



SEP 24 2019

The Honorable Timothy Walz
Governor of Minnesota
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Governor Walz:

Thank you for your waiver request received on June 28, 2019, 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 (copy enclosed). This letter provides the Employment and Training Administration's (ETA) official response to the State's request and memorializes that Minnesota will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Minnesota 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 the obligation of eligible training providers (ETPs) to collect and report on the performance data on all students in a training program at WIOA Sections 116(d)(4)(A) and (B) and 122(d)(2)(A) and 20 CFR 677.230(a)(4) and (5) and 20 CFR 680.430(b)(5).

ETA Response: ETA approves through June 30, 2020, the State's request to waive the obligation of ETPs to collect and report performance data on all students in a training program. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Minnesota to implement its plan to improve the workforce development system. The State must provide information regarding how the Governor will take into account the outcomes of all students in an ETP program of study, with respect to their employment and earnings as required for the demonstration of continued eligibility in 20 CFR 680.460(f)(1)(iii) and WIOA Section 122. The State will continue to collect and report data for all WIOA-funded participants in accordance with all statutory and regulatory requirements, including WIOA Sections 116 and 122, and as specified at 20 CFR 677.230 and 680.460. While ETA recognizes the importance of informing consumer choice through the provision of quality data on training outcomes, we also recognize that the systems and willingness to collect the required performance data from providers may discourage training provider participation, which is a critical component of the workforce development system.

ETA is available for further discussion and to provide technical assistance to the State to support its goals. The Department of Labor proposed additional flexibility in its Fiscal Year 2018, 2019, and 2020 budgets to give governors more decision-making authority to meet the workforce needs of their states and anticipates proposing these additional flexibilities in future fiscal years.

If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Pallasch".

John Pallasch
Assistant Secretary for Employment and Training

Enclosure

cc:

May Thao Schuck, Director, Minnesota Department of Employment and Economic
Development
Christine Quinn, Chicago Regional Administrator, Employment and Training
Administration
Pamela Jones, Federal Project Officer, Employment and Training Administration

June 26, 2019

Christine Quinn
Regional Administrator, Employment & Training Administration
United States Department of Labor
230 South Dearborn Street, 6th Floor
Chicago, IL 60604

Dear Ms. Quinn,

The State of Minnesota is requesting the waiver of a statutory requirement in the Workforce Innovation and Opportunity Act (WIOA) allowed under WIOA section 189(I)(3)(B). The regulations addressed in the waiver are under Workforce Innovation Opportunity Act (WIOA) §116(d)(4) and 20 CFR §677.230(a)(5). The request to waive the requirement to collect and report data on all participants in training programs listed on the Eligible Training Provider List (ETPL) is due to the burden caused to the eligible training providers (ETPs) and the shared goal of facilitating the reduction of skills gaps and training attainment through the ETPL. The waiver will allow for ETP participation and consumer choice to be maintain and potentially improves. Under the waiver, reporting on the WIOA participants would still be completed as required.

Please find the attached waiver. Thank you for considering this request. If you have any questions, please contact Rachel Vilsack, the ETPL Administrator, at rachel.vilsack@state.mn.us.

Sincerely,



May Thao Schuck
Director, Employment & Training Programs
Minnesota Department of Employment & Economic Development

Waiver of the Requirement of Eligible Training Providers Collect and Report Data on All Participants

The Statutory and regulatory requirements to be waived

The Minnesota Department of Employment and Economic Development (DEED) is seeking a statewide waiver of Workforce Innovation Opportunity Act (WIOA) §116(d)(4) and 20 CFR §677.230(a)(5) to allow eligible training providers (ETPs) to collect and report performance data for WIOA-funded participants only. Under this waiver, ETPs will continue to collect and report performance data for all WIOA-funded participants in accordance with the above regulations.

