

U.S. Department of Labor

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



December 20, 2024

The Honorable Jay Inslee
Governor of Washington
P.O. Box 40002
Olympia, WA 98504

Dear Governor Inslee:

Thank you for your waiver request submission to the U.S. Department of Labor 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 request was received November 18, 2024. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Washington will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Washington 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 (PYs) 2024 and 2025, which includes the entire time period for which states are authorized to spend each of those Program Year 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 Washington's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Washington to implement its plan to improve the workforce development system. Washington may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves for PY 2024 and PY 2025, which includes the entire time period for which states are authorized to spend those funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Washington may lower the local youth funds expenditure requirement to 50 percent for OSY. As a result of this waiver, ETA expects that the number of in-school youth (ISY) served will increase, and performance accountability outcomes for overall WIOA Youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators.

The State must report its waiver outcomes and implementation of the approved waiver in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide

technical assistance to you in support of your goals. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in blue ink, appearing to read "José Javier Rodríguez".

José Javier Rodríguez

Enclosure

cc: Cami Feek, Commissioner, Washington State Employment Security Department
Nicholas E. Lalpui, Regional Administrator, ETA
Carol Padovan, Federal Project Officer, ETA



STATE OF WASHINGTON
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

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November 18, 2024

To whom it may concern:

May this find you well. The Washington State Training and Education Coordinating Board (WTB) is requesting a waiver, on Behalf of Gov. Jay Inslee, of the requirements of the Workforce Innovation and Opportunity Act (WIOA) Section 129 (a)(4) and 20 CFR 681.410 that mandate that a minimum of 75% of youth program funds be used to serve out-of-school youth (OSY). WTB is requesting a waiver to allow Washington to reduce the mandatory OSY floor to 50%, which will allow local areas to be more responsive to their youth populations in need of services.

This request supports the policy priorities of both United States Department of Labor (USDOL) and Washington's workforce development system, as described in the state plan, "Talent and Prosperity for All.":

- Reduce high school drop-out rates and increase secondary and postsecondary educational attainment for more young people.
- Increase youth access to educational, training, employment, and support services for marginalized, highly-barriered youth.
- Support the development of career pathways that align with in-demand career areas identified by USDOL and WTECB.

Washington State firmly supports "Yes, WIOA Can!" and is thankful for the opportunity to collaborate with our local workforce development boards (LWDBs) to generate policies and policy waivers that will create the most inclusive opportunities for youth and young adults eligible for the supports WIOA offers to assist with secondary and postsecondary achievements.

The WTB submits this waiver request after successfully concluding a 30-day public comment period and review by the State's workforce board and partner agency, the Employment Security Department (ESD), and in consultation with policy staff of Gov. Jay Inslee. Please reach out with any questions or requests for additional information.

Sincerely,

Eleni Papadakis
Executive Director
Workforce Training and Education Coordinating Board

**State of Washington
Waiver Request
Out of School Youth Expenditure Requirement**

Federal statutory/regulatory requirements to be waived: The Washington State Training and Education Coordinating Board (WTECB) is requesting a waiver of the requirements of the Workforce Innovation and Opportunity Act (WIOA) Section 129 (a)(4) and 20 CFR 681.410 that mandate that a minimum of 75% of youth program funds be used to serve out-of-school youth (OSY). WTECB is requesting a waiver to allow the State the opportunity to reduce the OSY expenditure requirement to a minimum of 50% to increase service delivery to in-school youth (ISY).

Action for the removal of state or local statutory or regulatory barriers: There are currently no State nor local statutory or regulatory barriers to implementation. WTECB compliance policies meet current federal program requirements. Relevant state policies referencing expenditure requirements will be amended to be in alignment with the waiver, if approved.

State strategic goals/US Department of Labor (USDOL) priorities to be supported by waiver request: This request supports the USDOL policy priorities of:

- Secondary and post-secondary educational attainment for more ISY
- Increase youth access to educational, training, employment, and support services for marginalized, highly barriered youth
- Support the development of career pathways that align with in-demand career areas identified by USDOL and WTECB.

To date, the State has been successful with meeting or exceeding the current OSY expenditure regulatory requirements. The State has achieved this success in part because multiple local workforce boards (LWBs) focus service delivery exclusively on OSY, in part due to the administrative burden on LWBs in navigating re-engagement programming funding models and resulting eligibility statuses for youth seeking services. Modifying the current OSY expenditure requirement of 75% to 50% would allow LWBs to continue serving their existing OSY populations and expand service to additional youth at risk of disconnection and ultimately increase the total number of youth served.

