

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210



March 12, 2024

The Honorable Tina Kotek
Governor of Oregon
900 Court Street, Suite 254
Salem, OR 97301-4047

Dear Governor Kotek:

Thank you for your waiver request submission to the U.S. Department of Labor (Department) 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 (enclosed). The waiver request was received on January 26, 2024. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that Oregon will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Oregon 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 Waiver: Oregon is requesting a waiver associated with WIOA Section 129(a)(4)(A) and 20 CFR 681.410, which requires that state and local areas expend 75 percent of the statewide youth funds and local formula youth funds on out of school youth (OSY) for Program Year (PY) 2023.

ETA Response: ETA approves this waiver for the State's PY 2023 allotment, which includes the entire time period for which states are authorized to spend those funds, the request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. This waiver allows the state to lower the local youth funds expenditure requirement to 50 percent for OSY. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Oregon to implement its plan to improve the workforce development system.

The State must report its waiver outcomes and implementation of the approved waivers in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide technical assistance to you in support of your goals. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Parton".

Brent Parton
Principal Deputy Assistant Secretary

Enclosure

cc: Julia Steinberger, Director, Office of Workforce Investments, Oregon Higher Education
Coordinating Commission (HECC)
Kurt Tackman, Deputy Director, Office of Workforce Investments, Oregon HECC
Todd Nell, Director, Oregon Workforce Talent and Development Board
Tamika Ledbetter, San Francisco Regional Administrator, ETA
Noel Woods, Federal Project Officer, ETA



WIOA Waiver Request: Requirement that 75% of funds available to local areas shall be used to provide workforce investment activities for out-of-school youth

The State of Oregon

The State of Oregon is seeking a waiver from WIOA Section 129(4)(A) and 20 CFR 681.410 which require not less than 75% of funds allotted to states under Section 127(b)(1)(C), reserved under Section 128(a), and available for statewide activities under subsection (b), and not less than 75% of funds available to local areas under subsection (c), shall be used to provide youth workforce investment activities for out-of-school youth (OSY).

Specifically, Oregon requests waiver authority starting in Program Year 2023 for the following:

1. A waiver of the requirement to expend 75% of funding on the OSY population. Oregon is requesting that this percentage be lowered to 50%.
2. A waiver of the requirement to expend 75% of Statewide Activities funding on the OSY population. Oregon is requesting that this percentage be lowered to 50%.

While Oregon will continue to serve OSY as prioritized under WIOA, there are significant challenges among the in-school youth (ISY) population stemming from pandemic-related learning loss and related impacts. Oregon seeks to serve more ISY in collaboration with schools and other partners to address these challenges. This waiver request is to address the effects that the COVID-19 pandemic and the subsequent shut-down of schools to in-person instruction have had on students over the past several years. On March 16, 2020, Oregon Governor Kate Brown closed K-12 public schools to in-person instruction. Virtual instruction began on April 28, 2020, and in-person and hybrid learning began on March 29, 2021. Students were required to transition to learning from home and no longer had the supports that attending school in-person provides, including meals, social-emotional learning, and access to medical professionals. In 2021, some studies suggested that the loss of instructional time put students 30-50% behind where they would have been in student achievement had schools remained open.¹ Students of color, those with disabilities, and those living in rural areas were disproportionately affected by the pandemic. In 2021-22, despite all schools resuming in-person instruction, enrollment in public schools continued to decline, with October enrollment falling another 1.4% from the prior year, for a total decline of nearly 30,000 students (5% of enrollment) from the pre-pandemic high at the beginning of 2019-20.² While local efforts in Oregon are currently directed towards re-engaging youth

¹ <https://ednote.ecs.org/assessments-will-likely-show-covid-19-related-learning-loss-then-what/>

² <https://www.oregon.gov/ode/students-and-family/GraduationImprovement/Documents/FallingEnrollmentDuringCOVID-19Pandemic.pdf>

who have already dropped out of school through specialized programs for OSY, practical experience has shown that re-engaging these students post-dropout is a challenging endeavor. The ongoing decline in enrollment, as highlighted by the aforementioned data, underscores the necessity for an alternative approach - one that focuses on engaging youth before they reach the point of dropping out of school. This preemptive strategy is likely to be a more effective intervention, leading to the earlier connection of youth to career pathways. Through this proposed waiver, Oregon seeks the flexibility to design bridge programs tailored for in-school youth (ISY), thereby providing them with pathways to access occupational training programs and facilitating their transition into the workforce. Combining the existing OSY services with enhanced flexibility to engage ISY will empower Oregon to comprehensively address these dual challenges.

Actions to Remove Barriers:

There is currently no state or local statutory or regulatory barrier to implementing the requested waiver.

