

**U.S. Department of Labor**

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



June 25, 2024

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 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 29, 2024, as part of your recent WIOA State Plan submission. This letter provides the Employment and Training Administration's (ETA) official response to your request 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 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 of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (ISY).

ETA Response: ETA approves for Program Years (PYs) 2024 and 2025, Florida's request to waive the requirement limiting ITAs to only out-of-school youth (OSY), ages 16–24. In addition to these OSY, Florida may use ITAs for ISY, ages 16–21. ETA reviewed Florida'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.

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 OSY.

ETA Response: ETA approves for PY 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 Florida'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 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 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 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 the reallocation provisions at WIOA Sections 128(c)(3) and 133(c)(3) to allow the state workforce development board to develop different criteria than required by statute for the reallocation of recaptured funds among local workforce areas.

ETA Response: ETA approves through June 30, 2028, Florida's request to waive the reallocation provisions at WIOA Sections 128(c)(3) and 133(c)(3). Florida may reallocate recaptured funds according to State-developed criteria. ETA reviewed Florida's waiver request and plan and has determined that the requirements requested to be waived impede its ability to implement its plan to improve the workforce development system. Under this waiver, Florida has the discretion to consider additional factors described in its waiver plan in determining local workforce development area eligibility for reallocation of recaptured funds. As such, Florida may only consider:

- The amount available for redistribution;
- Amount requested by the local board;
- Demonstrated need for and ability to use additional funds to serve low-income individuals, public assistance recipients, dislocated workers, and unemployment insurance claimants;
- A demonstrated capacity to effectively expend funds to address the need for services in the workforce development area;
- A local board's established plan for working with at least one of the Governor's industry clusters as specified in the local workforce area's plan; and
- The local workforce area's performance during the current and prior performance years.

Florida must make public its reallocation procedure and policy, as well as any future changes to the policy. Please note that the approved waiver only applies to reallocation and not recapture. ETA requires the State to track implementation results and outcomes of this waiver.

Florida 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,



José Javier Rodríguez

Enclosure

cc: Lindsay Volpe, Deputy Secretary of Florida Workforce Services  
Kimberly Staley, ETA Regional Administrator - Atlanta  
Jeffrey Patton, ETA Federal Project Officer  
Latanya Lowery, ETA Federal Project Officer

## State of Florida Waiver Renewal Request Workforce Innovation and Opportunity Act (WIOA) Out-of-School Youth Expenditure Requirement

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### Statutory and/or Regulatory Requirements to be Waived

The State of Florida (State) is requesting a renewal of the 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 to renew the 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 continue 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 prior three program years (PY), Florida served 23,443 OSY and 7,044 ISY. Additionally, from PYs 2021-2022 to 2022-2023, Florida experienced a 27.5 percent decrease in the number of ISY served. The State seeks to expand partnerships 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, 31.3 percent have a dropout rate of five percent or more with 20.3 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, local, statutory, or regulatory barriers to implementing the 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 slightly more than 2.3 million youth. There are several barriers experienced by at-risk ISY that impact their ability to avoid dropping out or obtaining/retaining gainful employment. Some of these barriers include:

- Lower labor force participation - In 2022, the labor participation rate was 30 percent for younger youth ages 16-19 with an estimated 31.6 percent for March 2024. The age group of 16-19 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 17.2 percent of youth in Florida live in poverty.
- Unemployment rate - The unemployment rate for youth ages 16-19 is approximately 9.8 percent while Florida's unemployment rate is slightly more than three 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/Employment and Training Administration 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 2022-2026 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.

### **Most Recent Data Available Regarding the Results and Outcomes Observed Through the Implementation of the Existing Waiver**

The State's waiver request was approved on March 9, 2023, and was implemented by the state leading into PY 2023. Therefore, the State and LWDBs are continuing to develop strategies to fully operationalize this waiver and do not yet have a full program year of data to evaluate the outcomes observed through the implementation of the waiver. In the interim, the below data represents information available for the most recent fully complete program years.

The first chart below provides a comparison of the total number of OSY and ISY served statewide for PY 2021 and PY 2022. For both program years, Florida met its OSY expenditure rate at more than 75 percent. The latter chart compares new ISY and OSY participations from PY 2021 to PY 2022. Florida saw an increase of 74 new ISY participations in PY 2022 compared to the prior year. Florida anticipates continued growth in the number of new ISY enrollments over the upcoming program years as more LWDBs expand opportunities at the local level for recruitment and enrollment of at-risk ISY.

**Out-of-School Youth and In-School Youth Participation  
for Program Years 2021-2022**

	PY	Program	OSY Youth Participants	ISY Youth Participants	Total Youth Participants
SW	2021	Youth Participants	4302 (78.7%)	1167 (21.3%)	5469
SW	2022	Youth Participants	4322 (83%)	881 (16.9%)	5203

	PY	Program	New OSY Youth Participants	New ISY Youth Participants	Total New Youth Participants
SW	2021	New Youth Participants	2363	347	2,710
SW	2022	New Youth Participants	2604	421	3,025

Below are counts of ISY and OSY enrolled in education or training programs leading to a recognized credential by PY. In summary, ISY enrollments decreased in education or training programs leading to a credential in PY 2022 from the prior year. Although ISY enrollments in education or training programs decreased in PY 2022, Florida experienced an increase in the number of ISY that obtained a measurable skill gain from the prior year.

**In-School Youth and Out-of-School Youth  
Enrolled in Education or Training Programs Leading to Credentials**

PY	Program	OSY in Education and Training	OSY w/ Measurable skill gains	OSY Measurable Skill Gain Rate	ISY in Education and Training	ISY with Measurable Skill Gain	ISY Measurable Skill Gain Rate
2021	Youth	2843	2018	71.0%	1107	727	65.7%
2022	Youth	2976	2254	75.7%	843	707	83.9%

Additional data points include:

- 48% of PY 2022's ISY were new participants compared to only 30% in the prior year.
- Measurable skill gain rates for ISY increased 18.2% in PY 2022 from the prior year.
- 355 of the 421 (84.3%) new ISY participants in PY 2022 have measurable skill gains (not represented here).

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

Workforce development stakeholders, including LWDBs, businesses, and Chief Local Elected Officials, were notified of the State's waiver request through an email alert and post on CareerSource Florida's website. This included instructions on how to submit comments. In addition, both the public and stakeholders had access to the waiver request on CareerSource Florida's website, CareerSourceFlorida.com, in the WIOA combined plan. The public comment period was open for 30 calendar days; no comments were received.