

U.S. Department of Labor

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



June 27, 2024

The Honorable Phil Murphy
Governor of New Jersey
125 W State St
Trenton, NJ 08608

Dear Governor Murphy:

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 requests were received April 3, 2024, as part of your recent WIOA State Plan submission. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that New Jersey will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by New Jersey 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 PY 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 New Jersey's waiver request and plan and has determined that the requirements requested to be waived impede the ability of New Jersey to implement its plan to improve the workforce development system. New Jersey 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 PY fund allotments, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. New Jersey 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.

Requested Waiver: Waiver associated with requirement at WIOA section 129(c)(4) and 20 CFR 681.590 that the State and youth programs expend not less than 20 percent of the funds allocated to them to provide ISY and OSY with paid and unpaid work experiences.

ETA Response: ETA does not approve this waiver because it is unnecessary given the flexibilities in Training and Employment Guidance Letter (TEGL) 9-22, *Workforce Innovation and Opportunity Act Title I Youth Formula Program Guidance*, as well as New Jersey's current performance trends. TEGL 9-22 allows supportive services that enable WIOA participants to participate in work experience to count toward the work experience expenditure requirement. Also, ETA reviews states' compliance with this requirement through quarterly financial reports, and local areas have two years to meet the statutory requirement for work experience expenditures. In reviewing your most recent work experience expenditure data across the entire state, New Jersey exceeded the 20 percent requirement for PY 2021 funds. ETA will also provide technical assistance on delivering and accounting for work experience.

The State must report its waiver outcomes and implementation of the approved waivers 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,



José Javier Rodríguez

Enclosure

cc: Robert Asaro-Angelo, Commissioner, New Jersey Department of Labor and Workforce Development
Gregg Weltz, ETA Regional Administrator - Boston Region
Carmen Rodriguez, ETA Federal Project Officer

New Jersey Waivers 2024 State Plan

NJDOL and the SETC are requesting two waivers as part of this 2024-27 WIOA State Plan.

- A waiver of the requirement that New Jersey and our local areas expend 75 percent of all Governor's reserve and local formula youth funds on out-of-school youth
- A waiver to reduce the requirement of 20% expenditures on youth work experience to 15%

Below we provide specific details regarding the requests for each of these waivers.

Out-of-school youth spending waiver

1. Statutory and/or regulatory requirements that the State would like to waive: We are requesting to waive 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).

2. Actions the State has undertaken to remove state or local statutory or regulatory barriers: There are no state or local statutory or regulatory barriers that conflict with this waiver request.

3. State strategic goal(s): As part of this 2024-27 WIOA State Plan, NJDOL and the SETC seek to support more pathway opportunities for youth, and in particular out-of-school youth. WIOA Title I Youth funds offer opportunities for reconnecting young New Jerseyans to education and training experiences that can lead to sustained employment opportunities in good jobs. We recognize the value our public workforce system offers in developing and supporting alternative pathways that include not only opportunities for attaining high school degrees, but also obtaining postsecondary credentials, engaging in work experiences, and receiving holistic supports, for example in the form of mentorship, counseling, and financial literacy supports.

New Jersey's public workforce system was impacted significantly by the Covid-19 pandemic. As we continue to rebuild services and supports and adjust to the changes in our labor market, especially as it relates to the needs and interests of youth in New Jersey, we will continue to build and focus services on out-of-school youth populations. As we engage in this work, we are requesting a waiver to provide the space for us to put in place new strategies and supports for ensuring that we are engaging and best supporting out-of-school youth in New Jersey.

4. Projected programmatic outcomes resulting from implementation of the waiver: This waiver will offer the opportunity for NJDOL, the SETC, and our local areas to identify and invest in new outreach strategies and service offerings that better meet the needs and interests of

young New Jerseyans that are disconnected from school and work, with particular attention to the shifts in interests and needs that resulted from the Covid-19 pandemic. In addition, we recognize that [TEGL 03-23](#) opens up new pathways for utilizing WIOA Title I Youth funding to support outreach activities and exploring new opportunities for connecting to disconnected youth.

In addition, we recognize the need to put in place better fiscal reporting systems at the state and local level for tracking these expenditure levels in real-time so that we can better support local areas that may be struggling to meet the 75% OSY requirements.

As a result of this waiver, we will have the opportunity to develop stronger strategies and data tools for ensuring that our public workforce system is equipped and meets the needs of OSY in New Jersey.

