# **STATE OF MINNESOTA**

# **WIOA WAIVER REQUEST: Allow Use of Individual Training Accounts (ITAs) for In-School Youth**

## TITLE I YOUTH PROGRAM

## PROGRAM YEAR 2024-2025

## Identification of the statutory or regulatory requirements for which a waiver is being requested:

*Minnesota is requesting renewal of a waiver to provide Minnesota WDAs with the flexibility to use Individual Training Accounts (ITAs) for in-school youth under PY24-25 WIOA Youth. The waiver impacts WIOA Regulation 20 CFR 681.550.*

According to current WIOA Regulations, ITAs were established to provide individual customer choice in their education and training plans and provide flexibility to service providers. At present, only out-of-school youth (OSY) ages 18-24 can use ITAs. In-school youth (ISY), ages (16-21), deserve the same flexible opportunities for support as out of school youth. Without this waiver, ISY would have to be closed out and enrolled as OSY.

## Goals that Minnesota and its Workforce Development Areas (WDAs) intend to achieve as a result of the waiver:

The goal of this is to allow WIOA youth service providers the option to use ITAs for ISY, ages 16-21. Serving in-school and out-of-school youth with the same ITA policy allows for continuity of services for all WIOA youth. All youth will be eligible to receive training services, connection to work-based learning and job search support. To better connect youth to work-based learning, both in school and out of school youth would be able to use the Eligible Training Provider List (ETPL) to find training programs that support individualized needs. The waiver would permit youth service providers to customize services to ISY, ages 16-21, to match their interests and abilities.

## Relationship of Goals to the Minnesota State Plan:

Minnesota’s State Plan describes how resources will be used to assist individuals who need assistance to become economic and socially self-sufficient. The populations (i.e. foster youth, homeless youth, pregnant/parenting youth, youth with disabilities, etc.) targeted in Minnesota’s plan are those for whom WIOA Youth Programs are critical.

The strategic vision of the One Minnesota Workforce Development Vision is a healthy economy where all Minnesotans have equitable access to a workforce development system in which partners across the state are working toward a collective goal of providing workforce development programs that are responsive to employer needs in in-demand occupations and lead to good jobs with family-sustaining wages.

Minnesota has identified the following goals in the 2024-2027 State Plan:

1. Increase interagency and local area coordination and alignment around shared goals, maximizing efficiency and coordination of workforce funding and programs and improving system integration, and creating a “no wrong door” approach for individuals or employers engaging in the workforce system.
2. Build employer-led industry-sector partnerships across the state to create or expand responsive and equitable workforce development programs and career pathways with embedded work-based learning or on-the-job training, including Registered Apprenticeships, focused on closing gaps in participation and representation based on race, ethnicity, disability, gender, veteran status, and age.
3. Create a more inclusive, equitable, accessible, and proactive workforce system to serve all Minnesotans, preparing employers and the current and emerging workforce for the changing nature of work including new and emerging technology, changing labor market demands, and for the state’s shifting demographics, including our new Minnesotans.

In sum, the data show that current population and aging trends in Minnesota will lead to an extremely tight labor market over the next two decades – with some local areas already experiencing labor force declines. The challenges our state will face over the next 15 years are so great that we’ll need to tackle them with a multi–pronged approach to attract and retain workers of all demographic characteristics. Retaining young talent, including homeless and foster youth, and removing barriers and increasing access to WIOA Youth programming is necessary to address these workforce challenges.

Because communities of color in Minnesota continue to grow faster than the white population, particularly in the younger working-age populations, the labor force will continue to diversify rapidly. Recognizing that the rapidly increasing share of existing workers are people of color, Minnesota’s state plan recognizes that Minnesota must address this problem of persistent racial disparities directly. By approving this waiver, Minnesota’s WIOA Youth service providers can better support this effort by support any BIPOC youth who are homeless or involved in the foster system.

This waiver allows Minnesota to target WIOA Youth resources to a population that is at-risk of homelessness, a group that is experiencing an opportunity gap. Data provided below in this waiver request highlights the success of efforts conducted under the previously approved waiver.

## Actions the State has undertaken to remove State or local statutory or regulatory barriers:

No State or local statutory or regulatory barriers exist that would prevent the implementation of this waiver.

## Detailed Goals of the Waiver and the Expected Programmatic Outcomes if the Request is Granted:

Goals of the waiver include:

* Supporting customer choice;
* Supporting employer engagement;
* Connecting education and training strategies;
* Supporting work-based learning; and
* Improving job and career results.

As Minnesota’s ETPL grows, the choices available to in-school youth will grow as well. This waiver will allow the in-school student to participate in and benefit from the growth of the employment and training network.

We are expecting the following programmatic outcomes:

* 75 percent of in-school youth, ages 16-21, undertaking occupational training will have ITAs; and,
* As required by federal policy, all ITAs will use training providers on the ETPL.