Minnesota has a Statewide Longitudinal Education Data System (SLEDS) with the purpose of being a reliable resource for Minnesota as a whole, including ETPs and their participants. SLEDS has a large amount of data that can be leveraged to minimize the reporting requirement burden on training providers. Currently, 10.7 percent of training providers on Minnesota's ETPL do not have individual-level student data available in SLEDS. The expansion of uses for and the impact of SLEDS through assisting with ETPL reporting can support this goal, and this waiver will allow for that process to be completed and fully utilized.

SLEDS is managed jointly between the state's Office of Higher Education (OHE), Department of Education (MDE), and DEED, who all have the goal of a better workforce for Minnesota in mind.

Actions taken to remove State or local barriers

There are no known state or local statutory or regulatory barriers to implementing the requested waiver. DEED regulations and policy statements are in compliance with current federal law.

Projected programmatic outcomes resulting from implementation of the waiver

Under WIOA §116(d)(4) and 20 CFR §677.230(a)(5), performance data for all individuals engaging in a program must be reported by ETPs. This requirement to collect and report data on all participating students creates a burden even though DEED recognizes that the additional data is valuable in monitoring performance. This burden was also recognized by the DOL by stating, "The Departments are cognizant of the reporting burden the ETP performance report places on the ETPs and do not want to place additional burden on these entities" in the preamble to the WIOA Final Rule.

The goal of this waiver is to reduce this burden on ETPs while still reporting the required information on WIOA participants until SLEDS can be leveraged in a way that assists the ETPs efficiently. The data is available for nearly 90 percent of ETPs, but not all are able to currently provide data necessary to meet the reporting requirement. Not all ETPs currently have data available on SLEDS, so SLEDS itself must be expanded. This leads to a considerable amount of time and resources being used by both DEED and the remaining ETPs to meet this requirement. This waiver will help all ETPs fulfill the requirement by allowing the time needed to prepare. It will also allow DEED to carry more of the burden since SLEDS will allow ETPs to report directly to the OHE, so that DEED can utilize SLEDS in the ETP reporting process.

Programmatic outcomes of waiver implementation include:

- Assisting ETPs in their reporting requirements and continuing to strengthen the ETPL which also improves consumer choice

- Continuing to better the ability to collect and report on data for all participants.
- Growing the impact and uses of SLEDS for ETPs, their participants, and Minnesotans as a whole

State strategic goals supported by the waiver

The specific combined state WIOA plan has two primary goals that coincide with the goals of WIOA as a whole:

- Reduce educational, skills training and employment disparities based on race, disability, discounted youth or gender
- Build employer-led industry sector partnerships that expand the talent pipeline to be inclusive of gender, race and disability to meet industry demands for a skilled workforce

Along with the above goals, one of DEED's five objectives is to "connect workers to jobs, prepare workers for jobs in demand, and assist people to live independently." The ETPL is a useful tool in reaching these goals and objectives and this waiver helps to better the ETPL. It will allow ETPs to remain on the ETPL while they prepare to report the new data required, which helps to maintain and increase consumer choices available.

The reporting requirement for all participants in ETP training programs is important data to these missions, but ETPs are not prepared for the additional time and resources it requires. This waiver would allow ETPs and DEED to focus on these goals while also working to comply with the new reporting requirement.

Individuals, groups or populations benefitting from the waiver

This waiver would ease the reporting burden on ETPs. This will also benefit those who use the ETPL, such as individuals accessing training services, Local Workforce Development Boards, and staff that assist those using the ETPL by ensuring current data is still available while the new data requirements are being implemented and by helping maintain ETP participation.

Process to monitor waiver implementation

DEED will continue to manage the ETPL and collect data from ETPs on WIOA participants to fulfill the requirements for annual reporting. Updates and improvements to the ETPL and SLEDS database will also take place to better data collection and reporting. DEED will regularly evaluate the implementation of the waiver to ensure its purpose.

Notice to Local Boards and Public Comment

This waiver is being submitted separately from Minnesota's state plan. It will be made available to the public and affected parties for comment.

