

U.S. Department of Labor

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



June 14, 2024

The Honorable Tate Reeves
Governor of Mississippi
P.O. Box 139
Jackson, MS 39205

Dear Governor Reeves:

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 19, 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 Mississippi will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Mississippi 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 Mississippi'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. Mississippi 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. Mississippi 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, flowing style.

José Javier Rodríguez

Enclosure

cc: Constance Fuller, Mississippi Department of Employment Security
Kimberly Staley, ETA Regional Administrator - Atlanta Region
Jaleesa Mason, ETA Federal Project Officer

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

Identifies 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 State of Mississippi is seeking to renew the 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.

Describes the actions that the State or local area, as appropriate, has 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.

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

Goal 1: 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 2: 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.

LWDA anticipated outcomes:

During PY2, Southcentral MS Works (SMW) LWDA anticipates implementing an Apprenticeship program. One of the main target populations will be ISY who are enrolled in Career Tech programs of study at Community Colleges in the workforce area, with emphasis on students who are enrolled in courses of study related to the workforce area's targeted sectors of manufacturing, healthcare, and transportation/logistics. Also targeted will be ISY high school seniors in the schools' career tech programs. It is expected that during PY22 the WF area will enroll 40 ISY in Apprenticeship training and that during PY 23 an additional 50 ISY will be enrolled.

Quantifiable and measurable outcomes MS Partnership LWDA expects to achieve because of the waiver are to increase the number of students that are

ready for entry into the workplace by teaching essential, necessary soft skills and providing work-based learning opportunities to ISY.

The Delta Workforce Development Area will utilize the 50/50 youth expenditure waiver to serve in-school youth in three school districts. In the Sunflower County and Washington County districts, youth providers have collaborated with Mississippi Delta Community College to provide short-term training to youth in the programs of pharmacy technician, welding and CDL permit. In addition, the youth receive career-readiness training and work experience. In Panola County, the North Panola Career and Technical Center will serve youth who have completed two years of work-based learning. They will receive career-readiness training and complete work experience in the areas of their work-based learning.

Many youths are not interested in the continuation to higher education, and they get lost the summer in which they graduate. Currently, DWDA is finding many of these youths with high school degrees with a lackluster desire for training in their out-of-school youth programs, perhaps due to a lag. The local area is putting forth efforts to close this gap with stronger relationships with school counselors.

OSY will continue to be the priority in Twin Districts LWDA, but they believe the partnership with ISY at high schools is increasingly important. If granted the waiver, Twin Districts believes they could substantially increase the number of enrollments. Schools are asking for the partnership that it is needed to help students who may not have thrived during the pandemic and now may be basic skills deficient.

Describes how the waiver will align with the Department's policy priorities, such as:

1.
 1. **supporting employer engagement;**
 2. **connecting education and training strategies;**
 3. **supporting work-based learning;**
 4. **improving job and career results, and**
 5. **other guidance issued by the Department.**

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.

A partnership between Twin Districts LWDA and Kemper County School District has provided an unprecedented opportunity for students enrolled in the Work-Based Learning program. Students have been afforded job placement previously unavailable and employers have benefitted from the additional and much needed workforce. The staff of the workforce area have worked closely with students to ensure that they arrive at their first interview prepared with proper job search skills and once hired, armed with the soft skills and work ethics needed to succeed. Using the Kemper County School District model, the LWDA can easily replicate the program. It has expanded to the Hattiesburg Public School District and they anticipate more growth throughout the workforce area in future years.

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

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.

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

Describes the processes used to:

1. Monitor the progress in implementing the waiver;

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.

The LWDAs will adhere to the budgeted amount and criteria for the waiver. The current MS monitoring policy will be followed. Participants will be monitored at least monthly for goal achievements. The LWDAs will work closely with the partnerships they are engaged with to achieve positive outcomes.

