U.S. Department of Labor

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

May 18, 2026

The Honorable Henry McMaster
Governor of South Carolina
State House
1100 Gervais Street
Columbia, SC 29201

Dear Governor McMaster:

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 9, 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. 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).

<u>Requested Waiver</u>: Waiver of the obligation of eligible training providers (ETP) 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.

<u>ETA Response</u>: ETA does not approve this waiver. As communicated in the previous response for this waiver request, dated July 7, 2021, and Training and Employment Guidance Letter (TEGL) No. 08-19: *Workforce Innovation and Opportunity Act (WIOA) Title I Training Provider Eligibility and State List of Eligible Training Providers (ETPs) and Programs*, ETA discontinued state use of this waiver effective June 30, 2021.[1] ETA further communicated in TEGL No. 05-25: *Maximizing Innovation in Workforce Innovation and Opportunity Act Programs*, that "ETA will not support waiver requests that do not advance the administration's key priorities, such as waivers of performance outcomes of participants and training providers." ETA acknowledges that collecting and reporting data on all students creates additional reporting responsibilities for WIOA training providers; however, public workforce system customers deserve quality training with proven success for positive outcomes. The information WIOA requires is one of the few mechanisms available in government to identify which training provider programs truly make a difference. The State must report all student performance information in the Program Year 2025 report, which is due to ETA on October 1, 2026.

[1] Employment and Training Administration. TEGL No. 08-19: Workforce Innovation and Opportunity Act (WIOA) Title I Training Provider Eligibility and State List of Eligible Training Providers (ETPs) and Programs. https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5389. Published January 2, 2020.

ETA staff will continue to work with South Carolina to provide technical assistance to help overcome the data collection and reporting challenges, with the end goal of ensuring that all states have systems in place to report on all required data elements. ETA guidance issued in TEGL No. 08-19 and TEGL No. 03-18, *ETP Guidance under the Workforce Innovation and Opportunity Act*, provides implementation suggestions for building a quality ETP list and recommendations for reporting.[2]

If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

Henry Mack, Ed.D.
Assistant Secretary

Enclosures

cc: William Floyd, Executive Director, South Carolina Department of Employment and Workforce
Renata Adjibodou, Regional Administrator, ETA
Latanya Lowery, Federal Project Officer, ETA

[2] Employment and Training Administration. TEGL No. 03-18, *Eligible Training Provider (ETP) Guidance under the Workforce Innovation and Opportunity Act*. https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3527. Published August 31, 2018.

The State of South Carolina seeks approval of the following statutory and regulatory waiver in accordance with the Secretary’s waiver authority outlined in Section 189(i)(3)(A) of the WIOA and 20 CFR and 679.600. This waiver request will assist South Carolina in delivering high-quality training programs and achieving better outcomes while continuing to focus on accountability, transparency, and consumer choice.

Statutory and/or Regulatory Requirements the State Requests to Waive:

WIOA Sections 116 and 122, and at 20 CFR 677.230 and 20 CFR 680.400 thru 680.530 requires states to collect and report performance data on all-students participating in training programs listed on the state's ETPL. The State of South Carolina is requesting a waiver of this requirement for Program Years (PYs) 2025 through 2027.

Actions the State has Undertaken to Remove State or Local Barriers:

There are no state or local statutory or regulatory barriers to implementing the requested waiver. South Carolina's regulations and policies are in compliance with current federal law.

South Carolina is requesting a waiver to exempt Eligible Training Providers (ETPs) from the requirement to report performance information for all-students in each approved program of study on the state's ETPL. While South Carolina acknowledges the importance of monitoring performance of the ETPL, data of students who do not receive WIOA support is not relative to WIOA program performance. Without a waiver of the requirement to collect and report performance related data on all-students participating in training programs, South Carolina will be forced to remove all ETPs and their programs of study from the state's ETPL that fail to submit the required data.

