

U.S. Department of Labor

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



June 4, 2024

The Honorable Brian P. Kemp
Governor of Georgia
203 State Capitol
Atlanta, GA 30334

Dear Governor Kemp:

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 11, 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 Georgia will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Georgia 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 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 Georgia's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Georgia to implement its plan to improve the workforce development system. Georgia 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. Georgia 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 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 "R".

José Javier Rodríguez

Enclosure

cc: Gynda (Denise) Jordan, Georgia Department of Labor
Kimberly Staley, ETA Regional Administrator - Atlanta Region
Derrick Lee, ETA Federal Project Officer
Jaleesa Mason, ETA Federal Project Officer

Georgia's currently approved waiver regarding the 75% Out-of-School Youth expenditure requirement is in effect for the full amount of time that the state has to spend PY23 funds (June 30, 2026). Georgia now seeks waivers for the Program Years covered by the 2024-2027 State Plan.

Statutory and Regulatory Authority

WIOA Section 129(a)(4)(A) and 20 CFR 681.410, which states that the State and local areas expend 75% of Governor's reserve youth funds and local formula youth funds on out-of-school youth.

Actions State has undertaken to remove State or local barriers

Not applicable. No State or local barriers exist to implementing the proposed waiver.

Waiver Goals and Expected Programmatic Outcomes

This waiver request is aligned with Georgia's stated goal of expanding the pool of available employees through the inclusion of Strategic Populations within the workforce system, as many of Georgia's local areas have experienced challenges with OSY recruitment and retention. OWD seeks an extension of the youth expenditure waiver to support the expansion of ISY programming for youth who are at-risk of being disconnected from the education system and workforce. By implementing ISY programs, local areas are able to make connections with these youth prior to school dropout or other situations that may disconnect them from education and employment, eventually categorizing them as OSY. Particularly in the high-poverty counties of the state, early intervention is a key strategy to support positive personal and economic outcomes for youth. While Georgia recognizes the value and importance of WIOA's heightened emphasis on the alignment of programs that serve OSY in order to ensure they obtain the skills necessary to prepare for education achievement and workforce participation, it creates an undue burden for local areas who wish to provide quality ISY programming.

The desired programmatic outcomes from the implementation of this waiver remain the same, and include:

The ability for LWDA's to strategically focus their allocated funds on an approach to better serve at-risk youth, while discouraging disconnection from education institutions. Specifically, LWDA's can fund a greater number of year-round and summer Work Experience activities targeting eligible ISY. Through

these efforts, Georgia expects to see continued increase in graduation rates, and ideally, a statewide increase in the Measurable Skill Gains metric.

The opportunity to provide support for ISY while equipping them with the academic and technical skills necessary to improve their employability. The expansion of ISY programs will strengthen the talent pipeline for employers, and therefore, reduce their training costs and employee turnover.

Alignment with USDOL Policy Priorities

Continued implementation of Georgia's youth expenditure waiver will allow for more innovative and far-reaching programs to be developed at the local level to serve opportunity youth. As stated above, early intervention is a key strategy to ensuring these youth do not slip through the cracks. As highlighted in TEG 9-22, the needs of youth participants are ever evolving, and this has only been further highlighted by the pandemic. Georgia seeks this waiver to stay ahead of the challenges and ensure local programming can pivot to adequately address the needs of WIOA-eligible youth in their communities, regardless of school status.

Waiver Benefit

This waiver is intended to benefit youth by opening up additional avenues for local programming geared toward in-school and out-of-school youth. By increasing the flexibility afforded to local areas, local programs can reflect the needs of the community, particularly around dropout prevention. Workforce development partners, employers, parents, and school counselors will also benefit from the waiver by increasing the resources available to youth that will support their continued success in the realms of education and employment.

Monitoring Waiver Implementation

Youth funds under WIOA Title I are subject to various expenditure requirements. TCSG OWD will ensure regular checks of these requirements through a combination of FSR tracking, technical assistance, and annual monitoring reviews. These reviews are a joint endeavor between the Programs Team, Grants Team, and the Youth Services Lead to ensure a programmatic and financial focus on local operations. OWD reviews progress toward the required youth expenditures on a quarterly basis with the submission of the FSRs. Formal oversight of the requirements begins in the fall each year to allow enough time to intervene before the funding expires, but also to ensure OWD can capture progress toward the requirements from summer work experience programs.

In accordance with WIOA sec. 102(c)(3) and the implementing regulations, Georgia is submitting this waiver as part of the WIOA State Plan, which is subject to the requirements for public review and

comment outlined in 20 CFR 676.130(d). Key stakeholders, such as LWDBs, are consulted prior to the submission of the State Plan regarding this waiver. It is important to note that this waiver has specifically been requested by the local areas, and they continue to support the State's request through the State Plan process. OWD regularly polls the local areas regarding how the waiver has impacted their performance outcomes, specifically Q2 and Q4 Youth Education and Employment, Credential Attainment, and Measurable Skill Gains. Additionally, Information about waiver outcomes is included annually in the WIOA Statewide Performance Narrative Report.

Outcomes and Results of Existing Waiver

OWD tracks the use of the waiver by LWDA and has seen more local areas implement additional youth-focused programming given the additional flexibility provided by the waiver. Currently, about half of the local areas are utilizing the waiver and have experienced an increase in In-School Youth participation by an average of 25%, as well as an increase in performance outcomes. The performance outcomes for Program Year 2023 are projected to maintain or increase across the following Youth measures: Q2 and Q4 Youth Education and Employment, Credential Attainment, and Measurable Skill Gains. For the most recent years for which we have completed performance data (PY21 and 22), nearly every LWDA utilizing the waiver saw increases in Q4 Youth Education and Employment, Credential Attainment, and Measurable Skill Gains. From a statewide perspective, OWD believes the implementation of the Youth Expenditure Waiver has contributed to the success of increasing performance across these measures as well. While the peak years of the pandemic saw dips in performance outcomes, there has been a steady increase across nearly all youth metrics since Program Year 2020. Most notably, the following statewide performance increases were identified in a review of the data:

Performance Measure	PY21	PY22
Q4 Youth Education/Employment	73.4%	76.2%
Credential Attainment	66.5%	68%
Measurable Skill Gains		