The MDES Office of Performance Reporting will work closely with the Office of Grant Management to track performance outcomes of the four LWDAs and statewide performance for the waiver. Quarterly review of IS and OOS enrollment and performance on a local area and statewide basis will provide technical assistance subject matter for LWDAs and subgrantees. Another outcome that MDES intends to track is the dropout rate of the WIOA In-School population versus the dropout rate of the general population of same-aged students.

2. Provide notice to any local board affected by the waiver;

See answer at section (D) below

3. Provide any local board affected by the waiver an opportunity to comment on the request;

See answer at section (D) below

4. Ensure meaningful public comment, including comment by business and organized labor, on the waiver.

This waiver request was developed at the request of and with input from the Local Workforce Development Areas. 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.

The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.

Provide more discrete projected outcome information as well as the following:

1. Evidence that the state and/or local areas are in jeopardy of missing 75 percent OR information on past years' attempts to reach 75 percent. (If the data shows states are spending it, what is the data behind your request?)

Moving from a 75/25 split to a 50/50 split between ISY/OSY requires time to shift the model to include innovative programs and strategies. All four workforce development areas in Mississippi are on board for making this shift to address the needs of at-risk ISY. However, the PY18 waiver was not approved until after the workforce areas' youth providers had been procured, which delayed the implementation of the new plans for some of the areas.

The Mississippi Partnership was the first workforce area in the state to begin implementing the new 50/50 strategy, using the waiver during PY18 - PY20.

Despite two years of the Covid-19 pandemic hampering all workforce activities and implementation of In-School Youth strategies in particular, two more local workforce areas have begun implementing enhanced In-School Youth programs. These are described in greater detail below in Section D. The state needs this waiver because these programs have caused Mississippi to trend toward expending greater than the 25% maximum for Out-of-State Youth. The attached chart shows the trend and that the most recent year has exceeded the maximum allowed without a waiver.”

In-School and Out-of-School Expenditures, PY 19-PY 22

Program Year	In-School Expenditures	IS % of Total	Out-of-School Expenditures	OOS % of Total
PY 19	\$ 1,394,292.24	15.75%	\$ 7,459,894.80	84.25%
PY 20	\$ 2,349,954.80	21.60%	\$ 8,527,387.62	78.40%
PY 21	\$ 1,911,707.00	20.93%	\$ 7,221,019.23	79.07%
PY 22 through Dec. 2023	\$ 1,418,797.73	25.48%	\$ 4,149,096.93	74.52%

2. Description of how the State will continue to serve OSY.

Out-of-school youth will continue to be served in the state following established strategies. Adding more in-school youth funding will be an

enhancement to the total number of youth served, as described by the local workforce areas in the state.

For instance, Twin Districts LWDA will continue to serve Out-of-School (OSY) youth; all nine OSY providers (including SMPDD) will continue to serve OSY and adding In-School Youth (ISY) will be an enhancement to the total number of youth served in the Twin Districts. In PY21 Twin Districts served 232 OSY and 48 ISY, in PY22 they served 285 OSY and 65 ISY which shows an increase in the total number of youth served, both in school and out of school. Additionally, the increase in partnerships formed serving in-school youth also serves as a source of referrals for out-of-school youth.

Twin Districts has been diligently working on partnering with local school districts to expose ISY to WIOA services and in-demand occupations. The high school CTE programs provide the youth with training in a specific pathway and the WIOA youth programs provide the youth with work readiness skills training, supportive services, and connect the youth to paid work-based learning/work experience opportunities.

In addition to the partnership with high school CTE and work-based learning programs, they have joined efforts with their sister program, the Southern Mississippi Planning and Development District (SMPDD) High School Career Coach program funded through AccelerateMS. The High School Career Coaches work to equip students and parents with information about career options and help them navigate their future after high school. The High School Career Coaches help identify ISY that need direction towards a career path and spread awareness of programs and career opportunities, including the WIOA youth program.

All these partner programs have common goals for the same population. Together, they all work to maximize our efforts to increase the awareness of in-demand occupations, increase college and career readiness, and connect ISY to work-based learning opportunities. In addition to utilizing the 50/50 waiver by increasing in-school enrollments, these partnerships are enabling the Twin Districts to achieve their sector strategy goals, such as aligning CTE programs with Community Colleges and business needs in the local area.