October 17, 2019

Eugene Scalia
Secretary of Labor
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

Dear Secretary Scalia:

Accompanying this letter is a proposed WIOA waiver allowing the State of Minnesota to use Individual Training Accounts for WIOA eligible in-school youth. We are requesting approval of this waiver to be effective November 1, 2019 to be continued to the conclusion of PY 2019. We will request continuation of this waiver in the state plan to be submitted in 2020.

The 30-day public comment period ended on October 2, 2019. Public comments on the waiver are attached.

This waiver impacts WIOA Regulations 20 CFR 681.550. The approval of this waiver will allow in-school youth the same flexible opportunities for training support as out of school youth.

We are submitting the proposed WIOA waiver in accordance with the format set forth by the U.S. Department of Labor. We would sincerely appreciate prompt action on our request.

Questions on this waiver can be addressed to Kay Tracy (Kay.Tracy@state.mn.us), 651-259-7555 or Larry Eisenstadt (Larry.Eisenstadt@state.mn.us), 651-259-7538.

Thank you for your consideration.

Sincerely,



Steve Grove
Commissioner

Cc: Pamela Jones, Steven Scott
attachment

WIOA YOUTH WAIVER REQUEST

STATE OF MINNESOTA

MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

I. **Identification of the statutory or regulatory requirements for which a waiver is being requested:**

Minnesota is requesting a waiver to provide Minnesota WDAs with the flexibility to use Individual Training Accounts (ITAs) for in-school youth under WIOA Youth. The waiver impacts WIOA Regulation 20 CFR 681.550.

According to current WIOA Regulations, ITAs were established to provide individual customer choice in their education and training plans and provide flexibility to service providers. At present, only out of school youth, ages 18-24 can use ITAs. In school youth deserve the same flexible opportunities for support as out of school youth. Without this waiver, in-school youth would have to be closed and enrolled as out of school youth.

II. **Goals that Minnesota and its Workforce Development Areas (WDAs) intend to achieve as a result of the waiver:**

The goal of this is to allow WIOA youth service providers the option to use ITAs for in-school youth. Serving in school and out of school youth with the same ITA policy allows for continuity of services for all WIOA youth. All youth will be eligible to receive training services, connection to work-based learning and job search support. To better connect youth to work-based learning, both in school and out of school youth would be able to use the ETP to find training programs that support individualized needs. The waiver would permit youth service providers to customize services to in school youth to match their interests and abilities.

III. **Relationship of Goals to the Minnesota State Plan:**

Minnesota's State Plan describes how resources will be used to assist individuals who need assistance to become economic and socially self-sufficient. The populations targeted in Minnesota's plan are those for whom WIOA Youth Programs are critical. The State plan points out that Minnesota needs to diversify its labor force in order to grow economically:

In sum, the data show that current population and aging trends will lead to a tight labor market over the next two decades -- with some local areas already experiencing labor force declines. The challenges our state will face over the next 15 years are so great that we'll need to tackle them with a multi-pronged approach to attract and retain workers of all demographic characteristics. Retaining older

workers beyond traditional retirement age, attracting and retaining young talent, removing barriers faced by workers of all abilities, welcoming immigrants from other countries, and educating and training the workers we do have are all necessary to overcome these challenges.

Because minority populations in Minnesota continue to grow faster than the white population, particularly in the younger working age populations, the labor force will continue to diversify rapidly. Recognizing that the rapidly increasing share of existing workers are people of color, it becomes obvious that we must address this problem of persistent racial disparities directly.

If these disparities continue unabated, disadvantaged groups won't be the only ones who suffer. Businesses and the economic well-being of every resident of our state also will be affected. So, working on solutions to close these racial gaps between our state's white population and its populations of color is not only the right thing to do, it's the necessary thing to do if we're to provide our economy and its employers with the workforce necessary for success.

