

U.S. Department of Labor

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



May 28, 2024

The Honorable Arnold Palacios
Governor of the Commonwealth of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

Dear Governor Palacios:

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 4, 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 the Commonwealth of the Northern Mariana Islands (Commonwealth) will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by the Commonwealth 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 Year (PY) 2024 and 2025, the Commonwealth's request to waive the requirement limiting ITAs to only out-of-school youth (OSY), ages 16–24. In addition to these OSY, the Commonwealth may use ITAs for ISY, ages 16–21. ETA reviewed the Commonwealth's waiver request and plan and has determined that the requirements requested to be waived impede the ability of the Commonwealth 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 Commonwealth expend 75 percent of its Program Year 2022 youth funds on OSY.

ETA Response: ETA approves for Program Year (PY) 2022, 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 Commonwealth's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Commonwealth to implement its plan to improve the workforce development system. The Commonwealth may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

The Commonwealth's WIOA Adult, Dislocated Worker, and Youth Outlying Area Consolidated Grant allows outlying areas to use funds interchangeably among programs. Participants may be enrolled in any Adult, Dislocated Worker, or Youth activity. Participants must still meet the eligibility criteria for at least one of the WIOA title I funding streams (Adult, Dislocated Worker, or Youth). As a result of the consolidation, outlying areas are not required to meet the WIOA 75 percent OSY expenditure for PY 2023 funds.

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 that reads "José Javier Rodríguez". The signature is written in a cursive, flowing style.

José Javier Rodríguez

Enclosure

cc: Frances A. Torres, Director, CNMI Department of Labor Workforce Investment Agency
Dr. Tamika Ledbetter, Regional Administrator, ETA
Noel Woods, Federal Project Officer, ETA

CNMI Youth ITAs and 75 Percent OSY

Submitted: March 4, 2024

ITA's for In-School Youths – 20 CFR 681.550

Waiver Request#1: Waiver of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (ISY).

1. Identify the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan

20 CFR 681.550 allows ITAs funded by WIOA youth funds to be used by out-of-school youth. The final rule did not expand the use to ITAs to in-school youth. Instead, in-school youth wishing to access ITAs may only do so through the WIOA adult program. CNMI would like to waive the requirement to only allow ITAs for out-of-school youth and expand this flexibility to in-school youth.

The intent of using ITAs in the WIOA out-of-school youth program is to expand training options, increase program flexibility, and enhance customer choice. If the CNMI 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. CNMI needs a waiver to support those with post-secondary educational goals past high school.

This waiver requests supports the following goals listed below as described in the plan:

Goal 1: Increase access to high-quality education and training programs that lead to self-sufficiency for all CNMI residents.

Goal 3: Consistently improve the public workforce system in the CNMI, prioritizing effectiveness, efficiency, and championing diversity, equity, inclusion, and accessibility (DEIA) to ensure equitable access to opportunities for skill development and career advancement for all residents.

Goal 4: Develop comprehensive and accessible career pathway opportunities for individuals in the CNMI that align with industry needs, resulting in measurable economic advancements.

Goal 5: Expand and enhance the availability and quality of apprenticeship programs in the CNMI to provide diverse and accessible pathways for skills development and career advancement.

Goal 6: Elevate services and opportunities for individuals with disabilities and other priority populations in the CNMI to ensure equitable access to education, training, and meaningful employment.

2. Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

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

3. Describes the goals of the waiver and the expected programmatic outcomes if the request is granted.

With the approval of this waiver, the CNMI expects to achieve the following goals and programmatic outcomes:

Equitable access to workforce investment activities in education and training

Expand education and training opportunities for in-school youths

Improve the quality of life of youths through skills development in meaningful, self-sustaining employment

Increase performance accountability outcomes for measurable skills gain, credential attainment, entered employment, and median earnings.

Increase registered apprenticeships opportunities.

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.

In the WIOA Final Rule, the intent of using ITAs in the WIOA out-of-school youth program is to expand training options, increase program flexibility, enhance customer choice, and reduce paperwork. CNMI would like in-school youth to also have this option. This waiver encourages youths to seriously look at career pathways in the in-demand occupations and empowers them to make their own decisions, thereby taking responsibility for their actions. The waiver also assists in the preparation of an emerging workforce with candidates who are ready for work.

5. Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment; and

Through the eligibility requirements of the WIOA program, the CNMI is actively addressing service delivery for disadvantaged populations and individuals facing multiple barriers to employment. This waiver will grant in-school youths the opportunity to explore career pathways and high-demand occupations, expand training and employment prospects, and empower them to make informed decisions about their futures.

6. Describes the processes used to:

- (A) Monitor the progress in implementing the waiver;
- (B) Provide notice to any local board affected by the waiver;
- (C) Provide any local board affected by the waiver an opportunity to comment on the request;
- (D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.
- (E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.