The Mississippi Partnership is utilizing the 50/50 expenditure waiver while continuing to provide out-of-school youth services and prepare out-of-school youth for the workforce and continued education. From PY 2021 to present, the youth they have served have been 65% out-of-school youth and 35% in-school youth, with approximately 70% of the youth funds being spent on out-

of-school and 30% of the funds being spent on in-school youth. The Mississippi Partnership is committed to serving to out-of-school.

Outreach strategies The MS Partnership used to attract and serve OSY include effective social media campaigns which showcases the opportunities offered at by the WIOA OSY program and informs followers of events, activities, offerings and news at the college. Presentations to local organizations, such as non-profits, churches, rotary clubs, etc. informing the public of the opportunities of the OSY program. The MS Partnership also has expanded its OSY program beyond its brick-and-mortar youth programs and developed an online portal through which youth can apply for the WIOA youth program, submit required documentation, and access WIOA youth services virtually rather than in person. However, recent reductions in WIOA funding have reduced the amount of outreach that they can do.

The **Apprenticeship** effort that Southcentral MS Works LWDA will implement will not preclude nor reduce the efforts within the WF area to enroll and serve OSY. For several years, the WF area has issued subaward agreements to several OSY youth service providers. Both the Madison County and the Yazoo County Youth Courts provide workforce services to adjudicated youth as dispensation for their cases. Services include many workforce preparation activities such as HSE and NCRC attainment, basic skills attainment, and placement into internships. The Refill Jackson Initiative youth services provider recruits, identifies and enrolls hard to serve inner city OSY and provides them with HSE and NCRC credential attainment, resume and job interview skills, and placement into internships. Mid-West youth services provider recruits, identifies and enrolls OSY with mental disabilities and provides them with appropriate job skills and placement. In addition, the area's community colleges and WIN Job Centers recruit OSY and enroll them into appropriate career tech training.

The Delta LWDA plans the following outreach methods to attract and serve OSY:

- Offering overviews of the training service;
- Making contact with area high school counselors and distributing pamphlets for referrals;
- Community outreach to establish relationships with businesses, churches and youth-serving organizations;
- Involving participants in community services projects;
- Supplying local newspapers with articles portraying successful participants;

- Using work experience as a tool to allay work-related apprehension;
- Using word of mouth; and
- Providing programmatic incentives for participants.

3. What are the barriers or is the state requesting because it has a unique strategy (homeless in-school youth)?

Numerous school districts in the state have limited resources, high poverty rates, low test scores, and basic skills deficiencies. Many of the at-risk students that need to be served have limited access to on-line learning. Therefore, we anticipate a rise in the basic skill deficient students due to the remote/on-line school activities that have become necessary due to the Covid-19 crisis. Increasing the state's funding for ISY will allow the state to intervene and expose at-risk students to the necessary skills that will prepare them for self-sufficiency. The earlier at-risk students are exposed to work ready skills and career pathways, the more likely the youth will continue in the school system increasing their graduation rate and future employability.

Innovative programs, such as Ethic/Readiness, Financial Literacy, Introduction (with LMI) to Workforce Development Area sectors, WorkKeys Assessments, and Work Experience will help face these barriers head-on and increase the success of the state's youth programs.

All four areas note the lack of public transportation and the overall rural nature of the state as being barriers. However, two of the areas – Twin Districts and Southcentral MS Works – note that they also have unique issues that they see as barriers to finding and serving OSY. Twin Districts LWDA notes that workforce numbers appear to be lower, particularly employment and training program enrollment. The people we serve are changing. We attribute much of this to people moving into the gig economy, i.e.: Instacart, Uber, etc., where they make quick money, get paid when they want, and work when they want. The way we conduct training has changed to a hybrid of in-person and virtual service and we believe this trend will have to continue to attract participants.