To ensure compliance with the priorities set by USDOL and to maintain alignment with current regulations, South Carolina has continued to enhance its ETPL in accordance with the WIOA regulations and performance reporting standards. PATh improves consumer choice by featuring 83 ETPs and 595 programs of study. Additionally, South Carolina has 120 Registered Apprenticeship sponsors, offering 197 occupational training programs. Enhancements made to PATh include the publication of individual program performance data for WIOA participants, as well as outcomes for all-student participants during PY 2022 through 2024. These reports provide detailed information on training completion rates, employment outcomes, median wages, and credential attainment for approved training providers and their programs of study. Updated annually, these resources serve as valuable tools for participants, students, jobseekers, and employers, helping them make informed training decisions. Furthermore, local workforce development areas utilize this information to determine which programs of study should receive funding based on local training needs.

The removal of ETPs and their programs of study will reduce consumer choice, hinder our ability to train the workforce, and negatively impact the effectiveness of WIOA. Due to the reduction of ETPs and their programs of study, we anticipate that the Individual Training Account (ITA) exceptions mentioned in 20 CFR 680.320 will become the standard practice, which would undermine the progress South Carolina has made in publicly displaying program performance data.

As an illustration of the ongoing negative impact that this federal mandate has on ETPs, South Carolina's 16 technical colleges play an important role in local workforce development strategies and often serve as the primary training providers in our rural communities. However, many of the state's technical colleges have expressed concerns about the challenges of collecting and reporting data on the all-student population and as a result many of the state's technical colleges have withdrawn from or significantly reduced the number of programs of study, they offer to WIOA participants.

At the conclusion of PY 2020, before the USDOL discontinued the use of waivers for states regarding all-student data reporting, all 16 of South Carolina's technical colleges were approved as ETPs, offering approximately 67% (721 out of 1,072) of programs of study on the state's ETPL. However, at the end of PY 2021, after the expiration of the all-student data reporting waiver, the number of technical colleges approved as ETPs were reduced to 11 out of 16, with those colleges offering 46% (325 out of 709) of programs of study on the ETPL. By the end of PY 2022, 11 out of the 16 state technical colleges in South Carolina participated as ETPs, offering 44% (327 out of the 737) of programs of study listed on the ETPL. By the end of PY 2023, 11 out of the 16 state technical colleges in South Carolina participated as ETPs, offering 43% (293 out of the 683) of programs of study listed on the ETPL. Finally, at the conclusion of PY 2024, only 10 out of the 16 state technical colleges participated as ETPs, providing 37% (221 out of the 595) of programs of study listed on the ETPL. This represents a 69% decrease (221 out of 721) in the number of technical college programs of study over a five-year period.

At the end of PY 2024, it was estimated that 198 of the 595 programs of study, 33% in continued eligibility status, would be denied inclusion on the ETPL due to the all-student data reporting requirement. Approximately 39% (32 out of 83) of ETPs, including nine technical colleges, would have one or more programs of study denied inclusion on the ETPL if all-student data reporting is enforced. The removal of these ETPs would place a significant burden on local workforce development areas to provide quality and cost-effective training and would be limiting to consumer choice. Consequently, local areas may be compelled to rely on ITA exceptions, which could hinder the progress South Carolina has made in collecting and displaying program performance data. *Please note that the quantities provided are based on all training providers and programs of study that were published in South Carolina's ETPL, regardless of whether they submitted student Social Security Numbers in their performance data. Therefore, these values will not equate to those reported in the USDOL's Employment & Training Administration 9171.*

South Carolina's situation is unique, as the state's technical colleges receive funding for workforce training through other state training funds, such as the South Carolina Workforce Industry Needs Scholarship (SC WINS). This state-funded program is designed to address workforce shortages in the state. Residents of South Carolina pursuing training in a high-demand occupations can receive up to $5,000 per academic year to help cover tuition, fees, and related expenses at technical colleges. The General Assembly requires colleges within the South Carolina Technical College System to provide annual data to ensure compliance with educational and financial accountability resulting from this funding. It is important to note that many students at these technical colleges do not participate in WIOA, and the demand for WIOA funding is usually low. This situation, combined with the all-student reporting mandate, creates additional ongoing reporting burdens for the technical colleges that disincentivizes participation on the ETPL.