Once USDOL approves the Unified State Plan, which includes this waiver request, the CNMI SWDB will disseminate information about the waiver allowance to all its members and statewide partners. The Workforce Investment Agency of the CNMI Department of Labor (DOL WIA) will then update relevant state-level policies and ensure that operational guidance aligns with the parameters of the waiver allowance. DOL WIA will communicate these changes extensively by publishing revised policies on its public website and directly informing all key stakeholders. Moreover, continuous monitoring will ensure diligent oversight, transitioning the initiative into an implementation study to fulfill the evaluation prerequisites of WIOA. Findings from this study will be integrated into the annual report for comprehensive documentation and analysis.

7. The most recent data available regarding the results and outcomes observed through implementation of the existing waiver, in cases where the State seeks renewal of a previously approved waiver.

This represents the CNMI's first waiver request, and as such, historical data is not available.

Out-of-School Youth Expenditure – WIOA Section 129 (a)(4)(A) and 20 CFR 681.410

Waiver Request#2: Waiver of WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and local areas expend 75 percent local formula youth funds on out-of-school youth (OSY).

1. Identify the statutory or regulatory requirements for which a waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Unified or Combined State Plan

The CNMI requests a waiver of WIOA Section 129(a)(4)(A) and 20 CFR 681.410, which requires state and local areas spend a minimum of 75 percent of Youth program funds to serve out-of-school youth.

The CNMI requests that this minimum expenditure requirement be lowered and/or waived completely to provide the flexibility to interchangeably serve in-school and out-of-school youths with Program Year 2022 Allotments expiring on June 30, 2025 or midway through this state plan. The request to waive the requirement completely is to align with the provisions in the Consolidated Appropriations to uniformly serve youth program participants in this state plan cycle.

The expenditure requirement for out-of-school youth prevents the CNMI from being responsive and agile to support all youth as the CNMI's tourism dependent economy recovers from the impacts of the COVID-19 pandemic and the subsequent phase out of the Commonwealth Worker program (CW-1).

The intent of this waiver request will allow the CNMI to serve both in-school and out-of-school youths by providing career pathway opportunities through occupational skills training, work-based learning, to include employer-provided training programs like pre-apprenticeship and registered apprenticeship, and the allowability to full access to the 14 youth elements.

This waiver requests supports the following goals listed below as described in the plan:

Goal 1: Increase access to high-quality education and training programs that lead to self-sufficiency for all CNMI residents.

Goal 3: Consistently improve the public workforce system in the CNMI, prioritizing effectiveness, efficiency, and championing diversity, equity, inclusion, and accessibility (DEIA) to ensure equitable access to opportunities for skill development and career advancement for all residents.

Goal 4: Develop comprehensive and accessible career pathway opportunities for individuals in the CNMI that align with industry needs, resulting in measurable economic advancements.

Goal 5: Expand and enhance the availability and quality of apprenticeship programs in the CNMI to provide diverse and accessible pathways for skills development and career advancement.

Goal 6: Elevate services and opportunities for individuals with disabilities and other priority populations in the CNMI to ensure equitable access to education, training, and meaningful employment.

2. Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

CNMI will review local statutes and regulations to make necessary revisions upon approval of this waiver.

3. Describes the goals of the waiver and the expected programmatic outcomes if the request is granted.

With the approval of this waiver, the CNMI expects to achieve the following goals and programmatic outcomes:

Equitable access to workforce investment activities in education and training.

Expand education and training opportunities for all youths in the CNMI.

Improve the quality of life of youths through skills development in meaningful, self-sustaining employment.

Increase performance accountability outcomes in all indicators.

Increase pre-apprenticeship and registered apprenticeships opportunities.

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.

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 and OSY 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 youths 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 all youths in the CNMI. Specifically, this waiver will align with the following 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.

5. Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment; and

Through the eligibility requirements of the WIOA program, the CNMI is actively addressing service delivery for disadvantaged populations and individuals facing multiple barriers to employment. This waiver will all youths the opportunity to explore career pathways and high-demand occupations, expand training and employment prospects, and empower them to make informed decisions about their futures.

6. Describes the processes used to:

(A) Monitor the progress in implementing the waiver;

(B) Provide notice to any local board affected by the waiver;

(C) Provide any local board affected by the waiver an opportunity to comment on the request;

(D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.

(E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.

Once USDOL approves the Unified State Plan, which includes this waiver request, the CNMI SWDB will disseminate information about the waiver allowance to all its members and statewide partners. The Workforce Investment Agency of the CNMI Department of Labor (DOL WIA) will then update relevant state-level policies and ensure that operational guidance aligns with the parameters of the waiver allowance. DOL WIA will communicate these changes extensively by

publishing revised policies on its public website and directly informing all key stakeholders. Moreover, continuous monitoring will ensure diligent oversight, transitioning the initiative into an implementation study to fulfill the evaluation prerequisites of WIOA. Findings from this study will be integrated into the annual report for comprehensive documentation and analysis.

7. The most recent data available regarding the results and outcomes observed through implementation of the existing waiver, in cases where the State seeks renewal of a previously approved waiver.

This represents the CNMI's first waiver request, and as such, historical data is not available.