

**U.S. Department of Labor**

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



March 19, 2021

The Honorable Kristi Noem  
Governor of South Dakota  
500 East Capitol Avenue  
Pierre, SD 57501

Dear Governor Noem:

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 January 12, 2021. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that South Dakota will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by South Dakota 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).

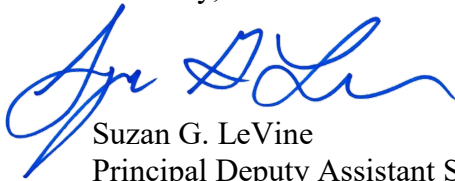
Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the state and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY).

ETA Response: ETA approves for Program Year (PY) 2021, which includes the entire time period for which states are authorized to spend PY 2021 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 South Dakota to implement its plan to improve the workforce development system. Approval of this waiver for PYs 2019 and 2020 WIOA youth funds remains in effect.

In addition, ETA approves for PY 2021, which includes the entire time period for which states are authorized to spend PY 2021 funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. South Dakota 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 that 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. Approval of this waiver for PYs 2019 and 2020 WIOA youth funds remains in effect.

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,



Suzan G. LeVine  
Principal Deputy Assistant Secretary

Enclosure

cc: Marcia Hultman, Cabinet Secretary, South Dakota Department of Labor and Regulations  
Nicholas Lalpui, Dallas/San Francisco Regional Administrator, Employment and Training Administration  
Karrie Gericke, Federal Project Officer, Employment and Training Administration



SOUTH DAKOTA  
DEPT. OF **LABOR**  
& **REGULATION**

**Marcia Hultman, Cabinet Secretary**

Tel: 605.773.5395 | Fax: 605.773.6184 | [dlr.sd.gov](http://dlr.sd.gov)

January 8, 2021

Administrator Nick Lalpui  
U.S. Department of Labor  
525 South Griffith Street, Room 317  
Dallas, TX 75202

Dear Nick,

The State of South Dakota is requesting a waiver from 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. South Dakota is requesting a waiver to reduce the 75% funding requirement for out-of-school youth to 50%. This waiver is currently in effect through June 2021. DLR is seeking this waiver through June of 2022 to align with the waiver to 20 CFR 681.550, allowing WIOA individual training accounts for in-school youth. This extended timeframe also aligns with requirements to update the Workforce Innovation and Opportunity Act (WIOA) State Plan by July of 2022, emphasizing services to students.

A state or local statutory or regulatory barrier to implement the requested waiver does not exist. State of South Dakota regulations and policy statements are in compliance with current federal law.

The South Dakota Workforce Development Council (WDC) has been involved in the development of the 2020 WIOA Unified State Plan. This board has prioritized proactive services to students in the K-12 system. This waiver was also included in the 2020 WIOA Unified State Plan, including the public comment period.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "M. Hultman".

Marcia Hultman  
Cabinet Secretary

## Out-of-School Youth Expenditure Waiver

The State of South Dakota is requesting a waiver from 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. South Dakota is requesting a waiver to reduce the 75% funding requirement for out-of-school youth to 50%. We are seeking this waiver through June of 2022 to align with the priorities listed in our state plan, offer us a sufficient period of time to implement and determine efficacy, and effective dates of the state plan.

There is not a state or local statutory or regulatory barrier to implement the requested waiver. State of South Dakota regulations and policy statements are in compliance with current federal law.

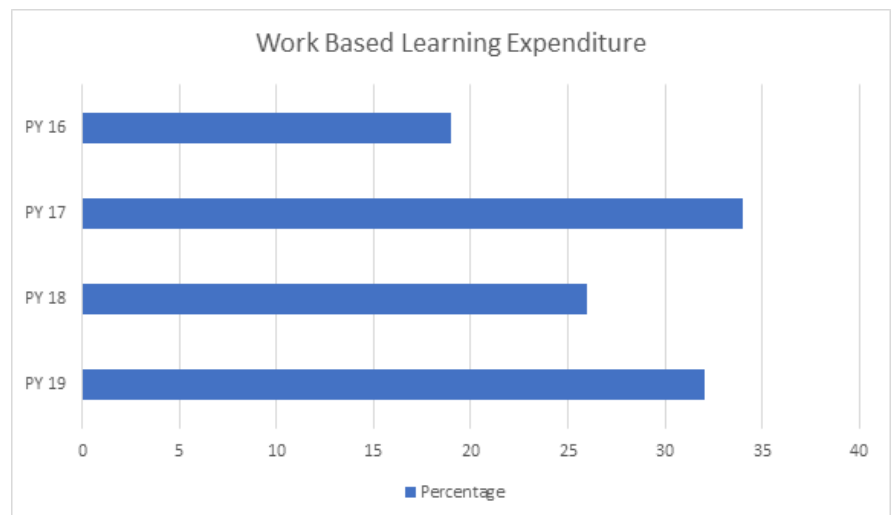
The Workforce Development Council (WDC), has been involved in the development of the 2020 WIOA Unified State Plan. This board has identified proactive services to students in the K-12 system to be a priority. This waiver was also included in the WIOA Unified State Plan public comment period.

