U.S. Department of Labor

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

May 29, 2026

The Honorable Larry Rhoden
Governor of South Dakota
500 East Capitol Ave.
Pierre, SD 57051

Dear Governor Rhoden:

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 requests were received on March 3, 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 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 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 the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of 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 PYs 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 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. 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.

Requested Waiver: Waiver of WIOA Section 129(c)(4) and 20 CFR 681.590(b) to allow local workforce development areas to count both WIOA local youth formula funds and Temporary Assistance for Needy Families (TANF) funds toward the minimum 20 percent expenditure requirement for paid or unpaid work experience.

ETA Response: ETA approves, for PYs 2026 and 2027, which includes the entire time period for which states are authorized to these funds, the State's request to allow local areas in the State to count both WIOA youth and TANF expenditures toward the 20 percent expenditure requirement for paid or unpaid work experience for youth co-enrolled in those programs. 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. In addition to WIOA local youth program funds spent on paid and unpaid work experiences, including wages and staff costs for development and management of work experiences, local areas in South Dakota may include TANF work experience expenditures in both the numerator and denominator to calculate the 20 percent work experience expenditure requirement.

Requested Waiver: Waiver of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for ISY.

ETA Response: ETA approves, for PYs 2026 and 2027, the State's request to waive the requirement limiting ITAs to only OSY, ages 16–24. In addition to these OSY, the State may use ITAs for ISY, ages 16–21. ETA reviewed the State'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.

Requested Waiver: Waiver of WIOA Section 134(d)(2)(a), 20 CFR 680.910 (a)(1), and 20 CFR 680.910 (b) to allow the use of support services for participants within 12 months of exit for employment retention.

ETA Response: ETA approves, for PY 2026 and 2027, the State's request to waive the prohibition on expending WIOA Adult and Dislocated Worker program funds on program participants during the 12-month follow-up period after program exit. ETA reviewed the State's waiver request and has determined the plan to offer short-term supportive services to employed Adult and Dislocated Worker program participants with substantial barriers to employment and job retention, such as those who are ex-offenders, recipients of Supplemental Nutrition Assistance Program or other public assistance benefits, basic skills deficient, and English language learners, to stabilize employment and support the transition from public assistance programs. Receiving public benefits in follow-up will support job retention and the transition into self-sufficiency.

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,

Henry Mack

Henry Mack, Ed.D.
Assistant Secretary

Enclosures

cc: Kendra Ringstmeyer, Workforce Development Division Director, South Dakota Department of Labor & Regulation
M. Frank Stluka, Acting Administrator, ETA
Coreena Miller, Federal Project Officer, ETA

South Dakota – Submitted 3/3/2026

WAIVERS REQUESTED:

Waiver 1: WIOA Section 129(a)(4)(A) and 20 CFR 681.410 – Out-Of-School Youth Expenditure

The State of South Dakota is requesting a waiver from Section129 (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%.

South Dakota is a small state, and the same employment specialists who work the out-of-school youth program also operate the in-school youth program. While still focusing efforts on out-of-school youth, reducing the expected expenditure rate to 50% will provide equal financial opportunities for both populations and minimize confusion for staff. South Dakota's Employment Specialists can concentrate on serving youth participants and less on funding categories. South Dakota DLR has received this waiver for the past six years. Through this waiver, DLR has realized that maintaining youth engagement over a four-year period is a challenge for optimal program performance in credentialing. With this knowledge, our strategy moving forward involves connecting with in-school youth during their junior or senior year when our program can have a deeper impact prior to their exit from high school and entering the workforce.

DLR has also found that in-school connections and programs tend to grow and spend at a higher rate than out-of-school programs. Moving forward, DLR will be strategic in its engagement with in-school youth. The first targeted area for partnership will be with the Department of Social Services' Independent Living Program, offering workforce entry strategies to youth prior to them completing high school and leaving the foster care system. If this partnership goes well and spending is balanced between the two programs, DLR will look to expand into other populations.

