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**DIVISION OF WORKFORCE SERVICES  
ISSUANCE NUMBER PY 20-04**

**October 15, 2020**

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**FROM:** Charisse Childers, Ph.D., Director

**TO:** Local WIOA Workforce Development Area Administrators/Service Providers

**SUBJECT:** Waiver of the 75% Expenditure Requirement for Out-of-School Youth

1. **Purpose:** To describe a local workforce development board's ability to receive a waiver to the requirement that at least 75% of Youth funds must be spent to provide services to out-of-school youth.
2. **Reference:**
  - WIOA § 129(a)(4)
  - 20 CFR 681.410
  - Arkansas State Plan 2020-2023
3. **Background:** Under the Workforce Innovation and Opportunity Act of 2014 (WIOA), local areas must spend not less than 75% of their Youth funds to provide services to out-of-school youth (OSY). As allowed under WIOA § 129(a)(4) and 20 CFR 681.41, the State of Arkansas has requested and received a waiver from the Employment and Training Administration of the U.S. Department of Labor (ETA) to allow local areas to reduce this minimum percentage to 50% for local PY19 and PY20 Youth funds under certain conditions. In determining the minimum for each local area, the State is allowed to calculate the lowered 50% expenditure rate at the State level instead of individually for each local area.

The waiver is contingent on providing quantifiable outcome measures, which will be gathered in some of the requests below, specifically "c" and "e".

4. **Policy:** Local areas may request to have the requirement that 75% of their PY19 and PY20 Youth funds must be spent for services to out-of-school youth reduced to 50% with the following requirements:
  - a. The local area has adjusted or provided an addendum to the local plan explaining the planned use of the waiver.
  - b. The waiver request includes a description of the barriers to optimum service to area youth caused by the 75% restriction.
  - c. The waiver request describes how the waiver will increase the number of in-school youth serviced and the overall performance indicators

- i. Please note that this information will be provided to DOLETA to meet the conditional requirements of the waiver.
- d. The waiver request details how services to area youth will improve because of the waiver.
- e. The waiver request describes how required performance indicators will increase as a result of the waiver.
  - i. Please note that this information will be provided to DOLETA to meet the conditional requirements of the waiver.
- f. The waiver request specifies the requested minimum rate of Youth funds to be spent for services to OSY for PY19 and PY20 funds.

Local areas must submit monthly reports describing and quantifying services to youth and performance outcomes of these services. ADWS will monitor progress under this waiver through these monthly reports, through regularly scheduled meetings with Board executive directors, and through monitoring information entered into Arkansas Job Link.

- 5. **Action Required:** Please provide this information to all appropriate staff.
- 6. **Inquiries:** Email [WIOATA@arkansas.gov](mailto:WIOATA@arkansas.gov)
- 7. **Expiration:** The waiver procedure will expire when local area PY 20 Youth funds have been depleted. This expiration date may vary by local area.