

U.S. Department of Labor

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



March 9, 2023

The Honorable Ron DeSantis
Governor of Florida
400 South Monroe Street
Tallahassee, FL 32399

Dear Governor DeSantis:

Thank you for your waiver request submission to the U.S. Department of Labor (Department) regarding several 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 January 18, 2023. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that Florida will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Florida 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) 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 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 Florida to implement its plan to improve the workforce development system. Florida 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. Florida 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 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for (ISY).

ETA Response: ETA approves, for PY 2022 and PY 2023, 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 Florida 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.

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,



Brent Parton
Acting Assistant Secretary

Enclosure

cc: Meredith Ivey, Acting Secretary, Florida Department of Economic Opportunity
Renata Adjibodou, Acting Regional Administrator, ETA
Jeffrey Patton, Federal Project Officer, ETA

Ron DeSantis
GOVERNOR



Meredith Ivey
ACTING SECRETARY

January 18, 2023

The Honorable Martin J. Walsh
Secretary
United States Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Dear Secretary Walsh:

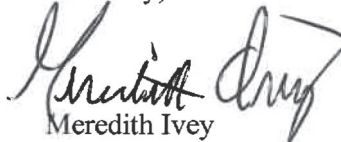
The Florida Department of Economic Opportunity (DEO) respectfully requests approval of the enclosed waivers for the State of Florida. These waivers were developed in accordance with the Workforce Innovation and Opportunity Act (WIOA), Section 189(i)(3)(B), which grants the Secretary authority to waive certain WIOA requirements. DEO is requesting waivers of the following:

- The requirement at WIOA Section 129(a)(4)(A) and 20 Code of Federal Regulations (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 (OSY) youth.
- The requirement at 20 CFR 681.550 that allows the use of Individual Training Accounts for OSY.

The enclosed documents provide further details on these waiver requests in accordance with Training and Employment Guidance Letter No. 8-18. Your review and consideration are appreciated.

Should you have questions, please contact Jason McCandless, Assistant Deputy Secretary of the Division of Workforce Services, at Jason.McCandless@DEO.MyFlorida.com or (850) 245-7487 or Keantha B. Moore, Deputy Chief of the Bureau of One-Stop and Program Support, at Keantha.Moore@DEO.MyFlorida.com or (850) 245-7413.

Sincerely,



Meredith Ivey

MI/kbm

Enclosure

cc: Michelle Dennard, President and CEO of CareerSource Florida, Inc.
Adrienne Johnston, Deputy Secretary of the Division of Workforce Services – DEO
Kathryn Nelson, Chief of the Bureau of One-Stop and Program Support – DEO
Keantha B. Moore, Deputy Chief of the Bureau of One-Stop and Program Support – DEO

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**State of Florida Waiver Request
Workforce Innovation and Opportunity Act
Out-of-School Youth Expenditure Requirement**

Statutory and/or Regulatory Requirements to be Waived

The State of Florida (State) is requesting a waiver of Workforce Innovation and Opportunity Act (WIOA) Section 129(a)(4)(A) and 20 Code of Federal Regulations (CFR) Section 681.410, which requires state and local areas to expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY).

The State is requesting a waiver of the requirement to expend 75 percent of Governor's reserve youth funds and local formula youth funds on OSY.

The State is requesting that this minimum expenditure requirement be lowered to 50 percent.

The State has been able to meet the required 75 percent expenditure rate for OSY since WIOA began, in part, due to local workforce development boards (LWDBs) reducing or ceasing services for in-school youth (ISY). The State is requesting to lower the OSY expenditure rate to 50 percent for statewide and local area activities because the State and local areas see a need to serve more ISY. Over the last three program years, Florida has served 23,443 OSY and 7,044 ISY. Additionally, from program year 2020-2021 to 2021-2022, Florida experienced a 62.5 percent decrease in the number of ISY served. The State seeks to partner with schools and community programs to serve populations such as at-risk ISY. Based on data from the Florida Department of Education, of Florida's 67 counties, 30 percent have a dropout rate of five percent or more with 15.4 percent being the highest. By investing additional funds for ISY at-risk of dropping out of school, the State expects to lower the number of youth who drop out of school.

The State will continue to serve OSY by providing occupational skills training, work-based learning, to include employer-provided training programs like pre-apprenticeship and registered apprenticeship, tutoring/study skills, education and workforce preparation activities, leadership development opportunities, supportive services, mentoring, guidance and counseling, financial literacy, entrepreneurial skills training, career counseling, transition to post-secondary education activities, and follow up services.

