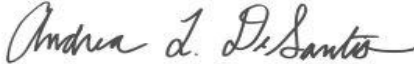
	NORTH CAROLINA DEPARTMENT OF COMMERCE DIVISION OF WORKFORCE SOLUTIONS
	DWS Operational Guidance Number: OG 07-2022, Change 2
	Date: August 14, 2024
	Subject: Waiver of Expenditure Requirement for Out-of-School Youth
	From:  <hr style="width: 30%; margin: auto;"/> Andrea L. DeSantis Assistant Secretary for Workforce

Purpose: The purpose of this guidance is to announce and provide guidelines for the local Workforce Development Boards (WDBs) to implement North Carolina’s approved waiver of the Workforce Innovation and Opportunity Act (WIOA) Title I Youth 75 percent expenditure requirement for Out-of-School Youth (OSY).

This change provides the following updates:

- announces the continuation of the availability of the WIOA Title I Youth waiver of the 75% expenditure requirement for OSY through Program Year (PY) 2025;
- updates the notification deadline for those choosing to implement the waiver, and
- updates the expiration date of this Operational Guidance to June 30, 2027, which is the end of the performance period for Program Year 2025 Title I funding.

This Operational Guidance (OG) rescinds OG 07-2022, Change 1. The procedures herein supersede all previous policies, procedures, and guidelines regarding the Waiver of Expenditure Requirement for Out-of-School Youth.

Background: Under the U.S. Department of Labor's (USDOL) waiver authority outlined in Section 189(i)(3)(A) of the WIOA, the Secretary may waive certain provisions of WIOA Title I subtitles A, B, and E. WIOA Section 189(i)(3)(B) and 20 CFR

§ 679.620 identify elements that must be included in a waiver request. A governor may request waivers at any time by submitting a waiver through the State's Unified Plan, Combined Plan, or Plan modification, or by submitting a separate waiver plan. Waivers may also be requested by submitting a separate waiver plan.

WIOA explicitly states that low-income individuals and those with barriers to employment are priority populations for funding and service. WIOA requires that at least 75 percent of WIOA Title I Youth Governor's reserve funds and local WIOA Title I Youth formula funds be allocated for workforce development services for OSY. On August 18, 2022, Governor Cooper submitted the initial waiver request to USDOL, requesting a waiver that outlines these expenditure requirements for North Carolina.

The U.S. Department of Labor Employment and Training Administration (ETA) approved North Carolina's request to waive the requirement for WDBs to expend 75 percent of youth formula funds on OSY, for Program Years (PY) 2022 - 2025. As a result, North Carolina may lower the WIOA Title I Youth funds expenditure requirement for OSY from 75 percent to a minimum of 50 percent. The reduction of the OSY expenditure rate provides the opportunity for boards to increase the expenditure rate for In-School Youth (ISY) from 25 percent to up to 50 percent.

The ETA expects that the number of 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.

Action:

Local Area WDBs must continue to serve the youth population and track all programmatic services, expenditures, and performance metrics. WDBs are not required to implement the youth expenditure waiver and have the option to continue to adhere to the 75 percent (or more) expenditure requirement for OSY.

Local WDBs that choose to implement the OSY waiver must incorporate changes into the local youth program design and service delivery models, in addition to increasing the number of ISY served.

For PY 2024, WDBs that plan to implement the youth expenditure waiver must notify the assigned DWS Planner of the decision to implement. In addition, WDBs must review and submit any necessary revision to the 2024 Local Area Plan, specifically Youth Section Question 11. The notification must be provided on agency letterhead and may be transmitted by email.

WDBs that have not already submitted notification of implementation for

PY2024 must do so no later than September 30, 2024.

Effective Date: July 1, 2024

Expiration: June 30, 2027

Contact: DWS Planner

Attachments:

1. PY 2022-2023 USDOL Waiver Approval Letter and North Carolina's WIOA Waiver Request
2. PY 2024-2025 USDOL Waiver Approval Letter and North Carolina's WIOA Waiver Request