Historically, South Dakota DLR faced challenges in meeting the 20% expenditure rate for work experience funding in the youth program. Work experiences have proven to be an easier fit for in-school youth because the service is short-term employment that is set to end. Most out-of-school youth cannot afford to participate in a work experience service, unless it is an on-the-job training, because they need a consistent income to support themselves. In-school youth will likely continue to be supported by their current support system while they attend school and participate in work experiences. DLR will continue to work toward a work experience service with any youth, but being able to lower the expenditure rate for out-of-school youth will allow DLR to offer more work experiences and meet the 20% expenditure requirement.

Waiver 2: WIOA Section 129(c)(4) and 20 CFR 681.590(b) - Allow Local Workforce Development Areas to Count Both WIOA Local Youth Formula Funds and TANF Funds Toward the Minimum 20 Percent Expenditure Requirement for Paid or Unpaid Work Experience

The State of South Dakota is requesting a waiver from WIOA Section 129(c)(4) and 20 CFR 681.590(b) that allows local workforce development areas to count both WIOA local youth formula funds and Temporary Assistance for Needy Families (TANF) funds toward the minimum 20 percent expenditure requirement for paid or unpaid work experience.

Along with targeting our in-school youth foster care referrals with work experiences, South Dakota DLR will also work to offer work experience services to TANF participants who have historically had lower participation in work experience services. South Dakota's low unemployment rate means most individuals can find employment regardless of their background. A shared goal of DLR's youth and TANF programs is to help our participants find better jobs or long-term careers instead of them just finding employment.

By combining the career exploration services that the youth program can provide with either a work experience or on-the-job training, TANF participants can achieve stabilization while working to find their ideal employment. Providing work experiences and on-the-job training will allow for further career exploration to take place to find the long-term solution the programs are working toward.

Allowing TANF on-the-job training funds to count toward the required 20% work experience expenditure will assist South Dakota in meeting that goal, and DLR's youth and TANF programs work toward their shared goal.

Waiver 3: 20 CFR 681.550 – Individual Training Account Usage for In-School Youth

The State of South Dakota is requesting a waiver from 20 CFR 681.550 that allows WIOA Individual Training Accounts (ITAs) for Title I Out-of-School Youth between the ages of 14 and 21.

South Dakota is requesting a waiver to allow the state to provide Title I In-School Youth with WIOA ITAs. The waiver eliminates the disadvantage to enrolling a student in need as an in-school youth. This allows DLR to help those who are in need of assistance to complete their high school education and provide a pathway to post-secondary. In addition, it allows DLR to assist individuals who have started a program of study but have a significant life change that negatively impacts their ability to continue towards their goals. The ultimate goal of this waiver is to provide program flexibility to help youth who need assistance in reaching their employment goals, regardless of their current educational status.

The waiver allows DLR to operate our in-school youth program in alignment with our out-of-school youth program. This eases implementation for a small state like South Dakota, where the same staff work with both in- and out-of-school youth. This waiver will allow staff to focus on the participant and not worry about the program differences between in-school and out-of-school youth. This waiver also allows in-school youth who have been enrolled with us for years to access DLR funds for post-secondary assistance, something some enrollees have been working toward for years.

Waiver 4: WIOA Section 134 (d)(2)(a), 20 CFR 680.910 (a)(1), and 20 CFR 680.910 (b) – Support Services for employed Adult and Dislocated Workers in Follow-up.

The State of South Dakota is requesting a waiver from WIOA Section 134 (d)(2)(a), 20 CFR 680.910 (a)(1), and 20 CFR 680.910 (b), which requires support services to be provided to individuals who are participating in career or training services and are necessary to enable individuals to participate in career service or training activities. DLR is requesting a waiver to allow support services for employed Adults and Dislocated Workers, who were enrolled in WIOA and are in follow-up, as mentioned in America's Talent Strategy: Building the Workforce for the Golden Age.

This waiver would allow the State to continue supporting employed participants during follow-up by addressing barriers that arise once they are no longer receiving benefits, thereby incentivizing career advancement and long-term self-sufficiency. This waiver may allow South Dakota to achieve its employment goals by helping participants maintain employment for longer durations of time, increasing overall after-exit employment rates to meet our projected rates.

