

**STATE OF CALIFORNIA
WORKFORCE INNOVATION AND OPPORTUNITY ACT
WAIVER REQUEST**

Waiver related to the WIOA 75 percent out-of-school youth expenditure requirement.

The California Workforce Development Board (CWDB) and the Employment Development Department (EDD), as the administrative entity of the *Workforce Innovation and Opportunity Act* (WIOA), request a waiver of WIOA Section 129(a)(4)(A) that would allow Local Workforce Development Boards (Local Board) to decrease the federal 75 percent Out-of-School (OSY) expenditure requirement to 50 percent. This waiver would provide California with additional flexibility in serving youth who have been the hardest hit by the pandemic. In alignment with WIOA's intent, California expects this waiver would result in an increase in enrollments of In-School Youth (ISY) who face the most significant systemic barriers to education and employment.

Background

Under WIOA, Local Boards are required to spend at least 75 percent of their WIOA youth formula allocation on youth workforce investment activities for OSY. While this is a very worthwhile focusing of funds, an unintended consequence of this requirement is the reduced amount of funds that Local Boards have available for serving ISY who are involved in the foster care system, juvenile justice system, and/or experiencing homelessness.

In California, foster care and juvenile justice youth have high rates of not completing high school, entering post-secondary education, or entering the workforce. While this waiver would increase the flexibility that Local Boards have to enroll all eligible ISY, California is specifically hoping to see an increase in access to services for systems involved youth and youth experiencing homelessness so that they can be served through workforce development programs to support their continued engagement in education or training prior to disengagement.

Los Angeles Performance Pilot Partnership Waiver

This increased flexibility was shown to increase overall enrollments for these target populations when it was utilized by the Los Angeles Performance Partnership Pilot. The City of Los Angeles Local Board applied to the US Department of Labor (DOL) and US Department of Education (DOE) to be a federally designated Performance Partnership Pilot (P3). As a part of this P3 designation by the DOE and the DOL, the City of Los Angeles Local Board was granted a waiver that allowed them to enroll ISY foster, juvenile justice, and youth experiencing homelessness, and count the funds spent on these youth towards the 75 percent OSY expenditure requirement. This waiver flexibility was also extended to all Local Boards in the Los Angeles Basin Regional Planning Unit. Utilizing the City of Los Angeles Local Board as the test case for effectiveness of this waiver, the figures below show a consistent increase in overall enrollments of youth from these systems, despite their ISY/OSY status.

Program Year (PY)	Foster Youth	Homeless Youth	Juvenile Justice Youth
PY 16-17	52	198	56
PY 17-18	75	350	113
PY 18-19	90	455	150

Please note – The data above only reflects the City of Los Angeles Local Board utilization of the waiver for those who were enrolled in the youth WIOA funding stream.

Statutory Citation

WIOA Section 129(a)(4)(A)

Actions to Remove State or Local Barriers

There are no state or local statutory or regulatory barriers to implementing the proposed waiver.

State Strategic Goals Supported by the Waiver

This waiver aligns with the following strategic goals outlined in the California Unified Strategic Workforce Development Plan:

- Fostering demand-driven skills attainment.
- Enabling upward mobility for all Californians.
- Aligning, coordinating, and integrating programs and services.

Projected Programmatic Outcomes Resulting from Waiver Implementation

While it can be hard to provide an exact number given the pandemic’s impact on school reopening, and the variance in how many disconnected youth are in each Local Workforce Development Area, the CWDB anticipates that Local Boards who apply for and utilize this waiver will see an increase of approximately 15 percent, in the total number of ISY that they enroll who meet the WIOA defined youth barriers related to foster care, justice involved, and/or homelessness. Using California’s Program Year 2019-20 data as a benchmark, a 15 percent increase would equate to approximately 695 more ISY youth from the identified target populations enrolled statewide for every full program year the waiver is in effect.

Individuals Impacted by the Waiver

This waiver is intended to increase the enrollment of ISY who meet one or more of the following WIOA defined ISY barriers:

- An offender.

- A homeless individual or runaway.
- An individual in foster care or who has aged out of the foster care system.
- An individual who has attained 16 years of age and left foster care for kinship guardianship or adoption, a child eligible for assistance under Section 477 of the *Social Security Act*, or in an out-of-home placement.

Monitoring Progress and Implementation

The CWDB and the EDD will establish an application process for Local Boards who want to access this waiver. This will allow the state to make waiver approval contingent upon Local Boards meeting certain criteria and requirements, such as establishing the following:

- A baseline of systems-involved youth served.
- A target percentage of increased enrollments Local Boards will meet over the period of the waiver.

This will also allow the state to better track Local Boards' use of the waiver in order to determine if there is a significant impact on services to the target populations.

Notice to Local Workforce Development Boards and Public Comment

The State of California posted the proposed waiver on the CWDB website for a 5 day public comment period, and did not receive any negative feedback.