WIOA Waiver Request – Individual Training Accounts (ITAs) for In School Youth (ISY)

- **The statutory and/or regulatory requirements the state would like to waive.**

  The State of Oregon respectfully requests a waiver from the U.S. Department of Labor pursuant to 20 CFR 681.550, which restricts the use of WIOA Youth-funded Individual Training Accounts (ITAs) to out-of-school youth. Under current regulations, in-school youth may only access ITAs through the WIOA Adult program, if otherwise eligible. Oregon seeks to waive this restriction to allow WIOA Youth funds to be used for ITAs for eligible in-school youth ages 16–21.

  Approval of this waiver will provide Oregon with increased flexibility to support in-school youth who are at significant risk of disconnection from postsecondary education and training due to persistent academic, economic, and systemic barriers. Expanding access to ITAs for in-school youth will allow workforce programs to intervene earlier with targeted occupational training that complements secondary education, improving educational engagement, career readiness, and long-term employment outcomes. This flexibility supports Oregon's need for responsive, student-centered career pathway options that reflect local labor market demand and individual youth circumstances.

  The waiver will also enable local workforce development areas to offer ITAs to in-school youth in coordination with K–12 school districts, community colleges, and training providers, allowing students to begin occupational training prior to high school graduation. In addition, the waiver will support expanded access to Registered Apprenticeship and other work-based learning opportunities for in-school youth, strengthening early connections to high-demand industries and employers.

  In implementing this waiver, the State of Oregon will coordinate closely with local Career and Technical Education (CTE) programs to ensure alignment and integration of training activities with secondary education pathways. This coordinated approach will maximize the impact of WIOA Youth funds, reduce duplication of services, and strengthen Oregon's education-to-workforce pipeline. By enabling earlier and more flexible access to occupational training, this waiver will help Oregon improve youth employment outcomes, meet employer workforce needs, and promote equitable access to career pathways statewide.

- **Actions undertaken to remove state or local statutory or regulatory barriers.**

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

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- **State strategic goals and alignment**

  ITAs for in-school youth will support several strategic goals in Oregon's State WIOA Plan:

  Goal 1: Advance Prosperity for All Oregonians
  Oregon's State WIOA Plan calls for building an inclusive workforce system that advances prosperity and improves outcomes for individuals with barriers to education and employment. This waiver expands access to occupational training for in-school youth who face academic, economic, or systemic barriers and who may not otherwise qualify for WIOA Adult services. Allowing ITAs for in-school youth enables earlier intervention for students at risk of disconnection, supporting access to career pathways and credentials before disengagement occurs.

  Goal 2: Strengthen Career Pathways and Education-to-Work Transitions
  Oregon's State WIOA Plan emphasizes the development and expansion of career pathways that align education, training, and employment with in-demand industries and occupations. Permitting WIOA Youth-funded ITAs for in-school youth allows local areas to integrate occupational training with secondary education, creating seamless education-to-work pathways.

  Goal 3: Improve Youth Engagement, Retention, and Credential Attainment
  Oregon's State WIOA Plan calls for an increase in educational attainment, credential completion, and workforce readiness among youth through integrated, work-based, and training-focused strategies. Access to ITAs enables in-school youth to pursue occupational skills training that is directly connected to career goals, increasing relevance and engagement in both education and workforce services. This flexibility supports improved retention in education and training programs, higher rates of credential attainment, and stronger alignment between youth services and employment outcomes.

  Goal 4: Align Education, Workforce, and Training Systems
  Oregon's State WIOA Plan emphasizes the coordination and alignment among K–12 education, Career and Technical Education (CTE), postsecondary institutions, and workforce programs to maximize system effectiveness. This waiver supports closer coordination between local workforce development boards, K–12 school districts, CTE programs, and training providers by enabling shared planning around ITA-funded training for in-school youth. This alignment reduces duplication, leverages existing education investments, and strengthens Oregon's education-to-work pipeline.

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Goal 5: Meet Oregon Employers' Current and Future Workforce Needs
Oregon's State WIOA Plan prioritizes a skilled workforce aligned with employer demand and industry needs across Oregon's priority sectors. By expanding access to ITAs for in-school youth, Oregon can develop talent earlier in high-demand occupations and Registered Apprenticeship pathways. This early skills development strengthens the future workforce pipeline, supports employer needs, and contributes to long-term economic competitiveness for the state.

- **Projected programmatic outcomes resulting from implementation of the waiver**

  This waiver, if granted, would have a significant impact on all of the Oregon state WIOA Youth performance measures.

  Improved Credential Attainment
  This waiver would help the state and LWDBs improve credential attainment by supporting in-school youth with the necessary resources to complete their education and training. The waiver would raise credential attainment through stronger alignment with high school completion strategies to connect in-school youth to occupational training.

  Improved Measurable Skills Gains (MSGs)
  The state and LWDBs would see an increase in the number of MSGs as in-school youth would have increased access to training with the resources needed to complete these trainings.

