



JUN 12 2018

The Honorable Gary R. Herbert
Governor of Utah
Utah State Capitol
Suite 200
Salt Lake City, Utah 84114

Dear Governor Herbert:

Thank you for your waiver request of certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system, submitted as part of your WIOA State Plan modification on March 15, 2018 (copy enclosed). This letter provides the U.S. Department of Labor (Department), Employment and Training Administration's (ETA) official response to the State's request, and memorializes that Utah will meet the outcomes and implement the measures identified to ensure accountability agreed to by Utah 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: The State is requesting a waiver of 20 CFR 681.550 in order to provide individual training accounts (ITAs) to in-school youth.

The State's request to waive the requirement limiting ITAs to only out-of-school youth ages 18-24 is approved. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Utah to implement its plan to improve the workforce development system. The State's plan indicates that a waiver of the limitation provides Utah the flexibility to continue to serve those in-school-youth who are preparing to graduate and extend their educational goals into post-secondary opportunities. Therefore, ETA approves this waiver for Program Years 2018 and 2019 (July 1, 2018 – June 30, 2020).

ETA is available for further discussion and to provide technical assistance to the State to support achieving its goals. It is worth noting that the Department proposed additional flexibility in its Fiscal Year 2019 Budget in order to give governors more flexibility to meet the workforce needs of their states. Should you have questions or wish to explore additional flexibility, feel free to contact my office at (202) 693-2772.

Sincerely,



Rosemary Lahasky
Deputy Assistant Secretary

Enclosure

cc:

Jaceson Maughan, Commissioner, Utah Labor Commission
Nicholas Lalpui, Dallas Regional Administrator, Employment and Training Administration
Cynthia Green, Federal Project Officer, Employment and Training Administration

WIOA State Plan 2018 Modification Waiver Request

The State of Utah

Request for Waiver - Providing ITAs to In-School WIOA Youth Participants

Utah requests a waiver on the requirement of providing Individual Training Accounts (ITAs) to only Out of School youth ages 18-24 enrolled in the WIA/WIOA Youth program.

As per current WIOA Regulations: 681.550:

“In order to enhance individual participant choice in their education and training plans and provide flexibility to service providers, the Department allows WIOA ITAs for out of school youth, ages 18-24 using WIOA youth funds when appropriate.”

While this allows flexibility for serving out-of-school youth through post-secondary training, it does not give Utah the flexibility to continue to serve those youth customers enrolled as in-school who are preparing to graduate and extend their educational goals into post-secondary opportunities.

As of February 4, 2016, Utah has 563 in-school youth customers and 513 out-of-school youth customers enrolled in the WIA/WIOA program. While the number of in-school youth will continue to decline as the goal to spend 75 percent of WIOA funds increases the number of out of school youth enrolled, DWS must continue to serve youth customers enrolled as an in-school youth and actively participating in educational activities past high school. Since July 1, 2015, DWS has enrolled 128 new in-school WIOA youth customers, and of those, 47 are customers are still enrolled in secondary education. Once those customers graduate, they will need continued support through post-secondary educational activities in order to obtain the certificates needed to find employment.

If DWS is going to offer an adequate supply of workers to in-demand industry and occupations, it cannot include only those who are determined to be out of school as part of that supply. Utah needs a waiver to support those with post-secondary educational goals past high school. In-school youth deserve the same opportunities for support as those being served as out-of-school youth, and it would be a disservice to those in-school customers to not support them past their high school diploma or its equivalent. Although it has been recommended to close the enrollment of those in-school youth who graduate and then re-enroll them as an out of school youth for the purpose of assisting them with an ITA after age 18,

this poses a risk that the customer may no longer be eligible under the new barrier requirements. It also prevents DWS from serving youth customers who graduate early (at 16 or 17 years of age) under an ITA, even if they are enrolled as an out of school youth once they earn their diploma.

Having to procure for Occupational Skills Training services for in-school youth would also create an unnecessary and undue burden on those providers who have already submitted the required information to be on Utah's Eligible Training Provider List. Because state schools and effective providers of post-secondary training have already been identified through the ETPL, having an additional process for procured providers for those in-school youth customers would create a duplication of effort for those providers that would not occur if those in-school youth wishing to access post-secondary training have access to the ETPL through an ITA. It has been difficult to encourage training providers to participate on the ETPL and the State has gone to great lengths to provide technical support and encouragement. This duplication and additional burden for providers could limit provider participation on the ETPL and in turn limit options for customer choice.