5. Quantifiable projected programmatic outcome resulting from the implementation of the waiver: All of our local areas and state-level spending will meet the minimum requirement of 50%, as outlined in WIOA regulations. Over the next two years, we will support all our local areas in meeting the 75% OSY requirement. We will set specific targets for each local area based on their PY24 based on their PY23 spending levels, and again in PY25 based on their PY24 spending levels, to support them in achieving the 75% requirement within two years.

6. Individuals, groups, or populations benefitting, or otherwise impacted by the waiver from the waiver: This waiver will allow us to build and strengthen capacity to serve out-of-school youth.

7. How the state plans to monitor waiver implementation including collection of measurable waiver outcome information: NJDOL and the SETC will be working together to establish and review quarterly reports that highlight the percentage of direct service expenditures on OSY at the state-level and for each local area.

Based on these quarterly reports, NJDOL's Program Oversight and Development team will follow up with local areas that are not on target to meet the 75% OSY spending requirement, to identify challenges and strategies for increasing support for OSY.

8. Assurance of state posting of the request for public comments (including the dates that the state made the draft request available for public comment) and notification to affected local workforce development boards: NJDOL and the SETC will be posting this waiver request as part of the public comment period for the 2024-27 WIOA State Plan that will begin on April 5, 2024.

Youth Work Experience Waiver

1. Statutory and/or regulatory requirements that the State would like to waive: We are requesting to waive the requirement at WIOA section 129(c)(4) and 20 CFR 681.590 that the State and youth programs expend not less than 20% of the funds allocated to them to provide

in-school youth (ISY) and out-of-school youth (OSY) with paid and unpaid work experiences. We are requesting that this requirement be set at not less than 15% of funds.

2. Actions the State has undertaken to remove state or local statutory or regulatory barriers: There are no state or local statutory or regulatory barriers that conflict with this waiver request.

3. State strategic goal(s): As part of this 2024-27 WIOA State Plan, NJDOL and the SETC have prioritized the expansion of work-based learning experiences across WIOA programs, and specifically for Title I youth programs. This plan seeks to support a variety of youth work experience opportunities, including through internships, pre-Apprenticeship, and Apprenticeship opportunities. This focus on work-based learning has been a priority over the last couple years and the continued expansion of these opportunities is a high priority of this plan moving forward.

NJDOL and the SETC seek to leverage the full opportunities that WIOA allows to meet the 20% work experience requirement – including through the provision of supportive services that support success in work experience opportunities, as highlighted in [TEGL 09-22](#). We recognize that more technical assistance is needed across our public workforce system on the types of activities and costs that count towards this 20% requirement. The development of new experiences and better classification of costs are key strategies for strengthening the provision of youth work experience opportunities in New Jersey.

4. Projected programmatic outcomes resulting from implementation of the waiver: This waiver will offer the opportunity for NJDOL, the SETC, and our local areas to create more common understanding and shared knowledge regarding the wide range of experiences and activities that can support high quality work-based learning for youth in our state.

As with the waiver above, we also recognize the need to put in place better fiscal reporting systems at the state and local level for tracking work experience levels. In PY24, we will be implementing an expanded set of line items for allocating and spending down youth work experience funds that will allow us to track more detailed information about local areas youth work experience expenditures.

As a result of this waiver, we will have the opportunity to develop stronger strategies and data tools for ensuring that our public workforce system is supporting high quality youth work experiences for as many youth as possible.

5. Quantifiable projected programmatic outcome resulting from the implementation of the waiver: All of our local areas and state-level spending will meet the 20% youth work experience requirement within 2 years.

6. Individuals, groups, or populations benefitting, or otherwise impacted by the waiver from the waiver: This waiver will allow us to build and strengthen capacity to provide a range of high-quality youth work experiences for OSY, specifically.

7. How the state plans to monitor waiver implementation including collection of measurable waiver outcome information: NJDOL and the SETC will be working together to establish and review quarterly reports that highlight the percentage of youth work experience expenditures, including information about resources spent on youth wages, as well as other program costs associated with delivering youth work experiences.

Based on these quarterly reports, NJDOL's Program Oversight and Development team will follow up with local areas that are not on target to meet the 20% youth work experience requirement, to identify challenges and strategies for increasing youth work experience opportunities.

8. Assurance of state posting of the request for public comments (including the dates that the state made the draft request available for public comment) and notification to affected local workforce development boards: NJDOL and the SETC will be posting this waiver request as part of the public comment period for the 2024-27 WIOA State Plan that will begin on April 5, 2024.