



**NORTH CAROLINA DEPARTMENT OF COMMERCE
DIVISION OF WORKFORCE SOLUTIONS**

DWS Operational Guidance Number: OG 07-2022

Date: December 01, 2022

Subject: Waiver of Expenditure Requirement for Out-of-School Youth

From:



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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).

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 plan with the State's Unified or Combined Plan or Plan modification, or 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 spent on workforce development services for OSY. On August 18, 2022, Governor Cooper submitted a waiver request to USDOL asking for a waiver of these expenditure requirements for North Carolina.

U.S. Department of Labor Employment and Training Administration (ETA) has approved North Carolina's request to waive the requirement for Local Area WDBs to expend 75 percent of youth formula funds on OSY, for Program Years (PY) 2022 and 2023. As a result of this waiver, North Carolina may lower the WIOA Title I Youth funds expenditure requirement for OSY from 75 percent to 50 percent and increase the expenditure

maximum for In-School Youth (ISY) from 25 percent 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.

WDBs that choose to implement the OSY waiver must incorporate changes into the local youth program design and service delivery models, in addition to increase the number of ISY served. For PY 2022, WDBs that plan to implement the youth expenditure waiver must notify the assigned DWS Planner, **by January 31, 2023**, of the decision to implement and must also update and submit the PY 2022 Local Area Plan by that date. The notification must be provided on agency letterhead and may be transmitted by email. For PY 2023, additional questions will be added to the Plan Instructions to address the youth expenditure waiver. In the Plan, WDBs will have the opportunity to provide notification of the implementation of the waiver, as well as the updated youth program design and service delivery model.

Effective Date: Immediately

Expiration: June 30, 2024

Contact: DWS Planners

Attachment: USDOL Waiver Approval Letter and North Carolina's WIOA Waiver Request