Because Utah already has an Eligible Training Provider List (ETPL) in place and an electronic way to pay providers for educational services offered, both in-school and out of school youth will be served adequately under this waiver.

Waiver Plan:

The waiver request format follows WIOA Regulations section 681.550

1. Statutory regulations to be waived: WIOA section 681.550
2. Describe actions the state has undertaken to remove state or local statutory or regulatory barriers: N/A
3. Waiver goals and measureable programmatic outcomes, if the waiver is granted:
 - Continue to serve the in-school youth already enrolled past high school completion through post-secondary training under an ITA

Continue to encourage education providers to remain current on the ETPL and provide technical assistance where needed to gather performance data that will help both in and out of school youth to receive services.

Make a gradual shift toward enrolling more out of school youth and using those funds to support other activities, such as work experiences, leadership development activities, and mentoring, along with training activities under ITAs

- Continue to monitor training completions and outcomes for both in and out of school youth to meet the federal requirements for training completions and job placements for youth.

4. Describes how the waiver will align with the Department's policy priorities such as:

- A. Supporting employer engagement
- B. Connecting education and training strategies
- C. Supporting work-based learning
- D. Improving job and career results; and
- E. Other guidance issued by the Department

Through allowing both in-school and out-of-school youth to use Individual Training accounts to access training services it opens up more training programs for the youth to select from as they will now be able to use the ETPL approved programs. By opening up the training program opportunities youth will be able to better connect to training programs that match their interest, support their learning style and better prepare them for employment and work-based learning. Youth who are able to complete occupational skills or adult education programs more easily may be more prepared to enter the job market and be a qualified employee. By serving in-school and out-school youth with the same policy and procedures allows for a continuity of services for all youth. All youth will be eligible to receive training services, connection to work-based learning and then employment and job search support. To better connect youth to work-based learning, they will be able to use the ETPL and find registered apprenticeships and also more easily find academic components that give them the credentials and support to be successful at an Internship or On-the-Job training placement.

5. Describe any individuals affected by the waiver:

- The effect of this waiver would be positive for both in-school and out of school youth customers who are enrolled, as both groups would be supported with WIOA funding while completing post-secondary training activities.

The effect of this waiver would also be positive for education providers on the ETPL as they will not be required to go through procurement in addition to the requirements of being on the ETPL. This will hopefully encourage providers to continue to be on the ETPL.

This waiver will be able to affect disadvantaged populations and youth with barriers to employment through ensuring both in-school and out-of-school youth are able to receive all of the youth program services, receive a continuity of

services without disruption and have access to more training providers and programs. Both in-school and out-of school youth may have significant barriers to employment and have had previous hardships that could impact their ability to be successful. It is important for these youth to be able to not only receive support but to be able to customize their services to match their interests and abilities. Without this waiver in-school youth would be restricted to select training programs where they are less prone to be successful and find suitable employment. Also without this waiver, in-school youth who would like to receive an ITA would have to be closed and enrolled as an out-of-school youth. This disrupts continuity of services and could potentially stop services that could greatly benefit a population who may be disadvantaged and have barriers to employment.

6. Describe the process used to:

a. Monitor the progress in implementing the waiver:

- Continue to review in-school enrollments and those accessing post-secondary education through an ITA to assess whether the waiver continues to be necessary.
- Review financial reports quarterly to ensure out of school youth expenditures are continuing to exceed the in-school expenditures in order to meet the goal of spending 75 percent of funds on out of school youth.

Biannual monitoring of providers available to youth on the ETPL to ensure there are options to foster customer choice.

- Make adjustments as necessary based on the number of in-school youth accessing ITAs and the amount of funds being spent on out of school youth.

b. Provide notice to any Local Board affected by the waiver:

Consistent with the general waiver request, the state will adhere to the publication requirements to ensure the broadest participation possible, including appropriate partners and interested parties such as labor, community based partners, and the SWDB.

c. Provide any Local Board affected by the waiver with an opportunity to comment on the request:

Utah is a single state and therefore no local board would be affected.

d. Ensure meaningful public comment, including comment by business and organized labor, on the waiver:

DWS provides access to the waiver in order for businesses, organized labor, and the community to have an opportunity to make public comment on the waiver for a period of 30 days.

e. Collect and report information about the waiver outcomes in the State's WIOA Annual Report:

The outcomes of this waiver will be reflected through the common performance measures, specifically credential attainment, measurable skill gain attainment and employment rates.

7. The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver:

Utah is prepared to provide the most recent data available about the outcomes of the existing waiver.