

U.S. Department of Labor

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



May 30, 2024

The Honorable Jim Pillen
Governor of Nebraska
1526 K Street
P.O. Box 94848
Lincoln, NE 68509-4848

Dear Governor Pillen:

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 request was 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 Nebraska will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Nebraska 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 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) 2024 and PY 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 Nebraska's waiver request and plan and has determined that the requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system. Nebraska may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY and may eliminate the OSY expenditure requirement for Governor's reserve funds.

In addition, ETA approves for PY 2024 and PY 2025, which includes the entire time period for which local areas 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. The State 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. The State is also approved to calculate the lowered 50 percent expenditure rate at the State level instead of individually for each local area.

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,

A handwritten signature in blue ink that reads "José Javier Rodríguez". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

José Javier Rodríguez

Enclosure

cc: John Albin, Commissioner, Nebraska Department of Labor
Pam Gerassimides, ETA Regional Administrator – Region 5 Chicago
Christopher Mendoza, ETA Federal Project Officer

Waiver of 75 percent out-of-school youth expenditure requirements

Background

Nebraska is committed to providing in-school youth (ISY) with opportunities that focus on increasing high school graduation rates, attainment of postsecondary credentials, and quality employment in in-demand occupations.

JAG Nebraska

Nebraska’s ongoing commitment to increasing high-school graduation rates, attainment of postsecondary credentials, and quality employment in in-demand occupations for ISY is apparent through its establishment and implementation of JAG Nebraska. In January 2019, JAG Nebraska started with three sites in Columbus, Fremont, and Macy. On July 1, 2020, JAG Nebraska established a multi-year partnership with the Nebraska Department of Labor (NDOL) and United Way of the Midlands. Since 2020, JAG Nebraska has expanded. Table 1 provides data on JAG Nebraska student enrollments and follow-up services provided during school years 2021-2022, 2022-2023, and 2023-2024, demonstrating a 169.54 percent increase in students enrolled and 141.04 percent increase in total number of JAG Nebraska students served between 2021-2022 and 2023-2024 school years.

Table 1. JAG Nebraska students enrolled and receiving follow-up services, by school year

Category	2021-2022	2022-2023	2023-2024	Total % increase
Students enrolled	499	765	1,345 ²	169.54
Follow-up services	115	103	135	17.39
Total students served	614	868	1,480 ²	141.04

Source: Email from Shauna Paolini, JAG Nebraska Chief State Affiliate and State Director, December 19, 2023

Note: Enrollment and total students served numbers for 2023-2024 are based on preliminary data as of December 15, 2023, which will be finalized August 2024.

In addition to increasing enrollments and services, JAG Nebraska is planning significant expansion its service delivery locations for school year 2024-2025.

The Tables 2, 3, and 4 provide additional data on JAG Nebraska success, student challenges, and student engagement activities for school year 2022-2023.

Table 2 provides preliminary data on JAG Nebraska’s graduation rates for school year 2022-2023 for 11 schools. JAG Nebraska’s preliminary overall graduation rate statewide is 98.13 percent, which is significant compared to Nebraska’s overall public high-school graduation rate for 2021-2022 of 87.1 percent.

Table 2. Preliminary JAG Nebraska’s graduation rates, school year 2022-2023

Program	Seniors	Graduates	% rate
Auburn High School (grades 9-12)	4	4	100.00
Blair High School (11-12)	5	5	100.00
Bryan High School (11-12)	6	6	100.00
Columbus High School (grades 11-12)	19	19	100.00
Fremont High School (11-12)	18	18	100.00
Grand Island High School (11-12)	9	9	100.00
Hastings High School (11-12)	24	24	100.00
Johnson County Central High School (9-12)	9	9	100.00
Nebraska City High School (11-12)	16	15	93.75
Umó'ho ⁿ Nation School (9-12)	7	7	85.71
York High School (11-12)	18	17	100.00
Total	135	133	98.13

Sources: JAG Nebraska school year 2022-2023 annual report, issued to NDOL on August 15, 2023; Nebraska Coordination Commission for Postsecondary Education, “2023 Nebraska Higher Education Progress Report, Executive Summary”, https://ccpe.nebraska.gov/sites/ccpe.nebraska.gov/files/PR_Executive_Summary.pdf [accessed December 19, 2023]

Note: The Commission’s 2024 progress report, which will include Nebraska’s overall public high-school graduation rate for 2022-2023, is not yet available.