If approved, this waiver will positively impact disadvantaged populations: both in-school youth and out of school youth will be able to receive all WIOA youth program services. The waiver supports continuity of services without disruption for WIOA Youth.

IV. **Actions the State has undertaken to remove State or local statutory or regulatory barriers;**

No State or local statutory or regulatory barriers exist that would prevent the implementation of this waiver.

V. **Detailed Goals of the Waiver and the Expected Programmatic Outcomes if the Request is Granted:**

Goals of the waiver include:

- Supporting customer choice;
- Supporting employer engagement;
- Connecting education and training strategies;
- Supporting work-based learning; and
- Improving job and career results.

As Minnesota's ETPL grows, the choices available to in-school youth will grow as well. This waiver will allow the in-school student to participate in and benefit from the growth of the employment and training network.

Specific numeric goals are hard to set. However, we are indicating the following:

- 75 percent of in-school undertaking occupational training will have ITAs;
- The number of training providers serving youth will increase by at least 5% in the next 12 months and will be registered on the ETPL; and
- All ITAs will use training providers on the ETPL.

VI. Alignment with Department of Labor policy priorities

This waiver is in alignment with Department of Labor priorities as follows:

Connecting Education and Training Strategies

This waiver allows WIOA youth service providers to offer in school youth the flexible option to use ITAs to access training programs on the ETPL. The waiver expands the education and training opportunities for in school youth.

Improving Job and Career Results

Allowing both in school and out of school youth to use ITAs to find training opportunities that match their interest, support their learning styles and better prepare them for work-based learning and employment.

With the reduced administrative burden on youth service providers, there can be an increased effort on networking and partnering to assure that meet the needs of both eligible in-school and out of school youth and improve shared outcomes.

VII. Individuals Affected by the Waiver

In-school students (secondary school attendees) who meet the age requirements will be the individuals affected by the waiver, especially youth who are under-represented in the workforce. These youth have multiple barriers to employment requiring resources to become self-sufficient. This waiver provides WIOA youth service providers with more flexibility to serve in-school youth who are most in need of services.

VIII. Monitoring/Local Comment

Monitoring

DEED's youth program staff will be responsible to ensure that the process to implement the waiver is accomplished as well as monitoring the progress to meet the goals indicated above. As required, DEED will report to DOI progress in achieving the waiver as well as any changes needed. Additionally, DEED will report information on the waiver and its outcome in Minnesota's WIOA Annual Report.

Local Comment

DEED will ensure through direct communications and through its website that local comment (local Workforce Development Boards, local business and organized labor is obtained on this waiver. Additionally, DEED staff will meet with local WDA staff to obtain comments. DEED will inform the Department of Labor of any comments received.

August 15, 2019

Eisenstadt, Larry (DEED)

From: Tracy, Kay (DEED)
Sent: Thursday, October 3, 2019 10:49 AM
To: Eisenstadt, Larry (DEED)
Subject: From CMJTS: ITA waiver comments

From: Diana Ristamaki <dristamaki@cmjts.org>
Sent: Tuesday, September 17, 2019 5:12 PM
To: Tracy, Kay (DEED) <kay.tracy@state.mn.us>
Cc: Barbara Chaffee <bchaffee@cmjts.org>
Subject: ITA waiver comments


Hello Kay,

Please see below CMJTS's support for the ITA waiver for in-school youth.

- Enhances youth choice of education providers and expands training options. This in return, helps them to focus on career pathways and in-demand occupations while empowering them to make their own decisions about their education.
- Increases program flexibility for WDA's-helps to expand the population of who can receive ITA services, therefore increasing enrolments for WIOA IS youth.
- Helps to provide continued services to In-school youth particular those who transition from high school to post-secondary education.

Please let me know if this is what you're looking for and if we can support you further.

Thanks Kay

 **Diana Ristamaki** | Youth/Universal Team Manager
Central Minnesota Jobs & Training Services, Inc.
c: 320-364-0321 | f: 320-679-6495 | e: dristamaki@cmjts.org

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