Since this waiver was previously granted to Minnesota, we can report PY 2022 outcomes:

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| Preliminary Analysis of ISY ITA Waiver on Minnesota PY 22 WIOA Youth Performance |
| (ISYs w/HS Equivalent and w/1+ years of Post-Secondary at Enrollment) |  |  |
|  |  |  |  |  |
| **WIOA Youth Performance Measure** | **PY 22 Negotiated MN Goal** | **All Exiters PY 2022**  | **Percent** | **PY 2022 ISY - ITA** | **Pct. Of PY22 MN Goal** |
| Youth Education/Employment/ Training Rate Second Quarter After Exit (7/1/21 to 6/30/22) | **68%** | 75.5% | **111%** | **87.9%** | **129%** |
| Youth Education/Employment/ Training Rate Fourth Quarter After Exit (1/1/21 to 12/31/21) | **69%** | 76.5% | **110%** | **84%** | **121%** |
| Credential Attainment Rate (1/1/2021 to 12/31/21) | **62%** | 52.8% | **85%** | **52.1%** | **84%** |
| Measurable Skills Gain (7/1/22 to 6/30/23) | **41%** | 56% | **136.5%** | **67.9%** | **165%** |
| Median Earnings Second Quarter After Exit (7/1/21 to 6/30/22) |  **$4,000**  | $5,440  | **136%** |  N/A  | **N/A** |
|  |  |  |  |  |  |
| PY22 ISY/ITA Youth Served YTD (7/1/22 to 6/30/23) | **317** |  |  |  |  |
| PY 22 ISY/ITA Youth Enrolled YTD (7/1/22 to 6/30/23) | **102** |  |  |  |  |
| PY 22 ISY/ITA Youth Exited YTD (7/1/22 to 6/30/23) | **121** |  |  |  |  |
|  |  |  |  |  |  |
| Source: Internal DEED Data via FutureWorks, as of 6/30/23 |  |  |

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| **Minnesota LWDAs Using ITAs: PY 22 (as of 6/30/23)** |
|   |  |  |   |
| **LWDA** | **In Program** | **Exited** |   |
| 2-Rural CEP | 64 | 36 |   |
| 3-Northeast | 35 | 27 |   |
| 4-Duluth | 6 | 6 |   |
| 5-CMJTS | 14 | 9 |   |
| 6-Southwest | 3 | 3 |   |
| 7-South Central | 13 | 8 |   |
| 8 Southeast | 21 | 8 |   |
| 9-Hennepin/Carver | 4 | 1 |   |
| 10-Minneapolis | 27 | 24 |   |
| 12-Anoka County | 1 | 9 |   |
| 15-Ramsey County | 0 | 8 |   |
| **State Total** | **188** | **139** |   |
|   |  |  |   |
| Source: FutureWorks data (as of 6/30/23) |   |

Based on the data gleaned from our online FutureWorks WIOA data as of June 30, 2023, we have determined that all ISYs who are in Occupational Skills Training and have an ITA are all using a provider that is on the Minnesota Eligible Training Provider List. The who exited from WIOA Youth from July 1, 2023 through June 30, 2023 were also using providers from the ETPL.

## Alignment with Department of Labor Policy Priorities

This waiver is in alignment with Department of Labor priorities as follows:

*Connecting Education and Training Strategies*

This waiver allows WIOA youth service providers to offer in school youth the flexible option to use ITAs to access training programs on the ETPL. The waiver expands the education and training opportunities for in school youth.

*Improving Job and Career Results*

Allowing both ISY and OSY to use ITAs to find training opportunities that match their interest, support their learning styles and better prepare them for work-based learning and employment.

With the reduced administrative burden on youth service providers, there can be an increased effort on networking and partnering to assure that meet the needs of both eligible in-school and out of school youth and improve shared outcomes.

## Individuals Affected by the Waiver

ISY (secondary school attendees) who meet the age requirements (ages 16-21 at the time of enrollment) will be the individuals affected by the waiver, especially youth who are under-represented in the workforce. These youth often have multiple barriers to employment requiring additional resources to become self-sufficient. This waiver provides WIOA youth service providers with more flexibility to serve in-school youth who are most in need of services.

## Monitoring/Local Comment

*Monitoring*

DEED’s youth program staff will monitor the implementation of the waiver at the WDA level on a quarterly basis using FutureWorks, Workforce One, and Service Provider data. DEED’s monitoring team will review the progress of waiver implementation. As required, DEED will report to DOL progress in achieving the waiver as well as any changes needed. Additionally, DEED will report information on the waiver and its outcome in Minnesota’s WIOA Annual Report.

*Local Comment*

DEED will ensure through direct communications and through its website that local comment (local Workforce Development Boards, Youth Committees, local business, and organized labor) is obtained on this waiver. Additionally, DEED staff will meet with local WDA/LWDB staff to obtain comments. DEED will inform the Department of Labor of any comments received. This wavier was posted for the 30-day public comment period on Friday, January 26th, 2024.

**UPDATED: January 25, 2024**