During school year 2022-2023, JAG Nebraska students experienced an average of eight identified challenges per student, with the most significant being economic. Table 3 lists the top seven challenges experienced by JAG Nebraska students during school year 2022-2023. When considering the prevalence of these challenges, JAG Nebraska’s 2022-2023 preliminary overall graduation rate is significant.

Table 3. Top 7 challenges experienced by JAG Nebraska students, school year 2022-2023

Challenge	% rate
Economic	84
Personal development	47
Connectivity	40
Social skills	38
Academic	36
Health	33
Transportation	21

Source: JAG Nebraska school year 2022-2023 annual report, issued to NDOL on August 15, 2023

During school year 2022-2023, JAG Nebraska Career Specialists provided over 2,311 hours of student engagement activities. Table 4 provides a breakout of activities provided by percentage of hours for school year 2022-2023.

Table 4. JAG Nebraska student engagement activities provided by percentage of hours, school year 2022-2023

Student engagement activity	% of hours
Employability skills training	32
Career association (civic engagement)	19
Guidance counseling and supportive services	17
Academic remediation	16
Field trips and guest speakers (employer engagement)	10
Work-based learning	5
Other (student incentives, journaling, special projects)	1

Source: JAG Nebraska school year 2022-2023 annual report, issued to NDOL on August 15, 2023

Registered Apprenticeship

Table 5 provides data on the growth of Registered Apprenticeship programs and participating employers in Nebraska for Fiscal Years 2018 to 2023 (FY18 to FY23). NDOL has continued its efforts to facilitate development of Registered Apprenticeship in Nebraska, in partnership with US Department of Labor Nebraska Office of Apprenticeship; and employers continue to demonstrate willingness to work collaboratively with one-stop delivery system partner programs, especially in relation to work-based education and training programs. This is apparent considering the 111.43 percent growth in the total number of Nebraska employers actively sponsoring Registered Apprenticeship through group programs since FY18.

Table 5. Nebraska registered Apprenticeship programs and participating employers, FY 2018 to FY 2023

FY	Total programs	Registered programs	Total active employers working with group programs	New participating employers	% growth of total active employers working with group programs since FY18
2018	63	10	140	0	NA
2019	76	16	151	11	7.86
2020	86	10	156	5	11.43
2021	102	16	177	21	26.43
2022	109	10	230	53	64.29
2023	109	14	296	66	111.43

Source: US Department of Labor Office of Apprenticeship, Omaha, Nebraska [accessed October 2, 2023]

In addition to expanding Registered Apprenticeship in Nebraska, NDOL in partnership with the US Department of Labor State Nebraska Office of Apprenticeship has developed and continues to develop Registered Apprenticeship programs that serve youth ages 16 and older through collaboration with public and private high schools and employers in Nebraska, as certain Nebraska Registered Apprenticeship programs allow high school juniors and seniors ages 16 and older to simultaneously further their educational attainment while earning wages through participation in Registered Apprenticeship programs, subject to law labor requirements and limitations. This provides participating youth with significant advantages as they embark on their career pathways.

