



MAY 17 2019

The Honorable John Carney
Governor of Delaware
Tatnall Building
150 Martin Luther King Jr Blvd South
Dover, Delaware 19901

Dear Governor Carney:

Thank you for Delaware's waiver request dated February 25, 2019, 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 (copy enclosed). This letter provides the Employment and Training Administration's (ETA) official response to the State's request and memorializes that Delaware will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Delaware 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 Waivers: Waivers associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that states and local areas expend 75 percent of all Governor's reserve and local formula youth funds on out-of-school youth (OSY).

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 Delaware 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). Delaware may lower the target rate for Governor's reserve and local youth funds to 50 percent.

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, 2019, and 2020 budgets to give governors more decision-making authority to meet the workforce needs of their states and will continue to propose these additional flexibilities in future fiscal years.

Should 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:

William J. Potter, Executive Director, Delaware Workforce Development Board
Leo Miller, Philadelphia Regional Administrator, Employment and Training Administration
Stephen Duval, Chief, Division of Workforce Investment, Employment and Training Administration

State of Delaware
Waiver Request

As part of its 2 year State Plan modification being submitted for Program Years 2018 – 2020, the State of Delaware requests consideration of the following waiver which is currently not in effect.

To allow the proposed percentage decrease to not less than 50 percent for workforce investment activities for Out of School Youth

Statutory/Regulatory Provisions	Reduce Out of School Expense Mandate
Citations	20 CFR 681.410, WIOA sec. 127(b)(1)(C)(iv)(II)
Entity	State of Delaware

To allow the proposed percentage decrease to not less than 50 percent for workforce investment activities for Out of School Youth. The Delaware Department of Labor, Division of Employment and Training, and the Delaware Workforce Development Board are requesting a waiver requiring the State and local workforce development areas expend at least 75 percent of youth funds to provide services to out-of-school youth (OSY). Delaware is requesting that the percentage be lowered to 50 percent for all sources.

Statutory and Regulatory Sections to be Waived: WIOA Section 129(a) (4) and 20 CFR 681.410

Actions undertaken to remove state or local barriers:

There are no barriers obstructing the implementation of this waiver.

State strategic goals and Department of Labor priorities supported by the Waiver:

According to Delaware’s State Plan Pathways to Prosperity is a defined Strategic goal. This waiver will allow the state the agility to weight its pathways initiative as well as provide flexibility to take advantage of moments of opportunity. Background information includes:

1. Delaware’s dropout rate. Delaware’s dropout rate has been decreasing for the last five years. The rate has gone from 2.9% during the 2012-2013 school years to 1.7% during the 2016-2017 school year. In numbers, this is 700 youth statewide. As a comparison, Delaware’s current OSY

Providers are contracted to serve 335 OSY. This is a 47% of the overall population. As a result, Out of School Program Providers have had difficulty recruiting eligible participants. Given the increased flexibility under WIOA on eligibility for OSY, we have revised the State's eligibility policy to mirror the WIOA requirements. We have also reduced the expected number of dropouts to be served, but will outreach youth with other barriers, such as parents and offenders. The most recent request for proposals for OSY services stated, "DWDB will favor proposals where school dropouts represent no less than 30% of the population being served, but proposals that do not meet this criterion will still be considered."

2. Population served. In the past, DWDB/DOL OSY programs have mainly focused on recruiting drop outs. For example, if a student who had a high school diploma they had to be basic skills deficient and low income regardless of other barriers in order to be enrolled in the program. This contract period we expanded the population being served to anyone with a barrier. By doing this, DWDB/DOL feels this should expand the OSY population.
3. Career and Technical Education ("CTE") and DWDB/DOL Alignment. The DWDB has recently supported the work being done in the secondary school systems to improve the state's Career and Technical Education. This initiative called Delaware Pathways and the strategic plan as has been adopted by DWDB as one of the State's workforce development initiatives. The recent RFP for In School Youth provided additional points to proposals that supported the WIOA in School Youth population in enrolling in and completing the CTE education offered by local schools. This effort is to ensure that low income youth and youth with barriers are engaged in their local school offerings that further enable youth to graduate college and career ready with credentials. In addition, the Out of School RFP also gave additional points for programs that currently have programs that align with the Pathways. For OSY programs that don't currently have Pathway programs the RFP allows contractors (6) months for cooperative planning with the local education agency (is) and DOE to develop the training programs. All OSY are providers are held to providing credentials and training that leads to self-sufficiency regardless of it being tied to a Pathway.
4. Recruiting efforts. DWDB/DOL has also created a centralized referral system that allows for WIOA partners to refer participants to OSY and ISY training programs. As a result, this is another tool that the OSY programs can utilize for recruitment purpose.
5. Non performing contractors. DWDB/DOL implemented two year contracts which include a review period in March of 2019. DWDB/DOL will evaluate all programs in March 2019 and any program not meeting performance will not be renewed for the second year. In addition, DWDB/DOL is considering changing contracts from the current 100% cost reimbursement model to a cost reimbursement and performance based model. This would hold contractors accountable for meeting performance measures and allow directly impact funds received by contractors.

Projected Programmatic Outcomes from Implementation of Waiver:

Align Youth Services with the strategic plan

The state better spend federal resources with more flexibility

The decreased dropout rate has resulted in a shrinking pool of potential Out of School Youth

Improved fiscal accountability relative to providers of services

One Stop Partners

Individuals Impacted By the Waiver:

Future Employers, Delaware In School and Out of School Youth populations; Out of School Youth providers; and In-School Youth Providers

How the state plans to monitor waiver implementation, including collection of waiver outcome information.

Quarterly performance reports presented to the state Workforce Development Board; contract specialist are required to review month is fiscal reports form Providers of youth services

Public Comment:

Please forward public comments to William.potter@state.de.us no later than 4 pm February 22, 2019

This request was posted for more than 30 days and received no comments