  From calendar year 2021 through July 9, 2026, 64.06% of WIOA Youth participants were out of school and did not possess a secondary school diploma or its recognized equivalent at the time of enrollment. This waiver has the potential to significantly increase the number of WIOA Youth participants who attain a credential, thereby improving both credential attainment and measurable skill gains (MSG) performance outcomes.

  Improved Employment Placements in Q2 and Q4 After Exit
  Increased access to training resources enables in-school youth the ability to complete training thereby improving employment rates in the second and fourth quarter after exit and increasing median earnings in the second quarter through the attainment of employment with a livable wage.

  From calendar year 2021 through July 9, 2026, the average second quarter (Q2) placement rate was 63.18%, while the average fourth quarter (Q4) placement rate was 62.04%. This waiver has the potential to significantly increase employment outcomes by expanding participants' access to credentials, which can enhance their qualifications and improve their opportunities to obtain employment.

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In addition to these WIOA programmatic outcomes, Oregon expects to achieve the following goals: Improved access to workforce and educational services for in-school youth; Reduced training drop-out rates; Improved coordination by reducing fragmentation of service delivery between WIOA Youth and WIOA Adult programs to fund an ITA; Improved customer choice and increased empowerment for in-school youth.

- **Alignment with Department policy priorities**
  Advancing Access to Opportunity
  DOL prioritizes improving outcomes for individuals with barriers to education and employment, including youth from low-income households, youth with disabilities, and youth at risk of disconnection. Current restrictions on the use of WIOA Youth-funded ITAs limit access to occupational training for in-school youth who may not yet be eligible for the Adult program but face significant risk of disengagement. Excluding in-school youth from receiving ITAs undermines WIOA's goals to expand program options, increase program flexibility, and enhance customer choice.

  DOL states in the preamble to the WIOA Final Rule that in-school youth age 18 or older may access ITAs through the WIOA Adult program. Youth caught in this gap between WIOA Youth and WIOA Adult are susceptible to leaving the workforce program and not achieving the education, training, and certifications that develop the skills employers require and that lead to economic self-sufficiency. These youth are best served not by exit and re-enrollment in WIOA Adult programs, but by continued service through the current program and with help by staff who know the individual and their needs.

  Improving WIOA Performance Accountability and Outcomes
  DOL places strong emphasis on performance accountability under WIOA, particularly measurable skill gains, credential attainment, and post-exit placement in education, training, or employment. Allowing ITAs for in-school youth is expected to improve these outcomes by increasing participation in credential-bearing training.

  Promoting Early Intervention and Prevention of Disconnection
  DOL emphasizes prevention-oriented strategies that intervene before individuals become disconnected from education or the labor force. This waiver supports early intervention by allowing workforce programs to provide meaningful, career-aligned training while youth are still connected to the education system. Early access to ITAs helps prevent dropout, strengthens engagement, and reduces the long-term costs associated with re-engaging disconnected youth.

- **Individuals, groups, or populations affected by the waiver**

  This waiver will significantly benefit:
  Oregon's at-risk youth - In-School Youth at Risk of Disconnection
  Low-income families

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Foster youth and youth experiencing homelessness
Rural youth with limited local training options
K–12 School Districts, CTE Programs, and Education Partners
Local workforce boards, schools, and service providers

- **State plans for monitoring waiver implementation**

  The state of Oregon will monitor implementation of this waiver using a multi-pronged approach that includes both programmatic oversight and analysis of service delivery across demographic and geographic areas. Specifically, the state will:

  - Conduct semi-annual reviews of waiver implementation and outcomes across participating Local Workforce Development Boards (LWDBs).
  - Monitor service delivery, performance outcomes, and overall impact through programmatic reviews.
  - Report waiver-related data and analysis in the WIOA Annual Performance Report Narrative.

  To assess the effectiveness of services to in-school youth, Oregon is tracking trends in key WIOA performance indicators. The table below represents performance data for Q2/Q4 Placement, Credential Attainment and Measurable Skill Gains (MSG) for the state of Oregon.

Program Year	Placement Rate (Q2)	Placement Rate (Q4)	Credential Rate	MSG Rate
2021: 7/1/2021 - 6/30/2022	69.50%	64.70%	52.30%	42.30%
2022: 7/1/2022 - 6/30/2023	64.00%	62.90%	55.70%	44.20%
2023: 7/1/2023 - 6/30/2024	60.60%	61.90%	52.00%	45.00%
2024: 7/1/2024 - 6/30/2025	61.00%	60.80%	55.60%	47.10%
2025: (to Q3): 4/1/2025-3/31/2026)	60.80%	59.90%	55.00%	44.80%
Total Average:	**63.18%**	**62.04%**	**54.12%**	**44.68%**

- **Public comment and Notification**

  This waiver was posted on XXX, at www.wioainoregon.org for public comment. On the same date, notification was sent to Local Workforce Development Boards and key stakeholders. A 30-day comment period was provided.

  Upon waiver approval, Oregon will issue official guidance to all local boards and update the WIOA State Plan accordingly, in compliance with 20 CFR 676.130(d).

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