LOCAL REGULATORY BARRIERS:

There is no state or local statutory or regulatory barrier to implementing the requested waivers.

WAIVER GOALS:

Waiver 1: WIOA Section 129(a)(4)(A) and 20 CFR 681.410 – Out-Of-School Youth Expenditure

Goal: Maintain the 20% Work Experience Expenditure Requirement.

Maintaining this requirement has always been a focus of the youth program and has historically been a struggle. The majority of our work experience has been spent on in-school youth during the summer and with Job Corps students prior to their exit from Job Corps. Recently, we have switched our focus to growing our out-of-school youth and continuing to serve the in-school youth we already have enrolled. The number of in-school youth has dwindled due to youth completing high school and no longer needing services.

Our other target area for work experiences is to Job Corps. The last few months have seen uncertainty in the future of the Job Corps, so we will need to find a way to increase our work experience funding in other populations.

The plan is to tap into targeted in-school youth populations and provide work experiences that accommodate their school schedule. Likely, this will mean summer employment. Allowing the request waiver will enable us to target summer work experiences for newly enrolled in-school youth and help us make a final push to reach the required amount. Through concentrated efforts, the program made it to 32% in PY24, where PY23 was at 22% and PY22 was at 29%. Work experience holds high value for youth because they gain skills, wages, and experience. Our goal is to maintain 25% or higher with these costs despite the changing demographics we are facing.

Goal: Increase WIOA enrollment for youth currently in or aged out of foster care.

With our focus changing to out-of-school youth, in-school youth enrollments have gone down. One of the populations impacted by this is in-school youth with a connection to the foster care system. In PY22, 13.7% of youth enrollments were in-school youth with Foster Care Connect. Program Year 23 saw this number drop to 5.9%, with the number getting as low as 2% in PY24. By leveraging our current partnership with the South Dakota Department of Social Services Independent Living Program, which case-manages foster care youth, the Career Launch team would work to increase that number. Our goal for PY26 is to have 7% of our total enrollments be in-school youth with a foster care connection. For PY27, our goal would be 11%.

Waiver 2: WIOA Section 129(c)(4) and 20 CFR 681.590(b) - Allow Local Workforce Development Areas to Count Both WIOA Local Youth Formula Funds and Temporary Assistance for Needy Families (TANF) Funds Toward the Minimum 20 Percent Expenditure Requirement for Paid or Unpaid Work Experience

Goal: Increase the number of experiences offered to youth TANF participants.

Likely, youth TANF clients are going to be young parents. They will not have the work history of an older adult, and they have children they need to care for and provide for. By beginning a youth TANF client off in a work experience, they will have the time and ability to work and build a routine of getting their children to daycare and getting themselves to work. They will also have the opportunity to learn how to communicate unexpected absences while they are under the safety of a work experience and have an employment specialist to help coach them through these conversations. These skills can be perfected through a work experience, so that when it comes to full-time employment, or an OJT, they will be more likely to retain that employment. Program year 22 had 11 Youth TANF work experiences, PY23 had one, and PY24 saw a total of six. Our goal for this waiver is to increase the number of work experiences by 25% each program year, from PY24.

Goal: Increase the number of on-the-job trainings for youth TANF participants.

TANF clients participating in on-the-job training (OJT) have seen a decline since the COVID-19 pandemic. The goal of the TANF and youth program at DLR is to increase the number of youth in OJTs. PY24 saw one youth OJT. Our goal is to increase the percentage of youth OJTs by 100% for the next two program years. By entering into OJTs, TANF clients are able to continue to receive assistance through case management and support services as they work their way off TANF benefits.

Waiver 3: 20 CFR 681.550 – Individual Training Account Usage for In-School Youth

Goal: Meet or exceed the negotiated performance measures for measurable skills gains and credentials.

Since PY22, the youth program's measurable skills gains have consistently exceeded the negotiated performance measures by 2% to 6%.

In contrast, achieving the negotiated performance levels for credential attainment has been more challenging. Program Year 22, the youth program fell short of the negotiated rate for credentials by 6.4%. Performance improved in PY23, with only 1.2% below the target. In PY24, the program exceeded the credential attainment measure for the first time by a modest 1.7% margin.

