



NOV 27 2018

The Honorable Phil Bryant
Governor of Mississippi
Office of the Governor
Post Office Box 139
Jackson, Mississippi 39205

Dear Governor Bryant:

Thank you for your waiver requests on August 29, 2018, regarding 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 requests and memorializes that Mississippi will meet the outcomes and implement the measures identified in its plan to ensure accountability as agreed to by Mississippi 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: Waivers associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the States and each local area expend 75 percent of all Governor's reserve and local formula youth funds on out-of-school youth (OSY).

ETA Response: The State's request to waive the requirement that states and local areas expend 75 percent of all Governor's reserve and local formula youth funds on OSY 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 Mississippi to implement its plan to improve the workforce development system. Therefore, ETA approves the requested waivers for Program Years 2018 and 2019 (July 1, 2018 through June 30, 2020). Mississippi may lower the target rate for expenditure of Governor's Reserve and local youth funds on OSY to 50 percent.

Requested Waiver: Waiver of WIOA Section 129(a)(3)(B) to permit local workforce development areas to enroll more than five percent of total youth whose eligibility is based on requiring additional assistance to complete an educational program or to secure or hold employment.

ETA Response: Unfortunately, this request falls outside of the Secretary's waiver authority and, therefore, cannot be approved. WIOA 189(i)(3)(A)(i) prohibits the Secretary from waiving requirements related to participant eligibility. ETA offers to engage with the State to identify all WIOA eligibility criteria for in-school youth with additional barriers to employment in order to expand services to this population.

For example, youth with one or more of the following barriers are eligible for the WIOA Youth program regardless of whether they meet other established eligibility criteria:

- basic skills deficient;
- English language learners;
- offenders;
- homeless or in foster care;
- pregnant or parenting; and
- youth with disabilities.

ETA also encourages the State to consider using Governor's Reserve funds for innovative projects to assist at-risk, in-school youth. The eligibility criteria for use of these Governor's Reserve funds are more flexible when compared to local WIOA Youth funds.

ETA is available for further discussion and to provide technical assistance to the State to support achieving its goals. The Department of Labor proposed additional flexibility in its Fiscal Year 2018 and 2019 budgets to provide governors more decision-making authority to meet the workforce needs of their states. Should Congress pass legislation signed by the President with new legal authority, we will be happy to revisit the areas that cannot currently be waived. If you have questions or wish to explore additional flexibility, feel free to contact my office at (202) 693-2772.

Sincerely,



Molly E. Conway
Acting Assistant Secretary

Enclosure

cc:

Mark Henry, Executive Director, Mississippi Department of Employment Security
Les Range, Regional Administrator, ETA Atlanta Regional Office
Linda Lundy, Federal Project Officer for Mississippi, ETA Atlanta Regional Office



MISSISSIPPI DEPARTMENT *of* EMPLOYMENT SECURITY

OFFICE OF THE GOVERNOR
MARK HENRY
EXECUTIVE DIRECTOR

August 29, 2018

Les Range
Regional Administrator
U.S. Department of Labor/ETA
Atlanta Federal Center
61 Forsyth Street, Room 6M12
Atlanta, Georgia 30303

Subject: Workforce Innovation and Opportunity Act Waiver Requests

Dear Mr. Range:

Under the Secretary of Labor's waiver authority outlined in Section 189(i)(3)(A) of the Workforce Innovation and Opportunity Act (WIOA) and 20 CFR and 679.600, the Secretary may waive certain provisions of WIOA Title I Subtitle A, B, and E. The Mississippi Department of Employment Security is requesting that the Secretary grant a waiver of WIOA Section 129 (a)(4)(A), the 75 Percent Out-of-School Youth (OSY) Expenditure Requirement, and of Section 129 (a)(3)(B), the requirement that not more than 5 percent of In-School Youth (ISY) assisted may be eligible based on "an individual who requires additional assistance to enter or complete an educational program or secure or hold employment."

The attached Workforce Innovation and Opportunity Act Waiver Requests outline these requests, in keeping with DOL guidelines.

If you have any questions about this waiver request, please contact Laura Ring in the Office of Grant Management at 601-321-6017 or lring@mdes.ms.gov or Robert DeYoung at 601-321-6477 or rdeyoung@mdes.ms.gov.

Sincerely,

Mark Henry,
Executive Director

The State of Mississippi seeks approval of the following statutory waivers in accordance with the Workforce Innovation and Opportunity Act (WIOA) at Section 189(i)(3) and the WIOA Regulations at 20 Code of Federal Regulation (CFR) 679.600 through 679.640. These waivers will assist Mississippi to implement its WIOA Combined State Plan.

Statutory and/or Regulatory Requirements to be Waived – 75 Percent Out of School Youth (OSY) Expenditure Requirements

The State of Mississippi is seeking a waiver of the requirements at WIOA Section 129 (a)(4)(A) and 20 CFR 681.410, which requires not less than 75 percent of funds allotted to states under Section 127(b)(1)(C), reserved under section 128(a), and available for statewide activities under subsection (b), and not less than 75 percent of funds available to local areas under subsection (c), shall be used to provide youth workforce investment activities for OSY.

1. A waiver of the requirement to expend 75 percent of funding on the OSY population. Mississippi is requesting that this percentage be lowered to 50 percent.
2. A waiver of the requirement that local funding must meet the 75 percent minimum expenditure requirement. Mississippi is requesting that this percentage be lowered to 50 percent.
3. A waiver of the requirement to expend 75 percent of Statewide activities funding on the OSY population. Mississippi is requesting that this percentage be lowered to 50 percent.