With the release of the USDOL's, Commerce's, and Education's published report, *America's Talent Strategy: Equipping American Workers for the Golden Age*, and the subsequent release of Training and Employment Guidance Letter (TEGL) NO. 05-25, *Maximizing Innovation in Workforce Innovation and Opportunity Act Programs*, South Carolina is requesting that the Department reconsider its previous stance regarding the request to waive the requirement to report performance data on all-students participating in training programs listed on the state's ETPL, due to the waivers relevancy to the following strategic pillars for America's workforce system:

- *Industry Driven Strategies* – This pillar speaks to aligning eligible training programs to career pathways within the state or regional economy. However, the all-student data reporting requirement has and will continue to discourage programs that support this vision from participating on the ETPL due to the unnecessary burden of reporting all student data.
- *Accountability* – This pillar speaks to delivering measurable and transparent results for jobseekers and employers and further provides that ineffective training providers will be removed from public funding lists and new funding models will tie resources to outcomes. South Carolina's proposed model echoes this sentiment but highlights the utilization of federal program participant data that is tracked and documented in our case management system rather than the provider reported all-student data. Additionally, the waiver highlighted in TEGL 05-25, that allows for all training services to be provided through training contracts, takes flexibility significantly further than the utilization of the all-student data waiver. South Carolina's waiver model upholds accountability, transparency, and consumer choice through the collection, display and provider comparison of WIOA student data. Whereas the utilization of contracts creates a loophole to the all-student data reporting requirement and completely abolishes accountability, transparency, and consumer choice.
- Under this waiver, South Carolina will continue to collect and report performance data for all WIOA funded participants as outlined in 20 CFR 677.230.

Projected Programmatic Outcomes Resulting from Implementation of the Waiver

South Carolina is seeking to reduce the burden on ETPs regarding the requirement to collect and report performance-related data for all students in a program of study listed on the state's ETPL. By limiting the reporting obligations to only those participants who are funded by the WIOA, ETPs will save a significant amount of time. This allows ETPs to focus on delivering high-quality training programs and achieving better outcomes.

Additionally, this waiver creates several benefits:

- Increased availability and variety of training options for individuals utilizing an ITA through the state's workforce system, leading to greater consumer choice.
- Improved utilization of the ETPL by participants pursuing training through ITAs.
- A wider selection of ETPs may result in lower training cost and more demand-driven occupational training options.
- Improved capacity for Local Workforce Development Boards to respond quickly and effectively to the immediate needs of local employers and jobseekers by offering training programs related to the high-growth and in-demand industries through the ETPL.

Individuals, Groups, or Populations Impacted by the Waiver

This waiver positively impacts all stakeholders involved. This ensures that South Carolina can continue to offer high-quality, in-demand training services that meet the needs of employers, workers, and jobseekers. Recent trends regarding the workforce skill gap in the rural counites of South Carolina as defined by the U.S. Department of Agriculture, indicate that there are over 700 skill types in which candidates from these counites are lacking in relation to the openings that necessitate those skills. If this waiver is not granted, ETPs will continue to withdraw or be removed from the ETPL, limiting consumer choice across South Carolina, particularly in rural areas where access to in-demand training is already limited.

Monitoring Waiver Implementation

- South Carolina will continue to collect and report WIOA funded participant data annually to the USDOL.
- Annual WIOA on-site reviews will include an evaluation of how waivers are impacting local programs to ensure programmatic goals and outcomes are being met.
- Personnel responsible for administering the ETPL and Performance and Reporting will regularly evaluate the relevance and effectiveness of this waiver.
- ETPs will have the option to submit and will be encouraged to submit student data for all students if they choose to do so.

Notice to Local Workforce Development Boards and Public Comment

South Carolina’s Combined State Plan is subject to the requirements outlined in the WIOA Regulations at 20 CFR 676.143(c)(1) for public review and comment. Any comments received have been attached with the submission of this plan.

WIOA § 129(a)(4)(A) and 20 CFR § 681.410 requires local workforce development areas (LWDAs) to use a minimum of 75 percent of WIOA youth funds on out-of-school youth (OSY).To increase flexibility, reach performance goals, and increase services to eligible in-school youth (ISY), DEW has requested and been granted a waiver of the 75 percent OSY expenditure requirement by the US Department of Labor (DOL). Effective July 1, 2022, this waiver reduces SC’s obligation for OSY expenditures to 50 percent for Program Years 2022 and 2023. South Carolina is not requesting any additional waivers at this time.