In Program Year 2017, the DLR youth efforts became known as Career Launch. Rather than restricting outreach to only those eligible for the WIOA Title I Youth Program, these efforts include engaging with all youth allowing us to better identify those who are eligible. As a result, not only did our Out-of-School participation increase, but our In-School participation increased as well. This waiver has allowed DLR to not only out-of-school youth, but in-school youth as well.

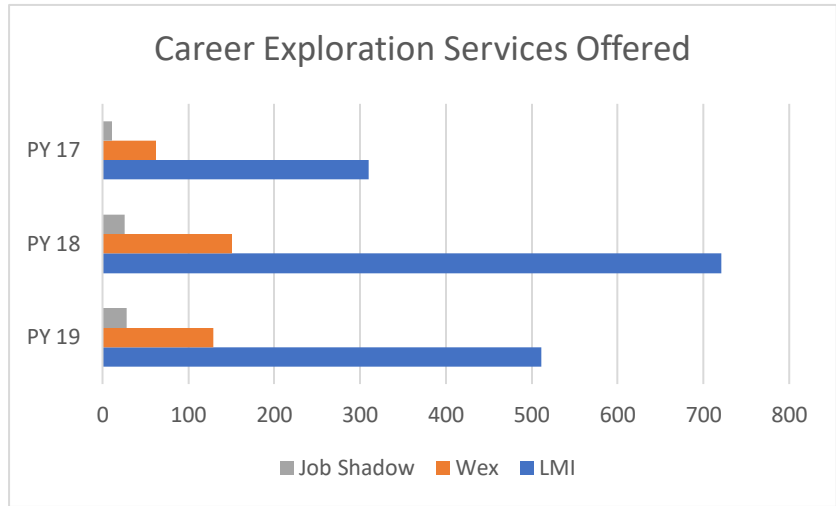
As seen in the WIOA state plan, the expansion of Registered Apprenticeship programs and general awareness of this training option has grown significantly in recent years. Support from the highest level in our state has assisted in these expansion efforts. Through increased public awareness, Registered Apprenticeships have become a viable post-secondary option. This waiver will allow DLR to remove barriers increasing the number of youth able to participate in these Registered Apprenticeship opportunities.

**Goal: Increase career exploration and work-based learning services to youth despite their education status. This includes work experiences, internships, apprenticeships, on-the-job training, and job shadows.**

**Outcome:** Increase in career awareness allows students to make informed decisions about their education and career pathway. In recent years, DLR has increased engagement with students across the state, providing enriching work-based learning experiences and increasing their engagement with business partners. Since implementation of the current waiver in the 2<sup>nd</sup> quarter of Program Year 2018, the South Dakota Title I Youth program has achieved the 20% work-based learning expenditure requirement as identified in WIOA Section 192(c)(4) and 20 CFR 681.590. Continuation of this waiver will allow DLR to continue to reach the 20% work-based learning expenditure requirement.

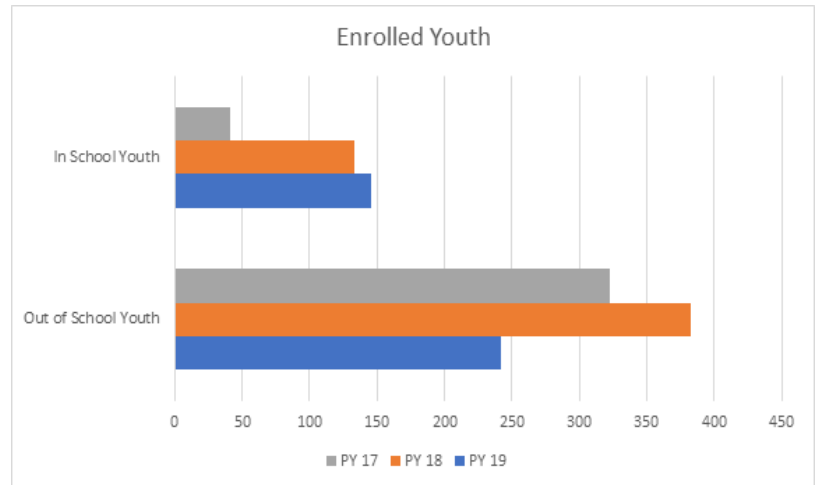


Continuation of this waiver will allow DLR to further partnerships with school districts and provide students in South Dakota with exposure to various employment opportunities and knowledge of workforce needs. DLR staff provide a logical distribution of Wagner-Peyser and Title 1 services as students work towards graduation, post-secondary transition, and meaningful employment. This includes career exploration and work-based learning services which have steadily increased since the implementation of the waiver.