Strategic Goals of Requested Waiver:

In alignment with the USDOL's priorities to address talent pipeline management, Oregon seeks to strengthen the entry point for young adults into the workforce. The need for flexibility in allocating additional funds to ISY programs stems from our commitment to address these challenges and build on our successes over recent years. By serving ISY more comprehensively, Oregon aims to achieve the following goals:

1. Increase capacity to reach a broader spectrum of ISY, including those in rural communities, low-income youth, youth of color, and youth with disabilities who are at risk of leaving school.
2. Offer more intentional and tailored programming to establish school-to-work connections, ensuring that students are well-prepared to enter the workforce or pursue post-secondary education.

Goal 1: Increase capacity to reach more ISY in rural communities, low-income youth, youth of color, and youth with disabilities at risk of leaving school.

In remote areas of Oregon, schools offer the most consistent means of connecting with students. Once students leave school, locating and re-engaging them becomes challenging. Therefore, it is crucial for WIOA program staff to have the opportunity to coordinate WIOA program support with school systems and other community partners, especially in rural areas, while students are still attending school.

Additionally, the Oregon Department of Education (ODE) reported significant enrollment declines during the 2019-2020 period of the pandemic, with the largest impact, a 6.3% decline, observed among American Indian/Alaska Native students. ODE also noted that American Indian/Alaska Native and Black/African American students were twice as likely to be irregular attendees compared to white students. In 2020-21, enrollment declines were most pronounced among white students, who accounted for 61% of pre-pandemic enrollment but represented 91% of the decline, resulting in a decrease of 19,729 white students from October 2019 to October 2020. A similar pattern persisted in 2021-22, with enrollment of white students dropping by another 8,534 students. Enrollment data indicate that, irrespective of race/ethnicity, a significant population of ISY has disengaged from K-12 education over the past four-plus years. This waiver will enable WIOA program staff to collaborate with

Oregon high schools, identifying students most at risk of dropping out, providing necessary services, and leveraging federal funding to achieve positive outcomes.

In addition to the racial disparities seen in school enrollment and attendance during the pandemic, disparities were also observed among ISY populations with additional barriers. Additional data from ODE showed that in 2021-2022, 63.9% of all students regularly attended school.³ Students are regular attenders if they are in attendance for more than 90% of their enrolled days. Foster youth, low-income students, and students with disabilities had lower attendance rates than the standard 90% at 59%, 64% and 56% respectively.⁴ It is important that these students be provided necessary and targeted support for their varied and unique educational needs, family environment, income, and geographical location. This waiver will allow Oregon WIOA Youth Programs to serve more ISY who have been most impacted by the pandemic and current economic climate. This approach will help students to stay engaged in school and identify an education or career pathway for successful transition after high school completion. The additional funds will be utilized to provide a comprehensive range of services to ISY, including but not limited to:

1. **Targeted Outreach:** Programs will implement outreach strategies to identify and reach out to youth who are at risk of leaving school. Each local area will identify key partners and collaboration opportunities to engage ISY via schools, community organizations, and social services partners.
2. **Support for Graduation:** Programs will engage ISY who may not have clear post-graduation plans, guiding them towards educational and career success.
3. **Career Exploration:** Programs will develop career exploration curriculum that exposes ISY to various career options and helps them make informed decisions about their future.

Goal 2: Provide more intentional and tailored programming to establish school-to-work connections, ensuring students are well-prepared for entering the workforce or pursuing post-secondary education.

Collaborative efforts aligned with the Oregon Youth Employment Program (OYEP) and the Department of Education's goals regarding career-connected learning and post-graduation success are vital for effectively supporting youth development. Preparing youth for the workforce and emphasizing skill development, educational attainment, and career readiness, including early exposure to work opportunities before graduation, is paramount. The additional funds will be used to offer a comprehensive range of services to ISY, including but not limited to:

1. **Career Pathway Development:** Programs will integrate career exploration and guidance into educational experiences. This involves helping students identify their career interests, develop relevant skills, and access work-based learning opportunities such as internships or apprenticeships that align with what they are learning in the classroom.
2. **Work Experience Programs:** Programs will expand work experience programs to ensure that ISY gain valuable skills and exposure to the workforce.
3. **Mentorship Opportunities:** Programs will facilitate mentorship opportunities for ISY by collaborating with businesses and connecting students with experienced professionals.
4. **Industry-Specific Bridge Programs:** Programs will establish industry-specific bridge programs to prepare ISY for rapid entry into high-demand industries.

³ <https://www.opb.org/article/2023/04/27/oregon-schools-class-of-2025-absenteeism/#:~:text=In%20Oregon%2C%2064%25%20of%20students,59.2%25%20in%202021%2D2022>

⁴ https://www.oregon.gov/ode/reports-and-data/students/Documents/regularattenders_report_2122.xlsx

The flexibility in fund allocation is expected to have a significant positive impact on the lives of ISY, enabling them to graduate, pursue higher education, and enter the workforce with the necessary skills and readiness. Strengthening connections with ISY may also provide insights into youth experiences that can inform service designs for OSY, who will continue to be served.