Impact

Together, Nebraska’s Title I youth programs, JAG Nebraska, and Registered Apprenticeship programs provide all or some of the required 14 Title I youth program elements. However, the impact of these evidence-supported and proven programs for ISY is limited considering the 25 percent limitation on ISY spending. Approval of this continued waiver would ensure increased ISY spending, support increased ISY

participation in JAG Nebraska and Registered Apprenticeship, and result in increased positive outcomes for Nebraska’s ISY. Continuation of additional ISY funding made available through approval of this waiver could also be utilized to provide ISY with incentive payments in recognition of achieving predetermined benchmarks and goals that align with Title I youth programs and participation in Registered Apprenticeship programs and JAG, which will likely increase ISY program participation, retention, and completion. Table 6 shows alignment among Title I youth programs, JAG Nebraska, and Registered Apprenticeship concerning Title I youth program elements.

Table 6. Alignment between Title I youth programs, JAG Nebraska, and Registered Apprenticeship

Title I youth program elements	Title I programs	Registered Apprenticeship	JAG Nebraska
1. Tutoring, study skills training, instruction and dropout prevention	yes	yes	yes
2. Alternative secondary school and dropout recovery services	yes	-	yes
3. Paid and unpaid work experience	yes	yes	yes
4. Occupation skills training	yes	yes	-
5. Education offered concurrently with workforce preparation	yes	yes	yes
6. Leadership development opportunities	yes	-	yes
7. Supportive services	yes	-	yes

Title I youth program elements	Title I programs	Registered Apprenticeship	JAG Nebraska
8. Adult mentoring	yes	yes	yes
9. Comprehensive guidance and counseling [not career counseling]	yes	-	-
10. Financial literacy education	yes	-	-
11. Entrepreneurial skills training	yes	-	yes
12. Services that provide labor market information	yes	-	yes
13. Postsecondary preparation and transition activities	yes	yes	yes
14. Follow-up services	yes	-	yes

In addition to statewide capability to serve more ISY, approval of this waiver will also benefit Nebraska's economy through the development of a diverse and skilled workforce through development of career pathways, one of Nebraska's two key goals (see Section II.b.2.). Collectively, expansion of JAG Nebraska and Registered Apprenticeship results in enhanced career pathway opportunities for ISY (and OSY), leading to increased high-school graduation rates, attainment of postsecondary credentials, and quality employment in in-demand occupations. In addition, these efforts (a) foster stronger relationships among Nebraska's workforce system partners, including communities, secondary and postsecondary schools, and parents and

families, (b) increase the impact of shared goals to support Nebraska youth, and (c) build a strong talent pipeline.

Statutory and/or regulatory requirements to be waived

NDOL requests continuation of the waiver of requirements established under WIOA Sec. 129(a)(4)(A) and 20 CFR § 681.410, which mandate that at least 75 percent of funds allotted to states under WIOA Sec. 127(b)(1)(C), reserved under WIOA Sec. 128(a), and available for statewide activities under WIOA Sec. 129(b) must be used to provide youth workforce investment activities for OSY; and available to local workforce development areas under WIOA Sec. 129(c) be used to provide youth workforce investment activities for OSY.

- NDOL requests continuing waiver of the requirement to expend at least 75 percent of youth formula funds on OSY and requests that the required OSY expenditure rate be reduced to 50 percent.
- NDOL requests continuing waiver of the requirement that local area OSY spending meet the 75 percent minimum expenditure rate and requests that the 50 percent OSY expenditure rate be calculated at the state-level rather than by each local area's rate of expenditure.
- Nebraska requests continuing waiver of the limitation that no more than 25 percent of local area youth formula funds be expended on ISY workforce investment activities and requests that the 50 percent ISY expenditure rate be calculated at the state-level rather than by each local area's rate of expenditure.
- Nebraska requests continuing waiver of the requirement to expend 75 percent of the Governor's reserve of youth formula funds on OSY statewide workforce investment activities and requests this percentage-expenditure requirement be eliminated to allow flexibility of funding for special projects that meet the vision and goals of Nebraska.

Actions undertaken to remove state or local statutory or regulatory barriers

Currently, there are no state or local statutory or regulatory barriers to implementing the requested waiver. Applicable State law, regulations, and policy statements are in compliance with current Federal law.