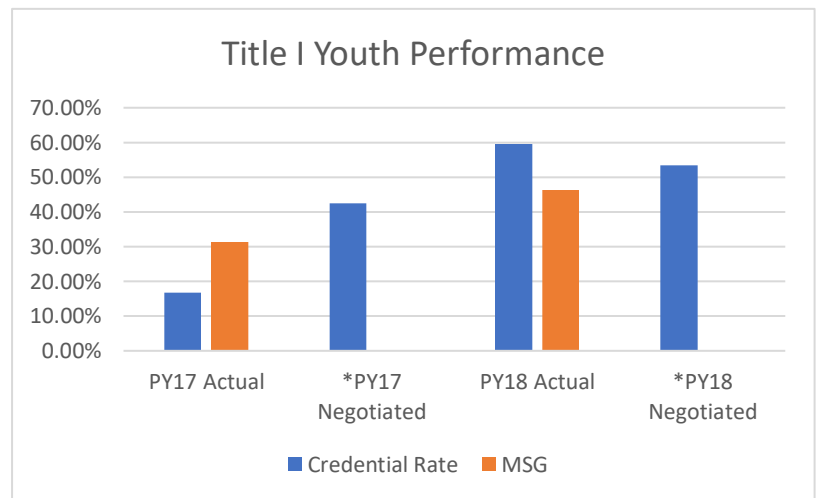


DLR’s partnership with the Department of Education and secondary education providers has improved through implementation of this waiver. This partnership has led to DLR staff providing career exploration information, coordinating work-based learning opportunities, and direct linkage for eligible youth to the WIOA Title I Youth program. This waiver has improved overall visibility in local communities, which has led to both increased recruitment and distribution of services to all youth.

Through increased engagement with the schools in South Dakota, more young adults and educators have become familiar with the WIOA youth program. As a result, participation in our program has increased. Continuation of this waiver will allow DLR to identify those eligible for the program and continue to build program participation. In PY19 DLR experienced a significant reduction in out of school youth largely due to the effects of Covid-19. Participation from the in-school youth population grew slightly signaling a consistent need and engagement from South Dakota’s Schools.



The ability to provide paid work-based learning opportunities has led to greater participant buy-in and enrollment numbers. Since implementation of this waiver, the Measurable Skills Gains (MSG) and credential attainment for the Title I Youth program increased and surpassed negotiated performance as shown in the chart below. Continuation will ensure DLR’s ability to meet negotiated performance levels for the youth program.



\*PY17 & PY18 establishing baseline for MSG

**Monitoring:**

DLR conducts real time monitoring of Title I Youth programs. Through SDWORKS, South Dakota's information management system, DLR ensures quality services are administered through each local job service office. SDWORKS allows monitoring of individual participant performance, local performance, and statewide performance. Through monitoring, staff can review problem areas and highlighting success.

***Goal: Enhance partnerships with schools and businesses to increase youth apprenticeship opportunities.***

**Outcome:**

At the start of 2018, there were 123 Registered Apprenticeship Program (RAP) sponsors with 693 apprentices in South Dakota, primarily in construction and building trades industries, with the most prominent occupations being electricians, plumbers, line installer- repairers and carpenters.

In October 2018, employers were offered an incentive to develop and utilize RAP within their organization. This incentive resulted in the implementation of 14 new Registered Apprenticeship sponsors and three organizations signing Employer Acceptance Agreements with National Apprenticeship Program sponsors. DLR was able to increase the number of programs offered in South Dakota by 15%.

Due to the success of the incentive, a second cohort was brought together to accomplish the same objective. Our efforts have expanded and diversified the types of industries and occupations available, including healthcare, advanced manufacturing, hospitality, and agriculture. In March 2019, an additional 17 programs were registered in industries such as entertainment, veterinary services, information technology, and automotive. By diversifying industry sectors for which RAP are available, we can recruit and serve a greater number of under-represented individuals.

DLR continues to grow opportunities for small-town, rural businesses, and their young community members. In 2020, DLR launched the Pathway Partnership Registered Apprenticeship incentive to build programs that offer students high school credit, post-secondary credit, and RAP on-the-job learning experiences simultaneously. This will allow students to stay in their community while earning a post-secondary education, while at the same time offering employers access to skilled employees.

DLR's connection to the school system and business community allows us to link students with Registered Apprenticeship sponsors. This waiver offers resources to students, who are facing financial hardships, to engage with a Registered Apprenticeship program. Likewise, this waiver offers small, rural businesses a financial incentive to build programs and provide opportunities for participants, which may otherwise be cost prohibitive.

In Program Year 2020, DLR will build four Youth Registered Apprenticeship opportunities for students in the K-12 school system. DLR will increase the number of youth taking part in Registered Apprenticeship activities. DLR is providing technical assistance to the development of these youth opportunities. For this reason, monitoring is on-going. Progress will be provided in the WIOA Annual Narrative Report.