Actions the State Has Undertaken to Remove State or Local Barriers

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

Strategic Goals of the Waiver

This waiver will allow the State to support its strategic goals with targeted strategies aimed to reduce barriers and increase employability for its 2.3 million youth. There are several barriers experienced by

at-risk ISY that impacts their ability to avoid dropping out or obtaining/retaining gainful employment. Some of these barriers include:

- Lower labor force participation - In 2021, the labor participation rate was 30 percent for younger youth ages 16-19, which is the target age group that is at risk of experiencing challenges to remain in school and earn a high diploma or its equivalent.
- Poverty rate - It is estimated that 19.9 percent of youth in Florida live in poverty.
- Unemployment rate - The unemployment rate for youth ages 16-19 is approximately nine percent while Florida's unemployment rate is slightly more than two percent.

The strategic goals associated with this waiver are to:

1. Address the talent pipeline shortages faced by many employers by ensuring the State's youth have the skills and preparation needed to enter the workforce and become contributing members of the local and State economy.
2. Allow local areas to serve OSY and ISY in a way that best meets the needs of the local workforce area according to populations, resources, and other labor market factors.
3. Expand opportunities at the local level for recruitment and enrollment of at-risk ISY who could benefit from the services of the workforce system.
4. Allow the State to spend its federal WIOA resources with more flexibility.

Alignment with U.S. Department of Labor (USDOL)/Employment and Training Administration (ETA) Policy Priorities

WIOA encourages strategies that connect education and training, support work-based learning, and improve job and career results. This waiver will increase at-risk ISY access to opportunities for necessary education, training, employment, and support services. Generally, this waiver will align with WIOA's career pathways strategy and prepare more ISY for in-demand careers. Approving this waiver request will increase the connection between education and training, provide work-based learning opportunities that include work experience and pre-apprenticeship, and increase access to workforce services for ISY. Specifically, this waiver will align with the following USDOL policy priorities, as found in the USDOL Fiscal Year 2018 – 2022 Strategic Plan, WIOA, and federal regulations:

- The USDOL ETA has a strategic objective to create customer-focused workforce solutions for American workers, including development of a strong youth pipeline;
- The ETA has prioritized improvement of the effectiveness and efficiency of workforce development programs, including supporting state and local flexibilities to enable these entities to effectively tailor their workforce strategies to meet their needs;
- The ETA focuses on programs that support work-based learning, skills development, and work readiness while promoting training strategies that lead to credential attainment and closing the skills gap;
- The ETA has prioritized implementation of evidence-based programs and strategies, including adoption of proven programs and strategies;
- WIOA places a strong emphasis on work experience for youth participants, requiring that 20 percent of WIOA Youth funding be expended on this element;
- WIOA promotes strong partnerships to leverage resources and increase opportunities for youth; and

- WIOA prioritizes participant success, as measured by skill gains, entry into and retention of employment or post-secondary education attendance, and achievement of an industry-recognized credential.

Projected Programmatic Outcomes Resulting from Implementation of the Waiver

This waiver will allow the State and LWDBs to develop strategies that address challenges of at-risk youth whether in school or out and will help address student retention, engagement, and immediate transition to post-secondary education, meaningful employment, and/or the military. Expected outcomes for youth participants include an increase of five percent in the:

- Number that attain a measurable skill gain.
- Number that attend post-secondary education.
- Number that participate in occupational skills training.
- Number of ISY who participate in work experience opportunities.
- Number that earn an industry-recognized credential.

Description of Individuals, Groups, or Populations Impacted by the Waiver

1. Future employers.
2. Florida at-risk ISY and OSY populations.
3. Youth service providers.
4. Florida career centers and the one-stop delivery system.

The Process to Monitor the Waived Activities and Collect Waiver Outcome Information

Annual WIOA on-site and remote programmatic reviews will include an evaluation of how the waiver is being utilized locally and the success of achieving the stated goals and outcomes. Youth service providers will also be responsible for assessing the use and effectiveness of the waiver.