As currently enrolled in-school youth complete high school and leave performance, the denominator will not include this population. This removes a steady source of measurable skills gains and credentials. The remaining population will mainly consist of Job Corps students and GED seekers living on their own. Generally, this population tends to experience instability and lower completion rates, despite everyone's best efforts.

Allowing DLR to utilize ITAs for in-school youth would enable continued support for the currently enrolled in-school youth who are graduating and moving on to post-secondary education or students who need assistance finishing their education. Both populations will increase the overall population for these measures and will assist DLR in meeting or exceeding the negotiated performance measures.

Waiver 4: WIOA Section 134 (d)(2)(a), 20 CFR 680.910 (a)(1), and 20 CFR 680.910 (b) – Support Services for employed Adult and Dislocated Workers in Follow-up.

Goal: Increase Performance for Employment Rates in Q2 and Q4

Providing support services to employed individuals will help with barriers that negatively impact employment. Losing access to transportation, needing new tools or work attire, and a lack of childcare are all potential barriers that may arise during the follow-up period and can cause a loss of employment. We will help individuals with these barriers through support services to prevent employment loss and increase the 2nd- and 4th-quarter after-exit employment rates to more closely meet the proposed level of performance measures. This may, in turn, also lead to lower re-enrollment rates.

WAIVER ALIGNMENT WITH PRIORITIES:

Waiver 1: WIOA Section 129(a)(4)(A) and 20 CFR 681.410 – Out-Of-School Youth Expenditure

The waiver enables the allocation of additional youth funds to provide enrolled in-school youth with paid work experiences. This not only allows them to enhance their skills but also builds a work history and helps them acquire references through work-based learning. Offering work experiences to youth connects them to employers and opportunities they may otherwise not have the ability to find on their own, especially if it is an experience only provided to individuals participating in a work experience program. Establishing a connection with youth in the foster care system during high school enables them to determine a plan for future education and career goals.

Through structured career exploration with DLR staff, youth gain exposure to various fields and receive guidance in processing the information gathered to make informed decisions about their future education and career. This proactive approach empowers youth to make well-informed, long-term decisions at a young age.

By establishing a relationship that supports youth in the foster care system in pursuing their career goals while in high school, the goal is that they continue to work with DLR after they exit the foster care system and disengage from other resources. If they are receiving services that help them work toward education, career, and stability goals while in high school, continuing those services outside of high school will benefit them. Thus, allowing them to start their careers at an earlier age than if they had explored education and careers on their own.

Waiver 2: WIOA Section 129(c)(4) and 20 CFR 681.590(b) - Allow Local Workforce Development Areas to Count Both WIOA Local Youth Formula Funds and TANF Funds Toward the Minimum 20 Percent Expenditure Requirement for Paid or Unpaid Work Experience

DLR assists its youth participants with career exploration services and work experiences as they work to set their education or career goals. Youth TANF participants will have access to support, both financial and practical, through the youth program. This support can assist in finding daycare, creating a routine to make work goals easier, and providing financial support with any costs associated with entering the workforce.

By providing work-based learning opportunities, young parents will be given the chance to learn to communicate with their employers, gain insight into a career that fits their interests and needs and earn subsidized funds while they are still on the TANF program, potentially easing the burden of ceasing TANF benefits with employment. All of this helps lead to stabilization and motivation when it comes time for full-time employment, which can start with a TANF-funded on-the-job training.

Engaging with employers who have young parents specifically teaches employers how to work with this population, which often has needs that crop up unexpectedly. By engaging employers who might not typically hire this population through a work experience or on-the-job training and helping them work through these issues, we are introducing employers to a market they would not have otherwise engaged.

Waiver 3: 20 CFR 681.550 – Individual Training Account Usage for In-School Youth

DLR is addressing skills gaps in the current workforce by providing financial support for occupational skills training in high-wage, high-demand fields for disadvantaged in-school youth. This initiative aims to enhance career advancement prospects for all participants, extending beyond out-of-school youth. With financial assistance and career exploration services from DLR, in-school youth will have improved chances of achieving stronger employment outcomes and meet employers' workforce needs.