The State believes that local areas, and the State overall, will benefit from the OSY waiver because:

Local workforce boards are limited in serving youth who will benefit from early intervention strategies to prevent further disengagement from high school.

The State's K-12 education re-engagement programming, called Open Doors, recognizes a range of models or approaches with varying degrees of school or school district engagement. This variability is mirrored in the funding strategies that support re-engagement programming and consequently results in many youths in Open Doors re-engagement programming to be eligiblized under the ISY category. But many youths in the State who are ISY are at risk from disconnecting, if not already disconnected, from K-12 educational pathways, and engaged in Open Doors programming. The variability within Open Doors means that not all programs offer comprehensive re-engagement services to youth. Some Open Doors programs focus exclusively on high school diploma pathways, others include GED alternatives. Few Open Doors programs offer workforce or career pathway

support without LWB involvement. Some regions of the state have no Open Doors programming opportunities whatsoever. Additionally, there are some LWBs that see young adults close to completion of post-secondary credentials or certificates yet who will not complete without additional support and are limited in providing resources necessary to those young adults considered ISY. To plan for mitigation of these barriers, the State's 2024-2028 Statewide Talent and Prosperity for All Plan (TAP)¹ youth program articulates the goal, "partnership between workforce pathway providers and the Open Doors program is a continual process of refining and iterating on existing state and local policies to ensure we are continuing to remove barriers at the administrative level so youth do not experience disconnection or disruption in engagement with education and workforce preparation activities."

Because of this issue, multiple LWBs currently operate an ISY waitlist. These LWBs, representing both rural and urban communities, have a total waitlist of 175 ISY per quarter. Allowing a greater percentage of ISY enrollments will not only ensure more youth in need are served. It will also aid in reducing the administrative burden of case managers who must track OSY and ISY youth enrollments to ensure compliance with required expenditure ratios while balancing effective case management strategies. Expanding the number of eligible youths to be served will decrease delays in service delivery. As one LWB states:

The administrative burdens significantly impacts service delivery to participants, particularly for at-risk youth. The delays in engaging and re-engaging youth who have dropped out of traditional high school pathways create a bottleneck in our ability to provide timely support...rapid re-engagement is crucial; it directly correlates with the likelihood of youth enrolling in these programs.

Projected programmatic outcomes from waiver: Approval of this waiver request will support the State in most effectively supporting youth by preventing additional disengagement from education and workforce pathways and ensuring youth with the greatest risk are prioritized while complying with expenditure targets and negotiated performance measures and will allow local areas the opportunity to design service delivery specifically for youth needs in their region. If we get this waiver approved, we anticipate enrolling around 350 additional youth in WIOA, per program year.

Individuals, groups, or populations impacted by the proposed waiver: This waiver will be open to LWBs who do not struggle to achieve outreach to OSY yet have ISY that are not actively receiving nor eligible for school-based supports with career and education goals. Seven out of twelve LWBs have expressed interest in adopting this waiver to better serve the marginalized youth in their communities, many of whom are disconnecting from educational pathways prior to age 16.

The waiver will increase the overall number of ISY students accessing appropriate education, training, and employment supports while the State continues to serve OSY as a primary, priority population. However, increases in ISY enrollment will largely be reflected in: regions in the State that prioritize service to marginalized rural youth; Latine communities; urban and suburban youth that are ISY yet participating in re-engagement programming towards secondary credentials; refugee and immigrant youth; and, youth experiencing homelessness.

¹ [Narrative-Summary-Talent-and-Prosperity-For-All-4.25.2024.pdf \(wa.gov\)](#)

WTECB intends for this waiver to allow greater local design of program delivery and increased benefit to employer partners, especially in rural areas. The youth who receive occupational trainings and work experience pathways that offer direct entry into regional, in-demand industries will benefit from greater integration of these services into existing career and technical education programs in high schools, as well as Open Doors engaged youth. When rural areas increase ISY support, we expect to see an overall increase in expenditures related to occupational training and work experience.

Procedure for monitoring progress of waiver implementation/collection of outcome

information: WTECB will continue to monitor state and local area performance using both federal and state accountability systems, including quarterly monitoring of contracts and expenditure ratios, in alignment with current policy and procedure.

Assurance of state posting of the request for public comment and notification of affected local workforce development boards: WTECB will ensure a 30-day public comment period for review and comment, consistent with all revisions to policy or procedure in the State.