Programmatic Outcomes from Implementation of the Waiver:

Oregon has polled its local areas to anticipate needs and programmatic changes that would result from waiver approval:

Local Areas confirming they will use the waiver:	Four of the nine local areas have confirmed they will use the waiver, with the five other local areas stating they will potentially use the waiver.
Anticipated increase of ISY served annually:	<p>Percentage increase in the number of ISY served will vary across local areas as they implement program designs and collaborative partnerships to serve ISY most impacted by COVID-19. It is anticipated that the increase in ISY youth served will range between 15-50% across local areas that utilize the waiver.</p> <p>As each local area implements the waiver and establishes services for ISY, the state will monitor ISY recruitment goals and progress of program implementation. The varied youth populations and geographic regions make it difficult to determine the exact number of ISY who will be served through this waiver. Based on these various factors, an average estimate is the closest method to estimate the number of ISY anticipated to be served in a given program year through this waiver.</p> <p>Using Oregon’s PY2021 data (the most recent program year of finalized data) as the baseline, an average 20% increase of the number of ISY would equate to approximately 88 more ISY from the identified target populations (<i>rural communities, low-income youth, youth of color, and youth with disabilities at risk of leaving school</i>) enrolled statewide for every full program year this waiver is in effect. This estimate would equate to approximately 528 ISY in a given program year.</p>
Measurable skills gain increase for ISY:	<p>Beginning in Program Year 2023, Oregon anticipates staggered measurable skills gain increases as shown below as partnerships and programs are established to support ISY.</p> <p>Year 1 – 1% Year 2 – 2% Year 3 – 3% Year 4 – 4% Year 5 – 5%</p>
Credential attainment increase for ISY:	<p>Beginning in Program Year 2023, Oregon anticipates staggered credential attainment increases as shown below as partnerships and programs are established to support ISY.</p> <p>Year 1 – 1%</p>

	Year 2 – 2%
	Year 3 – 3%
	Year 4 – 4%
	Year 5 – 5%

Approval of this waiver will allow Oregon WIOA Youth Programs the opportunity to develop stronger relationships and partner directly with additional local high schools, alternative schools, parents, community organizations, post-secondary education/training partners, and local industry to provide additional and necessary services to those in-school students who are most at risk of dropping out.

Individuals, Groups, or Populations Impacted by the Waiver:

While continuing to ensure that OSY receive equitable levels of support through specially-tailored programs designed to meet their distinct needs, Oregon’s commitment also extends to delivering dropout prevention services to a larger number of ISY, effectively reducing the risk of them transitioning into the OSY population. This approach aims to significantly mitigate any potential disparate impact and ensure that every young person has the opportunity to thrive.

Providing drop-out prevention services to more ISY youth will impact populations including, but not limited to:

1. Oregon’s at-risk youth
2. Low-income families
3. Rural communities
4. Oregon taxpayers
5. Local workforce development boards
6. Contracted service providers
7. Teachers and school counselors

Monitoring Waiver Implementation:

Annual WIOA on-site programmatic reviews will include an evaluation of the impact of the waiver on local programs to ensure programmatic goals and outcomes are being met. Additionally, state staff will semi-annually examine the effectiveness of this waiver. This strategy ensures that the goals described above, as well as those outlined in Oregon’s WIOA State Plan, are consistent with established objectives of WIOA and federal and state regulations.

Notice to Local Boards and Public Comment:

The Higher Education Coordinating Commission’s Office of Workforce Investments posted a draft copy of this waiver request on their publicly accessible website (www.wioainoregon.org) on November 23, 2023. Additionally, the Office of Workforce Investments sent copies of the waiver request to all Local Workforce Development Boards and other stakeholders. In both cases, a 30-day public comment period was announced.

During the comment period, the Office of Workforce Investments received no substantive inquiries or comments from any source.

Upon approval of the waiver, Oregon will issue a Guidance Statement notifying all Local Workforce Development Boards of its approval. As appropriate, waivers and related information will be included in the Oregon WIOA State Plan submission and/or modification and subject to public comment within the

Plan guidelines and the requirements outlined in the WIOA regulations at 20 CFR 676.130(d). Oregon will collect and report information about waiver outcomes in the state's WIOA Annual Report.

Respectfully submitted on January 26, 2024.

A handwritten signature in blue ink, appearing to read 'Kurt Tackman', with a long horizontal flourish extending to the right.

Kurt Tackman
Deputy Director
Office of Workforce Investments
Hight Education Coordinating Commission