Waiver 4: WIOA Section 134 (d)(2)(a), 20 CFR 680.910 (a)(1), and 20 CFR 680.910 (b) – Support Services for employed Adult and Dislocated Workers in Follow-up.

This waiver request is intended to help support the improvement of job and career results. During employment, some barriers may continue to exist or arise over time due to changing circumstances. These barriers could lead to a loss of employment and their progress towards self-sufficiency. By providing support services during the follow-up period after achieving employment, we may work to help hinder the barriers that could cause a loss of employment. This should encourage longevity in the workforce and gradually ease the shift away from reliance on public support programs. Helping to prevent loss of employment also helps to support employers. Employers will see a higher return on their investment in training and spend less money on recruiting and less time on training. Longer terms of employment would likely lead to advancement in the career, benefiting the employer and employee.

INDIVIDUALS IMPACTED:

Waiver 1: WIOA Section 129(a)(4)(A) and 20 CFR 681.410 – Out-Of-School Youth Expenditure

The initial target audience for in-school assistance is our Independent Living partner, which is overseen by the South Dakota Department of Social Services and serves youth in the foster care system. We would partner with Independent Living caseworkers to ensure that those nearing exit from the foster care system have work experience to build references and skills, and to help determine what kind of employment or post-secondary education they need to pursue for their career goals. This is our first strategic population for in-school youth partnership. There could be more based on the performance of this initiative.

Waiver 2: WIOA Section 129(c)(4) and 20 CFR 681.590(b) - Allow Local Workforce Development Areas to Count Both WIOA Local Youth Formula Funds and TANF Funds Toward the Minimum 20 Percent Expenditure Requirement for Paid or Unpaid Work Experience

The population impacted by this waiver will be TANF recipients, who will likely be young parents. DLR plans to offer more work experiences and on-the-job training to young workers. This would have a positive impact on work history, workforce skills, income, confidence, and stability for those entering either service.

Waiver 3: 20 CFR 681.550 – Individual Training Account Usage for In-School Youth

Individuals who are low-income and have at least one additional barrier to employment are eligible for the in-school youth program. These barriers include being basic skills deficient, an English language learner, an ex-offender, homeless, currently in or aged out of foster care, parenting, or having a disability. Individuals with these barriers and needs will benefit from this waiver.

Waiver 4: WIOA Section 134 (d)(2)(a), 20 CFR 680.910 (a)(1), and 20 CFR 680.910 (b) – Support Services for employed Adult and Dislocated Workers in Follow-up.

The individuals affected by this waiver are employed adult and dislocated workers who were recently exited from WIOA Adult an Dislocated Worker programs who are in follow-up. These individuals may possess barriers such as being basic skills deficient, English language learner, ex-offender, homeless, at risk of homelessness, or having a disability. This waiver would have a positive impact on these individuals by assisting with maintaining employment and promoting self-sufficiency.

PROCESSES:

The information below is true for all waivers.

Monitoring of programs and their progress in implementing the waiver will be completed annually, as established in Policy 6.7, Oversight and Monitoring.

The waivers, included in this State Plan, follow the same public comment process. The Combined State Plan available on the DLR website on 12/12/2025. The public comment period closed on 1/16/2026. An additional public comment period was held during the Workforce Development Council meetings on 12/9/2025 and 1/27/2026. All WIOA partner agencies and WDC members were made aware of this public comment period. In addition, the plan's availability for public comment was shared on social media. Comments could be submitted via an online form or by mail. No comments were received.

Annual progress on all waivers will be included in the annual data report DLR issues.

EXISTING WAIVER DATA:

Waiver 1: WIOA Section 129(a)(4)(A) and 20 CFR 681.410 – Out-Of-School Youth Expenditure

This waiver allows DLR to expend up to 50% of youth funding on In-School Youth.

Increase Career Exploration services to youth regardless of their educational status.

Over the past several program years, the in-school youth program has been growing and spending at a faster pace than the out-of-school youth program. To address this imbalance, the focus shifted to expanding the out-of-school youth program while continuing to serve our currently enrolled in-school youth.