Opportunity for Local Board and Public Comment on the Waiver

Workforce development stakeholders, including LWDBs, businesses, and Chief Elected Officials, were notified of the State's waiver request through an email alert and posting on the Florida Department of Economic Opportunity's website. This notice included instructions on how to submit comments. In addition, both the general public and stakeholders had access to the waiver request on the Florida Department of Economic Opportunity's website: www.floridajobs.org. The public comment period was open for 14 calendar days; several comments in support of the waiver were received.

**State of Florida Waiver Request
Workforce Innovation and Opportunity Act
In-School Youth Individual Training Accounts**

Statutory and/or Regulatory Requirements to be Waived

The State of Florida (State) is requesting a waiver of 20 Code of Federal Regulations (CFR) Section 681.550, which allows Workforce Innovation and Opportunity Act (WIOA) individual training accounts (ITAs) for out-of-school youth (OSY), ages 16 to 24, using WIOA youth funds when appropriate.

20 CFR 681.550 allows ITAs funded by WIOA youth funds to be used for OSY. The final rule did not expand the use of ITAs for in-school youth (ISY). Instead, ISY wishing to access ITAs may only do so through co-enrollment in the WIOA Adult program. The State would like to waive the requirement limiting ITAs to only OSY and expand this use of ITAs to ISY, ages 14-21. Over the last three program years, Florida has served 23,443 OSY and 7,044 ISY. Additionally, from program year 2020-2021 to 2021-2022, Florida experienced a 62.5 percent decrease in the number of ISY served. Waiver of this requirement will provide greater flexibility with, and increase the State's capacity for, responding to the training and employment needs of the State's youth.

Actions the State Has Undertaken to Remove State or Local Barriers

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

Strategic Goals of the Waiver

The strategic goals associated with this waiver are to:

1. Address the talent pipeline shortages faced by many employers by ensuring the State's youth have the skills and preparation needed to enter the workforce and become contributing members of the local and State economy.
2. Increase opportunities for youth to acquire occupational skills in post-secondary settings irrespective of their education status.
3. Enhance partnerships with schools and preparing ISY for post-secondary education in occupations that lead to self-sufficiency.

Alignment with U.S. Department of Labor/Employment and Training Administration Policy Priorities

WIOA encourages strategies that connect education and training and support educational opportunities to improve job and career results. This waiver request is being made to permit local workforce development boards' use of the State's Eligible Training Provider List (ETPL) to provide training through an ITA to ISY who are preparing to complete secondary education and begin post-secondary education. This waiver will increase program flexibility, increase consumer choice, and allow ISY to benefit from ETPL providers without having to co-enroll in the WIOA Adult program.

This waiver request will also increase the connection between education and training by providing work-based learning opportunities that include work experiences and will increase access to workforce services for ISY.

Projected Programmatic Outcomes Resulting from Implementation of the Waiver

The State expects to achieve the following goals and programmatic outcomes as a result of this waiver:

1. Improve the local workforce development boards' and youth service providers' ability to respond to the workforce needs of ISY.
2. Increase the number of youth who utilize an ITA to pursue an industry-recognized post-secondary credential by five percent.
3. Increase access to, and engagement of, ISY in need of post-secondary education, training, and support necessary to succeed in the labor market and meet current high-growth industry demand in the State through acquisition of portable credentials, college credit, and a degree.
4. Improvement in the primary indicators of performance for the WIOA Youth program as set forth in WIOA Section 116(b)(2)(A)(ii), thus increasing credential attainment and measurable skills gains by five percent.
5. Increase the number of prepared youth candidates who are ready to work by five percent.

Description of Individuals, Groups, or Populations Impacted by the Waiver

1. Employers.
2. The State's ISY population.
3. Youth service providers.
4. The State's career centers and the one-stop delivery system.

The Process to Monitor the Waived Activities and Collect Waiver Outcome Information

Annual WIOA on-site and remote programmatic reviews will include an evaluation of how the waiver is being utilized locally and the success of achieving stated goals and outcomes. Youth service providers will also be responsible for assessing the use and effectiveness of the waiver.

Opportunity for Local Workforce Development Board and Public Comment on the Waiver

Workforce development stakeholders, including local workforce development boards, businesses, and Chief Elected Officials, were notified of the State's waiver request through an email alert and posting on the Florida Department of Economic Opportunity's website. This notice included instructions on how to submit comments. In addition, both the general public and stakeholders had access to the waiver request on the Florida Department of Economic Opportunity's website: www.floridajobs.org. The public comment period was open for 14 calendar days; no comments were received.