State strategic goal

Nebraska's continuing strategic goal under this waiver is to increase the number of youth participating in evidence-based programs that result in positive outcomes for ISY, as well as OSY, including high school graduation, participation in postsecondary education, career development, and employment. This goal aligns with one of Nebraska's two-part statewide goal for preparing an educated and skilled workforce that meets the needs of employers: selection and prioritization of development of career pathways (see Section II.b.2.).

Projected programmatic outcomes resulting from waiver implementation

The projected programmatic outcomes during performance of this continued waiver are:

- 10 new ISY participating in JAG Nebraska statewide during Program Years 2024 and 2025 (PY24 and PY25); measurable cohorts: new ISY enrolled in JAG Nebraska during each of PY24 and PY25;
- 5 new ISY participating in Registered Apprenticeship programs during PY24 and PY25; measurable cohorts: new ISY participating in Registered Apprenticeship programs during each of PY24 and PY25;
- 10 percent statewide increase in high school graduation rates among ISY participating in JAG Nebraska during each of Program Year 2022 (PY22), PY23, and PY24 compared to ISY not participating in JAG Nebraska during the same program years; measurable cohorts:
 - ISY who *did* participate in JAG *and* exited during each of PY22, PY23, and PY24; and
 - ISY who *did not* participate in JAG *and* exited during each of PY22, PY23, and PY24;
- 10 percent statewide increase in Q2 and Q4 employment rates among ISY participating in Registered Apprenticeship programs compared to ISY not participating in youth Registered Apprenticeship programs during PY22, PY23, and PY24; measurable cohorts:
 - ISY who *did* participate in Registered Apprenticeship programs *and* exited during each of PY22, PY23, and PY24; and
 - ISY who *did not* participate in Registered Apprenticeship programs *and* exited during each of PY22, PY23, and PY24.

Alignment with Department policy priorities

WIOA places an emphasis on preemployment education and development as well as access to work-based learning opportunities. The purposes of JAG Nebraska support the purposes of Title I youth programs defined under WIOA Title IB. JAG Nebraska focuses on drop-out prevention and skill gains through work experience to help youth transition to the workforce, based on the understanding that many JAG Nebraska students will not go to college. Further and as stated in TEN 31-16, Registered Apprenticeship is a (a) valuable work-based training opportunity that can provide youth with academic and workplace skills and (b) proven model of job preparation that combines paid on-the-job training and related instruction to progressively increase worker skill levels and wages. Approval of this waiver will align with the Department's policy priorities for Title I youth programs through increased services for ISY leading to greater numbers of skilled youth available to enter the workforce.

Individuals, groups, or populations benefitting from the waiver

Approval of this waiver will enhance Nebraska's ability to serve ISY, including those with basic skills deficiency and those who are English language learners, offenders, youth who are in or have aged out of foster care, pregnant or parenting youth, youth with disabilities, or youth that require additional assistance to complete education or secure employment. Approval of this waiver will also enhance capabilities of Nebraska's Title I youth programs to enhance services for ISY, while continuing to serve OSY.

Monitoring of waiver implementation and outcome

NDOL will monitor progress on this waiver and ensure accountability for use of Federal funds in connection with this waiver by collecting and reviewing expenditure and performance data. In addition, NDOL will utilize NEworks (NDOL's management information system of record) to develop relevant performance data reports to assist Title I service providers with effective monitoring of the agreed-upon projected programmatic outcomes defined in this waiver. NDOL will utilize NEworks to generate related reports, which will be provided to local Title I youth programs.

Notice to Local Boards and Public Comment

On January 8, 2024, NDOL published this waiver request on its public website, as part of the publication of the Nebraska's 2024-2027 Combined State Plan. NDOL published a "Notice of Public Comment" in major newspapers statewide regarding this waiver request. The mandatory 30-day public comment period was provided, commencing on January 16, 2024 and concluding on February 15, 2024. Public comments on this waiver were not submitted to NDOL.