Three of the 17 counties of Southcentral MS Works LWDA are in the Jackson, MS, metropolitan area. Jackson has one of the highest crime rates in the country and suffers from daily gun violence. While not all crime is committed by individuals under the age of 24, it is reasonable to say that OSY who are not actively engaged in some type of training or employment are much more likely to be involved in these criminal activities. The LWDA also notes that the southern counties in the workforce area are very rural in nature, with sparse employment opportunities. Youth who are high school graduates or dropouts

are limited in options if they remain in the area. The WF area continually recruits these individuals in attempts to engage them in training and we are heavily involved with economic development efforts in that area in hopes of bringing more employment opportunities to the residents.

4. As a renewal - provide evidence that the State met its goals (performance result) for the last approved waiver.

Goal: Increase the 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 to increase the number of students eligible for college dual enrollment and industry recognized credentials and to build a strong partnership with local business and industry.

The waiver was approved in November of 2018 for PY18 and PY19. The Mississippi Partnership provides data for the success of this waiver. The other three workforce development areas were in the process of implementing programs for ISY when the COVID-19 crisis developed. All areas will use many of the same strategies as the Mississippi Partnership.

In PY18, the Mississippi Partnership served 134 in-school youth. In PY19, they served 270 in-school youth despite the COVID-19 pandemic situation. During PY20, the Mississippi Partnership LWDA used the 50/50 youth waiver. As predicted, the number of participants was lower due to COVID, however the **percentage of in-school youth (ISY) rose from 40.78% in PY19 to 44.42% in PY20**. The LWDA reports, “the waiver has had a positive impact on our youth performance outcomes and has allowed us to expand our target base for youth services.” The increase from PY18 to PY19 and the percentage increase from PY19 to PY20 is a direct result of having the waiver to spend up to 50% of youth funds on in-school youth. They have also been able to build stronger partnerships with local business and industry as a direct result of being able to serve the in-school youth. The Mississippi Partnership is working to link the in-school youth program with industry recognized apprenticeships at local community colleges so there will be a seamless transition for in-school youth who choose to continue their education in career tech fields within LWDA target sectors.

The Mississippi Partnership LWDA has been able to build strategic partnerships to improve services and leverage resources for youth in the workforce area. They have enhanced linkages to local education agencies and other agencies and maximized the use of workforce programs. This is

helping to build a progressive pipeline of employees for industry by exposing and linking youth in high school to short-term (up to 2 years) workforce programs after high school graduation.

The State of Mississippi's graduation requirements changed for students who entered the 9th grade in August 2018, and all students are required to complete a College & Career Readiness Course or complete 140 hours of work-based learning activities. This waiver has helped the Mississippi Partnership LWDA provide work-based learning opportunities and career exploration as well as mitigate dropout behaviors and improve student retention. Early intervention will increase attachment to the workforce and enrollment in post-secondary training.

The Delta Workforce Development Area will utilize the 50/50 youth expenditure waiver to serve in-school youth in three school districts. In the Sunflower County and Washington County districts, youth providers have collaborated with Mississippi Delta Community College to provide short-term training to youth in the programs of pharmacy technician, welding and CDL permit. In addition, the youth receive career-readiness training and work experience. In Panola County, the North Panola Career and Technical Center will serve youth who have completed two years of work-based learning. They will receive career-readiness training and complete work experience in the areas of their work-based learning.

The Twin Districts notes that as a result of the waiver, there was an increase in connection between education and training providing work-based learning opportunities that include work experience and pre-apprenticeship and increasing access to workforce services to disadvantaged youth.

Twin Districts LWDA will continue to serve Out-of-School (OSY) youth; all nine OSY providers (including SMPDD) will continue to serve OSY and adding In-School Youth (ISY) will be an enhancement to the total number of youth served in the Twin Districts. In PY21 Twin Districts served 232 OSY and 48 ISY, in PY22 they served 285 OSY and 65 ISY which shows an increase in the total number of youth served, both in school and out of school. Additionally, the increase in partnerships formed serving in-school youth also serves as a source of referrals for out-of-school youth.