



June 7, 2022

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 requests were received March 13, 2022, as part of your recent WIOA State Plan modification. 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 of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (ISY).

ETA Response: ETA approves, for Program Year (PY) 2022 and 2023, the State's request to waive the requirement limiting ITAs to only out-of-school youth (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 South Dakota 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.

Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and its single statewide local area expend 75 percent of Governor's reserve youth funds and local formula youth funds on OSY.

ETA Response: ETA approves for PY 2022 and 2023, which includes the entire time period for which states are authorized to spend those funds, 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 South Dakota to implement its plan to improve the workforce development system. South Dakota may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves for PY 2022 and PY 2023, 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. 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 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 black ink, appearing to read 'Brent Parton', with a long horizontal flourish extending to the right.

Brent Parton  
Acting Assistant Secretary

Enclosure

cc: Kendra Ringstmeyer, Director, South Dakota Department of Workforce  
Nicholas E. Lalpui, Regional Administrator, ETA  
Erica Henry, Federal Project Officer, ETA

## South Dakota Waiver Request

Received 3/13/2022

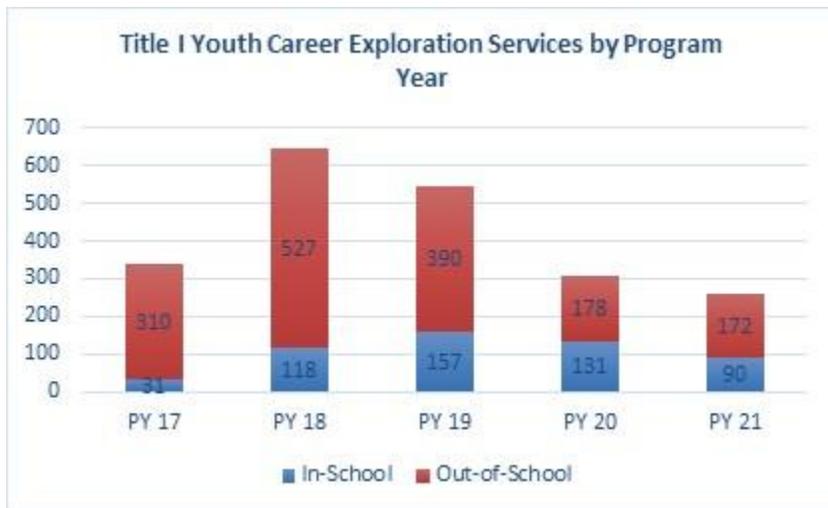
### Out-of-School Youth Expenditure Waiver

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%.

Engagement with in-school youth has improved DLR's recruitment into the WIOA Title I program, resulting in stronger performance outcomes, specifically in Measurable Skills Gains and Credential Attainment. Engagement with students while they are In-School allows us to serve a population who is low-income and typically have multiple barriers to employment. Rather than waiting until these youth are adults, engaging them while young allows for positive work behaviors to form, provides meaning and application to their secondary and post-secondary studies, and assists in meeting employer's workforce needs.

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.

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



**Outcome:** This waiver allows DLR to expend up to 50% of youth funding on In-School Youth. With this waiver in place, DLR has improved partnerships with the South Dakota Department of Education (DOE) and school districts throughout the state. DLR has

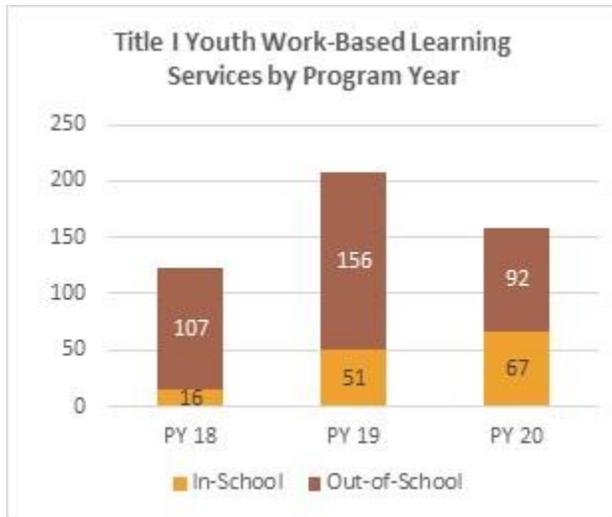
regional Career Advisors that work with students in schools and with area businesses to increase career exploration opportunities for students, including youth eligible for the WIOA Title I program. Exposure to various employment opportunities and awareness of business needs, allows students to make informed decisions about their education and career pathway.