Background

Approximately three out of every four public school children in Mississippi live below the poverty guidelines. Research shows that students from low-income families are more likely to drop out of high school than their more advantaged classmates. With more than 60 percent of jobs in Mississippi requiring post-secondary education and training, intervention strategies that increase a student's opportunity to remain in school and graduate are critical to the success of our state's youth.

This waiver request is consistent with the MS WIOA Combined State Plan and its "no wrong door" strategies. Increasing the percentage of funding available to In-School Youth (ISY) will open doors to work experience, pre-apprenticeship programs, and career pathways to at-risk students.

Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers

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

Waiver Goals and Outcomes

Goal: Increase access to the MS Smart Start Career Pathway based on need and without regard to educational status to at-risk youth in local communities. The Smart Start Career Pathway provides manageable steps leading to successively higher credentials and employment outcomes tailored to current life situations.

Outcome: Approval of this waiver will allow the state to provide work-based learning opportunities as well as mitigate dropout behaviors and improve student retention. Early intervention will increase attachment to the workforce and enrollment in post-secondary training.

Goal: Build on strategic partnerships to improve services and leverage resources.

Outcome: Approval of this waiver will enhance linkages to local education agencies and human services agencies and maximize the use of scarce state and local resources.

Alignment with Department Policy Priorities

The WIOA encourages strategies that connect education and training as well as supporting work-based learning and improving job and career results. 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 to disadvantaged youth.

Individuals Impacted by the Waiver

Mississippi's at-risk and disadvantaged youth, employers, parents, service providers, post-secondary institutions and American Job Centers will benefit from this waiver.

Monitoring Progress and Implementation

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

Notice to Local Boards and Public Comment

In accordance with WIOA Regulations at 20 CFR 679.620 (ii) (iii) and (iv), this waiver request was provided to all local workforce development boards. The waiver request is currently posted on our website for comment and review by required partners and the general public.

Statutory and/or Regulatory Requirements to be Waived – Not more than 5 Percent In-School Youth (ISY) may be eligible under Paragraph (1), Additional Assistance Barrier

The State of Mississippi is seeking a waiver of the requirements outlined in Section 129 (a)(3)(B): In each local area, not more than 5 percent of the in-school youth assisted under this section may be eligible under paragraph (1) because the youth are in-school youth described in paragraph (1)(C)(iv)(VII).

A waiver of the requirement that not more than 5 percent of ISY assisted may be eligible based on “an individual who requires additional assistance to enter or complete an educational program or secure or hold employment.” Mississippi is requesting that this percentage be raised to not more than 50 percent in each local area.

Background

Mississippi has identified the following criteria to define “needs additional assistance to enter or complete an educational program or secure or hold employment”:

- Lacks relevant work experience to secure or hold employment;
- Lacks relevant credential related to local regional targeted sectors; or
- In need of an ITA to complete the Smart Start or Career Technical Pathway.

While high school graduate rates are increasing, an alarming number of students are unprepared after high school for work or post-secondary training. During recent focus group discussions with Mississippi employers about the readiness of “workforce entrants,” employers gave low marks. The employers polled indicated that more than 75 percent of incoming high school graduates were lacking workplace skills. They identified teamwork/collaboration, problem solving, learning agility, punctuality, work ethics, and innovation as necessary and critical to success on the job. Employers also indicated that jobs which only require a high school diploma or equivalency are going unfilled.

The foundation of Mississippi's WIOA Combined State Plan is the Smart Start Career Pathway and its “no wrong door” approach. The Smart Start Career Pathway includes instruction on all necessary skills identified by employers and provides an opportunity for students to demonstrate the attainment of these skills through work-based learning opportunities. Students can achieve credentials through pre-apprenticeship programs and gain relevant work experience through internships and employment in target sectors. With the disturbing number of students living below the poverty level, early intervention is paramount to self-sufficiency.

By increasing the number of ISY that can be determined eligible from 5 percent to 50 percent based on "needs additional assistance," Mississippi will open the door for more students to be better prepared for employment and post-secondary training. Without improving the educational support that Mississippi provides to its low-income students, who have the highest need and usually the least support, it will be impossible to meet the needs of business and industry.

Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers

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

Waiver Goals and Outcomes

Goal: Increase number of work ready and post-secondary ready students in each local area and build a pipeline of students with work ready skills identified by employers and necessary to meet employer needs. The goal is also to increase the number of students eligible for college dual enrollment and industry recognized credentials and to build a stronger partnership with local business and industry.

Outcome: Approval of this waiver will increase the number of students that are ready for entry into the workforce. The waiver will help Local Workforce Development Boards develop business engagement strategies with local employers that meet local economic needs.

Alignment with Department Policy Priorities

The WIOA supports strategies that help meet the needs of business and industry by matching employers with skilled workers. WIOA also emphasizes that training leads to industry recognized credentials.

Individuals Impacted by the Waiver

Mississippi's at-risk youth, employers, parents, service providers, and American Job Centers will benefit from this waiver.

Monitoring Progress and Implementation

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

Notice to Local Boards and Public Comment

In accordance with WIOA Regulations at 20 CFR 679.620 (ii) (iii) and (iv), this waiver request was provided to all local workforce development boards. The waiver request is currently posted on our website for comment and review by required partners and the general public.