the following clarification and additional information:

1. Provide a separate narrative for ITAs for ISY waiver request

This waiver aims to expand post-secondary options for disadvantaged In-School Youth by increasing access to innovative student retention strategies such as dual enrollment, occupational training, and pre-apprenticeship or registered apprenticeship programs. It seeks to ensure that opportunity youth do not fall into regulatory gaps that could limit their ability to obtain the education and training needed for meaningful employment and economic self-sufficiency, while supporting broader goals of expanding program options, enhancing flexibility, and improving customer choice. The approach also encourages successful transitions into postsecondary education and entry into career pathways, including for youth with lower skill levels. Additionally, it promotes greater use of Individual Training Accounts (ITAs) among participants to obtain industry-recognized or other postsecondary credentials, thereby improving credential attainment and measurable skill gains (MSG) performance outcomes.

2. Detail specific, quantifiable projected programmatic outcomes

A. Youth funds in the amount of \$80,000 will be used for Youth ITAs. This is a benefit to the WIOA Adult program as Adult funding will not need to be used with this waiver. The Adult funding stream experiences a funding hold almost every year as available funds run low before the next year's allocation becomes available. This provides a direct benefit in the Adult funding hold timeframe.

B. A continuation of this waiver will result in the following:

With waiver for In-School Youth – Individual Training Accounts

PY24 through PYQ32025

- 30 enrolled (Enrolled as Youth rather than Adults)
- 12 of 16 (75%) completed training
- Q2 Wages - \$7679.85 avg, \$10,379.58 Mean wage
- Q4 Wages – Not yet available (just one wage available)

3. Describe how oversight and monitoring will be accomplished

Job Service ND state level staff monitor WIOA program services and activities at the Job Service Workforce Centers annually. WIOA youth files are sampled and reviewed for

ND Response to 2nd Additional Info Request 19May2026

compliance with federal WIOA regulations, and Job Service WIOA Youth program policy and procedure directives. All documents required for monitoring and data validation are stored electronically within the document management module of Geographic Solutions. Results and recommendations of the monitoring are reviewed with the Job Service Workforce Center managers and supervisors. A written report identifying deficiencies and recommendations for improvement is disseminated for a response and if warranted, corrective action. This monitoring enables WIOA Youth coordinators to readily see how well Job Service Workforce Centers are performing in case management and where improvements may be needed.

Desk reviews include regular monitoring of participant WIOA Youth program expenditures. The process of monitoring expenditures includes pulling a sample of payments from all the quarterly payments made on behalf of WIOA Youth program participants. Documents justifying payments are uploaded into the document management module of the virtual one stop system. The results of the review are documented and compiled in a formal report and disseminated to the WIOA managers and supervisors for response and as warranted, corrective action.

4. Note how previously projected outcomes to compare to new projected outcomes for comparison

For comparison purposes, compare the following to statistics directly above in 2B.

Prior to waiver for In-School Youth – Individual Training Accounts

PY 22/23

- 0 Training enrollments for In-School Youth
- 4 Youth enrolled as eligible Adults

5. Projected outcome data for the ITA Waiver for In-School Youth

- A. Specific projected (expected/planned) outcomes (e.g., percentage increase, number increase, etc.)
- Increase in ISY ITA Participation
 - PY 23 - 3 Participants
 - PY 24 - 14 Participants
 - PY 25 - 24 Participants
 - PY 26 - 31 Participants

WAIVER REQUEST 2: WIOA Section 129(a)(4)(A) and 20 CFR 681.410 – Out-Of-School Youth Expenditure (75% for OSY)

US DOL ETA waiver reviewers request the following clarification and additional information:

1. Provide a separate narrative for Out-of-School Youth Expenditure Waiver

This waiver allows for the reduction of Out-of-School Youth Expenditures from 75% to 50%, thus providing additional funding for the In-School Youth population. It adds greater flexibility in providing services to In-School Youth, supporting their completion of secondary education, transition into postsecondary education, or entry into the workforce. It enables North Dakota to remain responsive and adaptable in offering all youth access to quality, lifelong education aligned with the future of work. The approach is designed to benefit at-risk/opportunity youth regardless of school status, with particular emphasis on those at risk of dropping out or participating in GED, alternative, or postsecondary education programs.

It helps address talent pipeline shortages by ensuring youth are equipped with the skills and preparation needed to contribute to the state and local economy. Additionally, it expands opportunities for recruiting and enrolling at-risk/opportunity, In-School Youth into workforce services and allows the state to serve both In-School and Out-of-School Youth in ways that best reflect local workforce needs, population dynamics, available resources, and labor market conditions.

2. Detail specific, quantifiable projected programmatic outcomes

Comparing PY 24 to PY 22/23, this waiver has resulted in the following youth expenditures:

A. PY 24 – Youth funding to support current Training expenditures: \$220,987.04

B. PY 24 – Youth funding for current Support Services: \$70,234.02

The current Training costs of \$220,987.04 provides savings to the Adult program funding. These expenditures would have come from the WIOA Adult program for those eligible, if this waiver were not in place. In a minimally funded state, like ND that runs out of Adult funding each year, this is an extremely important issue. The ability to fund Training activities from Youth funds makes a tremendous difference to WIOA Adult program participants.

In addition, the flexibility this waiver provides allows for a balanced budget for In-School Youth versus Out-of-School Youth funding.

3. Describe how oversight and monitoring will be accomplished

Monitoring of WIOA Youth program expenditures occurs at various points in the case management process: 1) At the point a payment is allocated all required documents must be submitted and reviewed by state level staff. 2) Support Services monitoring occurs where the process of monitoring expenditures includes pulling a sample of payments from all the quarterly payments made on behalf of WIOA Youth program participants. Documents justifying payments are uploaded into the document management module of the virtual one

ND Response to 2nd Additional Info Request 19May2026

stop system. The results of the review are documented and compiled in a formal report and disseminated to the WIOA managers and supervisors for response and as warranted, corrective action. 3) Review of financial expenditures reported to DOL on required intervals.

4. Note how previously projected outcomes to compare to new projected outcomes for comparison]

Prior to receiving this waiver, the following were the Training and support service expenditures for PY 22/23.

- A. PY 22/23 Training expenditures: \$24,860.11
- B. PY 22/23 Support Services expenditures: \$2,200

This waiver resulted in a higher concentration in the Youth program overall. An additional benefit is the increased in Youth Work Experience activities as follows:

Work Experience - including On-the-Job Training

- A. April 2024 – 35 participants
- B. April 2026 – 58 participants

5. Projected outcome data for the Out-Of-School Youth Expenditure waiver request.

- A. Specific projected (expected/planned) outcomes (e.g., percentage increase, number increase, etc.)
 - Increase in ISY Participation
 - PY 23 - 10 Participants
 - PY 24 - 36 Participants
 - PY 25 - 44 Participants
 - PY 26 - 51 Participants
- B. Describe projected (expected/planned) results for youth in work experience along with prior results for youth in work experience.
 - PY 23 - 12 WEX Participants
 - PY 24 - 17 WEX Participants
 - PY 25 - 24 WEX Participants
 - PY 26 - 31 WEX Participants
- C. Reduction in Out of School Youth Expenditures
 - PY 24 was reduced by \$221,751.25
 - PY 25 was reduced by \$110,875.63
 - PY 26 projected reduction of \$200,000