Since submitting our last waiver request, DLR has restructured to a statewide teams model based on customers served and has made adjustments to the WIOA Title I Youth program. Previously, all employment specialists in the state had the opportunity to work with youth, which made budgeting and staffing a challenge. When right-sizing the program, twelve Employment Specialists were able to focus on the youth program. Currently, the program has a dedicated staff of nine employment specialists located throughout the state to serve both in- and out-of-school youth.

With fewer staff, the program was unable to maintain the previous number of enrolled participants. This trend is also reflected in the number of Career Exploration services we provided over the last four program years:

PY21 - 1171

PY22 – 2025

PY23 – 833

PY24 - 664

To help offset this decline, the youth program is improving case management services to focus on career goals rather than employment goals.

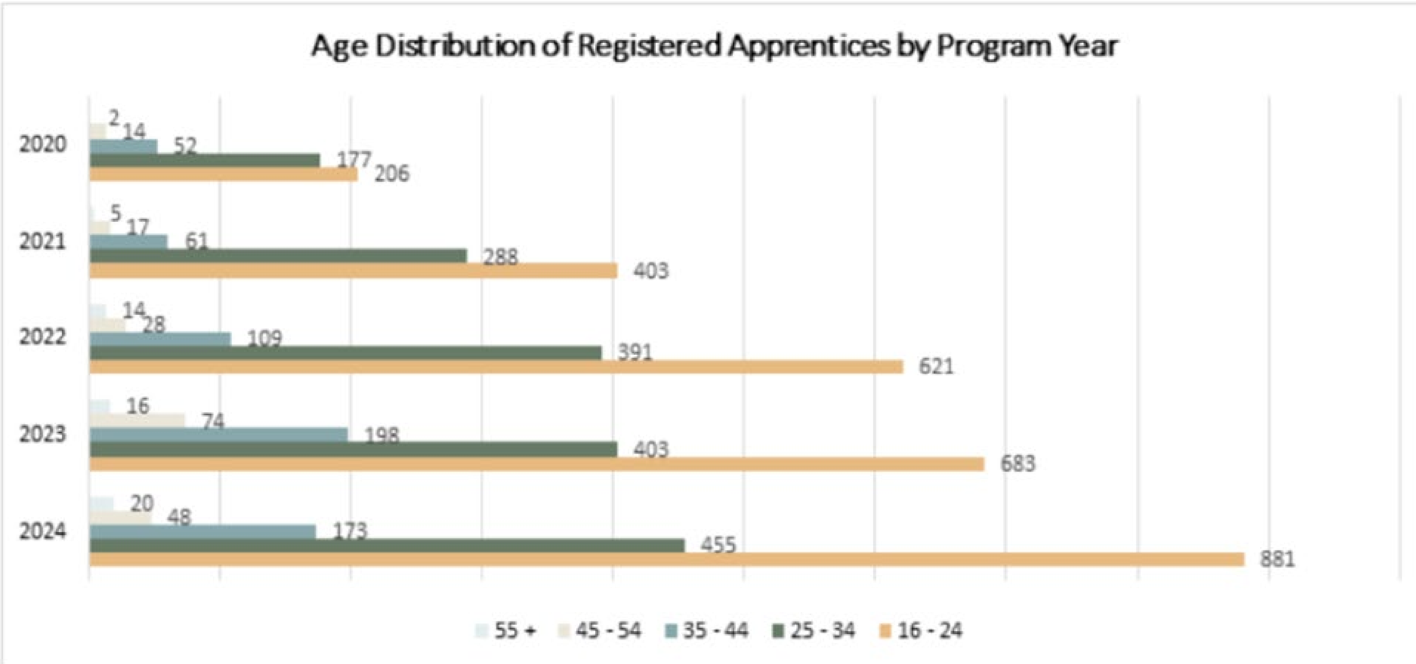
Increase the percentage of Work-Based Learning services to youth despite their education status. This includes work experiences, internships, pre-apprenticeships, on-the-job training, and job shadows.