Career Exploration services include Job Shadows, Provision of Labor Market Information, and Leadership Development Services. This waiver contributed to the 89% increase in Career Exploration services provided to youth participants from Program Year 2017 to Program Year 2018. A notable decrease happened in Program Year 2019 and again in Program Year 2020. This decrease is likely due to the COVID-19 pandemic, including the reassignment of job service staff to the Reemployment Assistance Division from March through November of 2020. Staff who assist youth in the Job Services Offices worked quickly to re-engage with schools and other partners resulting in an upward trend in services provided in the first half of Program Year 2021. We are confident these numbers will continue to rise with the opportunities that come with this waiver.

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

***Outcome:*** South Dakota's low unemployment numbers have businesses increasingly interested in building relationships with students. This waiver allows DLR to offer services to all youth participants equally, resulting in a sizable increase in the number of Work-Based Learning Services provided in South Dakota communities. These opportunities include work experiences, internships, pre-apprenticeships, on-the-job training, and job shadows. DLR offered 16 work-based learning services to In-School Youth in Program Year 2018. In Program Year 2019, this increased by 218% to 51 work-based learning opportunities provided to In-School Youth. Despite pandemic-related decreases in enrollment numbers in Program Year 2020, 67 participants received a work-based learning service during this time. Since the implementation of this waiver, DLR has been able to meet the requirement established in WIOA §129(c)(4) that 20% of funds must be used to provide In-School Youth and Out-of-School Youth participants work-based learning services.

Through a partnership with the Department of Education (DOE), DLR has regional Career Advisors working with students in schools. For youth who are eligible for the Title I Youth Program, DLR provides all youth elements including opportunities for paid work-based learning opportunities.



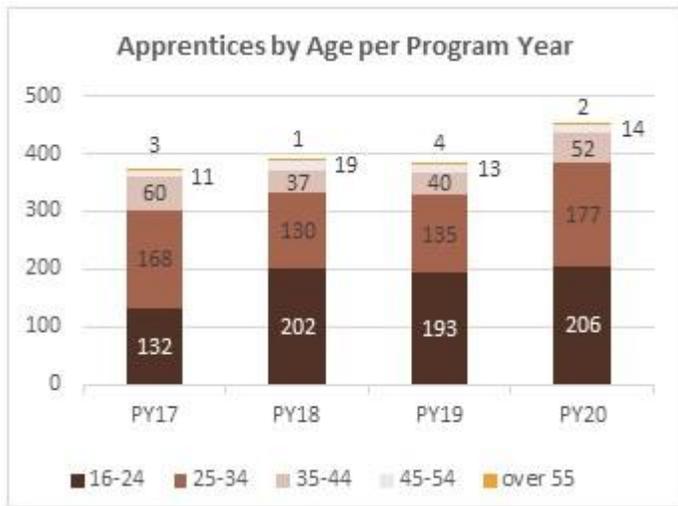
This stacked bar graph shows the Title I Youth Work-Based Learning Services provided by Program Year from PY17 to PY20.

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

**Outcome:** Approval of this waiver has allowed DLR to develop meaningful connections between students, school districts, and businesses by offering job shadows, work experiences, internships, and on-the-job training. These discussions have allowed staff to become more familiar with possible apprenticeship opportunities and working with businesses to formalize these trainings into Registered Apprenticeship programs. Approval of this waiver assists DLR in the promotion of apprenticeship as a viable post-secondary option for students to explore.

As depicted in the chart below, the number and diversification of Registered Apprenticeship opportunities in SD continues to grow. This waiver has provided increased opportunities for DLR staff to form community coalitions and build partnerships between businesses and schools.

- i. Total number of Registered Apprenticeship programs in South Dakota
- ii. Registered Apprenticeship Occupational Diversity - Number of different occupations available through Apprenticeship program.
- iii. Number of individuals who enter a Registered Apprenticeship Program.



This graph illustrates the number of apprentices by age per program year, showing an overall increase, including an increase in youth apprentices

There are three Pathway Partnership programs taking place throughout the state. These programs directly link students to the industry while receiving both high school and post-secondary credit. These opportunities allow students to experience an occupation, learn more about a local employer, earn a paycheck, and secondary, post-secondary and Registered Apprenticeship credit. The Figure "Apprentice by Age per Program Year" illustrates new apprentices by age. Apprentices in South Dakota are primarily between the ages of 16 and 24. The Pathway Partnership program engaged 40 youth apprentices throughout the state.