Going into program year 2024, in-school youth spending was on a trajectory to outspend out-of-school youth spending. As a result, the program focused on enrolling out-of-school youth, while continuing services for currently enrolled in-school youth. While this goal was achieved through an increase in work-based learning experiences, from 17.6% in PY23 to 29.5% in PY24, it has not come without its challenges, as many out-of-school youth in our state are already engaged in the workforce.

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

Figure 2: Age Distribution of Registered Apprentices by Program Year illustrates a steady increase in the number of apprentices aged 16-24 over the year. This age group experienced a 29% increase in participation, with 881 individuals accounting for 56% of the total apprentice population. Through robust partnerships at both the secondary and post-secondary levels, collaboration and innovation are expanding via Start Today SD’s Pathway Partners and Apprenticeship Intermediary efforts.

Figure 2: Age Distribution of Registered Apprentices by Program Year



Waiver 2: WIOA Section 129(c)(4) and 20 CFR 681.590(b) - Allow Local Workforce Development Areas to Count Both WIOA Local Youth Formula Funds and TANF Funds Toward the Minimum 20 Percent Expenditure Requirement for Paid or Unpaid Work Experience

This is a new request. There is no historical data to provide.

Waiver 3: 20 CFR 681.550 – Individual Training Account Usage for In-School Youth

This waiver allows DLR to operate our in-school youth program in alignment with our out-of-school youth program. In addition, it increases post-secondary training opportunities for South Dakota's future workforce.

Increase measurable skills gains for South Dakota's In-School Youth.

The overall goal of the youth program is to support youth in entering the workforce successfully. Developing strong skills and knowledge is essential for success in any career path.

Over the last three program years, measurable skills gains have increased each year. In PY22, the in-school youth population achieved a measurable skills gain rate of 59.8%. This increased to 62% in PY23, and further to 73.9% in PY24. These measurable skills gains reflect a positive performance in education, which directly contributes to stronger workforce readiness and long-term career success.

Increase post-secondary options for disadvantaged In-School Youth.

With the implementation of this waiver, DLR has observed a steady increase in the number of in-school youth participating in occupational skills training. In PY22, 2.9% of in-school youth received occupational skills training. This figure rose to 4.8% in PY23. By the end of PY24, participation had reached 11.11%, the highest percentage recorded over the past three program years.

Waiver 4: WIOA Section 134 (d)(2)(a), 20 CFR 680.910 (a)(1), and 20 CFR 680.910 (b) – Support Services for employed Adult and Dislocated Workers in Follow-up.

This is a new waiver request. There is no existing outcome data to provide.

South Dakota Additional Information

Waiver 1: WIOA Section 129(a)(4)(A) and 20 CFR 681.410 – Out-Of-School Youth Expenditure (OSY Expenditure)

· US DOL ETA waiver reviewer input and requests for additional information:

1. Note: This waiver is currently approved **only** through 6/30/2026.

This waiver is slated to expire on 6/30/2026. South Dakota is seeking an extension of this waiver.

2. Request for clarification and additional information: Please clarify whether South Dakota is requesting the OSY expenditure waiver for

- local areas funds only, or for
- both local area funds **and** statewide reserve funds.

We are requesting the waiver for both local area and statewide reserve funds.

1. Request for more information about and clarification on what is meant by, "our other target area for work experience is Job Corps." Please explain how WIOA youth work experience relates to the Job Corps program.

SDDLR currently partners with Job Corps to assist their students in transitioning from the Job Corps Center to living on their own. We work with those who are near graduation and work with Job Corps staff to make sure that students have resumes, interview skills, and the opportunity to have a work experience with a local employer to master their trade skills. Job Corps has a lower threshold for the number of hours required for work based learning prior to leaving Center. By partnering with SDDLR, Job Corps students have the opportunity to work up to 432 hours in a work experience prior to them leaving Center. This allows students to start developing basic workplace behavior and skills while they still have the daily support of Job Corps staff. Because they are still on Center during their work experience, they are able to work with trade instructors to receive extra guidance if their trade skills are not to the expectations of the work experience employer. Finally, they have the chance to make a lasting impression on the business they are working at with these additional hours. These work experiences have led to good references for students and employers who are eager to work with youth leaving Job Corps.

2. Request for information: Please provide additional information on projected programmatic outcomes if South Dakota's OSY Expenditure waiver request is approved.

With the approval of this waiver, we will work to slowly expand into serving more in-school youth. We predict to see an improvement in our measurable skills gains and credentials measures. MSG measure will see about 3% increase in PY26, and about 4% increase in PY27. The credentials performance measure has an expected rise of about 3% in PY26, and an increase of about 3.5% for PY 27. By including this new participant population, the state anticipates stronger outcomes and improved progress toward this performance measure.

Waiver 2: WIOA Section 129(c)(4) and 20 CFR 681.590(b) - Allow Local Workforce Development Areas to Count Both WIOA Local Youth Formula Funds and TANF Funds Toward the Minimum 20 Percent Expenditure Requirement for Paid or Unpaid Work Experience - New waiver request

· US DOL ETA waiver reviewer input and requests for additional information concerning this new waiver request:

1. Request for more information: Please explicitly state how South Dakota will factor TANF expenditures into the work experience expenditure calculation.

- Will South Dakota count TANF work experience expenditures for WIOA Youth co-enrolled in TANF?

The goal of this waiver is to count any TANF funds spent on either a work experience or on-the-job training for youth TANF recipients who are co-enrolled into the WIOA Youth program.

- Will the calculation be WIOA work experience expenditures plus TANF work experience expenditures in the numerator and total WIOA Youth funds (minus admin) plus TANF work experience expenditures in the denominator?

SDDLR plans to use the formula of WIOA work experience expenditures plus TANF work experience expenditures in the numerator, and only the total WIOA Youth funds (minus admin) in the denominator. This formula will allow the TANF funds that are expended to help South Dakota reach the 20% WEX required expenditure, rather than increasing the total expenditure calculation.

Waiver 3: 20 CFR 681.550 – Individual Training Account Usage for In-School Youth

US DOL ETA waiver reviewer input:

1. Note: This waiver is currently approved only through 6/30/2026.

This waiver is slated to expire on 6/30/2026. South Dakota is seeking an extension of this waiver.

Waiver 4: WIOA Section 134 (d)(2)(a), 20 CFR 680.910 (a)(1), and 20 CFR 680.910 (b) – Support Services for employed Adult and Dislocated Workers in Follow-up. New waiver request

US DOL ETA waiver reviewer input:

1. Clarifications requested: What populations will be targeted with this waiver, if approved?

This waiver targets employed WIOA Adult and Dislocated Worker participants, after exit, during the follow-up period who face ongoing or emergent barriers to job retention and advancement. Priority populations include justice-involved individuals, SNAP or other public assistance recipients, basic skills deficient (BSD) and English language learners (ELL). This focus mirrors South Dakota's current Adult caseload -515 total Adult enrollments with substantial barrier indicators (e.g., 245 justice-involved, 346 receiving SNAP, 3 receiving other general assistance, and 139 BSD) and active co-enrollment across Dislocated Worker, Youth, and QUEST/NDWG- enabling post-exit supports reach those most likely to encounter retention risks once benefits end. Importantly, by stabilizing employment through time-limited support services (e.g., reliable transportation, childcare, and required tools/workwear) during follow-up, the waiver would help participants who are currently reliant on public assistance avoid job-disrupting setbacks, maintain steady hours and earnings, and progress toward self-sufficiency. Continuous employment supports a gradual transition off assistance as wages and job tenure increase, and reduces cycling between work and benefits-advancing individual well-being and the State's goal of long-term workforce participation.

2. Additional information requested: Approximately how many adult and dislocated worker program participants are expected to receive supportive services post-exit if this waiver request is approved?

We estimate that approximately 150 post-exit, Adult and Dislocated Worker former program participants statewide would receive time-limited post-exit support service annually under the waiver.

3. Please provide measurable projected outcomes. Additional information requested: For example, if this waiver request is approved, what is the expected percentage increase (or range) in:

- Employment rate two quarters after exit?
- Employment rate four quarters after exit?

If approved, the waiver is expected to yield a 1-2 percentage point increase for 2nd and 4th Quarter After Exit Rates.