**Monitor:** *DLR will monitor this waiver through the One Stop Certification process and Annual Narrative Report. DLR's SDWORKS management information system allows for detailed reports to be pulled to monitor progress on program performance and goals identified in this waiver. During the One Stop Center Certification process, the Job Service Office's performance regarding these waivers is taken into account.*

**State Board Notification:** *South Dakota is a single-area state. The Workforce Development Council is made aware of these waivers when receiving annual report updates, during the state plan approval process, and through the public comment process.*

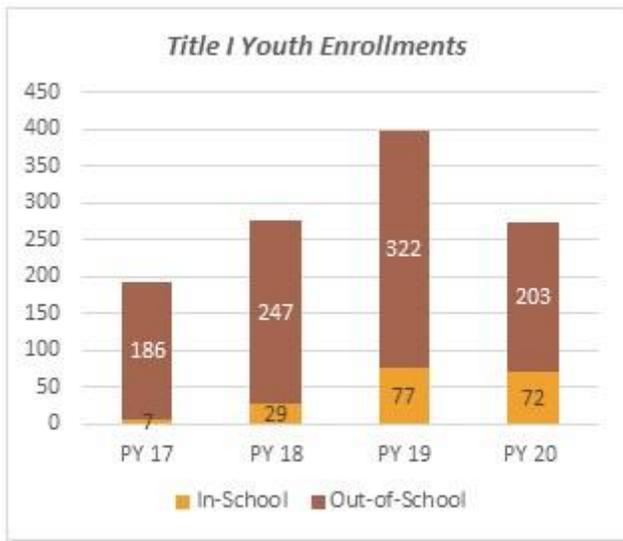
### **Individual Training Account Usage for In-School Youth Waiver**

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. In addition to improving partnerships and increasing Youth Program participation, this 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 multiple workforce programs.

There are no state or local statutory or regulator barriers to implementing the request waiver.

**Goal: Increase enrollment in South Dakota’s WIOA Title I Youth program.**



This stacked bar graph shows the Title I youth enrollments by program year from PY17 to PY20.

**Outcome:** Approval of this waiver has allowed job service office staff to enroll Title I Youth regardless of their post-secondary goals. Previously, staff would pre-determine if an individual would best be served as an In-School Youth and be unable to assist them with an ITA or be forced to wait until they are an Out-of-School Youth and potentially lose them during the waiting period. As noted in the Figure “Title I Youth Enrollments;” enrollments in the WIOA Title I Youth program saw a decrease due to the COVID-19 pandemic. However, initial PY21 numbers are strong and provide optimism for additional growth in the South Dakota WIOA Title I Youth Program.

**Goal: Increase post-secondary options to disadvantaged In-School Youth.**



This line graph shows the Title I youth occupational skills trainings by program year from PY17 to PY20.

**Outcome:** Approval of this waiver allowed DLR to assist individuals with an ITA even if they come to as an In-School Youth. This waiver provides opportunities to engage more participants in training opportunities. Since the implementation of this waiver, DLR had a 1400% increase in Occupational Skills Trainings offered to in-school youth from PY17 to PY19 (see Figure: “Title I In-School Youth in Occupational Skill Training by Program Year”). Providing 15 disadvantaged in-school youth in our state with post-secondary opportunities can make a significant impact in one year. Many of these students were served through the Career Launch SD partnership between DLR and the South Dakota Department of Education. Assisting In-School Youth with career exploration, work-based learning opportunities, and exposure to a variety of post-secondary offerings increases awareness for youth participants. Through holistic case management, post-secondary transition and preparation, financial literacy, and tutoring through educational achievement, DLR expects to see continued utilization of Title I Youth funding to assist students in reaching their training and career goals.

Many factors contributed to the increase in Title I Youth enrollments from Program Year 2017 to Program Year 2018, the ability to provide ITAs to In-school Youth increased the value of DLR in the eyes of training providers, employers, secondary and post-secondary institutions. Stronger partnerships have led to more referrals especially for Title I Youth participants in secondary school as demonstrated by the 229% increase in In-school Youth participants and 40.8% overall increase in Title I Youth participants overall.

We anticipate continued growth in our ISY participant base as we move to supporting South Dakota’s schools using a regional model. Training is being conducted that will assist Career Advisors in identifying and enrolling individuals who are eligible and seeking Title 1 services. We are anticipating an increase in participation numbers of around 30% by the end of PY 2021.

**Monitor:** *DLR will monitor this waiver through the One Stop Certification process and Annual Narrative Report. DLR's SDWORKS management information system allows for detailed reports to be pulled to monitor progress on program performance and goals identified in this waiver. During the One Stop Center Certification process, the Job Service Office's performance regarding these waivers is taken into account.*

**State Board Notification:** *South Dakota is a single-area state. The Workforce Development Council is made aware of these waivers when receiving annual report updates, during the state plan approval process, and through the public comment process.*