

Montana Waiver Request

WIOA Youth Waiver Request: Flexibility in Funding to Increase In-School Youth Enrollments. Program Year 2023.

State of Montana

Montana Department of Labor & Industry

1. The statutory and/or regulatory requirements the state would like to waive:

The State of Montana seeks a waiver from the WIOA Section 129(a)(4)(A) and 20 CFR Part 681.410, which require not less than 75 percent 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 percent of funds available to local areas under subsection (c), shall be used to provide youth workforce investment activities for Out-of-School Youth (OSY). The state of Montana is requesting:

- The flexibility to lower the minimum expenditure of 75% for OSY to 50%.

2. Actions the state has undertaken to remove state or local barriers:

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. Current State of Montana laws, regulations, and policies follow federal law, regulations, and guidance.

3. A description of the state's strategic goals

The governor has reinvigorated a focus to repairing the disconnect between employers and educators, creating sustainable public-private partnerships to create direct to industry workforce pipelines where workers are needed the most. The governor's Build Montana initiative recognizes that career and technical education (CTE) personalized to each student provides not only the technical skills for occupational advancement but also a vision for the student(s) of what a successful career in industry can mean for the student. Local school boards of trustees in Montana have broad powers to declare flexible course equivalencies and free student seat time in favor of work-based learning opportunities leading to industry credentialed learning.

The above waiver request will result in increased partnership and collaboration among the Montana Department of Labor & Industry, Montana Office of Public Instruction, the Montana University System, and the State Workforce Innovation Board (SWIB).

The state of Montana is committed to designing a public workforce and talent development system that is programmatically and physically accessible to all Montanans, including youth and those with barriers to employment.

Montana is also requesting a waiver to provide Montana youth service providers with the flexibility to use Individual Training Accounts (ITAs) for in-school youth under WIOA Youth. The waiver impacts WIOA regulation 20 CFR 681.550 which prohibits In School Youth from utilizing youth program Individual Training Accounts (ITAs).

Currently, only out of school youth, ages 16-24 can utilize ITAs.

The coordination of these two waivers will allow for flexibility to serve more of Montana's young people.

4. How this waiver compliments Department of Labor priorities

According to the [U.S. Department of Labor FY 2022-2026 Strategic Plan](#), the [U.S. Department of Labor FY 2022 – 2026 Strategic Plan](#) the above waiver request will:

Help fulfill the Mission of USDOL, which is "To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees, of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights." Within this mission, the waiver request specifically relates to Goal 1; Build Opportunity and Equity for All.

5. Quantifiable projected programmatic outcomes resulting from implementation of the waiver

Montana has been challenged to meet some of the WIOA Youth Program Performance Indicators and has under-performed with youth performance indicators, for a number of years. This may be due in part to the rural nature of the state or the inability of youth providers to enroll more in school youth.

Through this waiver Montana youth providers will have the flexibility to focus on reaching out to more in school youth to assist in meeting their needs; ensuring they are working toward the successful completion and graduation from secondary and/or post-secondary education; increasing measurable skills gains and the credential attainment rate, median earnings and ultimately meeting employment retention rates after the 2nd quarter and 4th quarter,

The State tracks WIOA youth expenditures quarterly through Montana's WIOA Management Information System. Should any area or provider be identified as at-risk following a quarterly review, technical assistance will be provided immediately.

Goals with the WIOA Youth Waiver request(s) include surpassing Montana's all time high graduation rate of 86.6% in the 2018-2019 academic year. Progress has been made in the last two years of data, but much work is still needed. Assistance with opportunities to have the flexibility for funding with in-school youth will help to increase high school graduation rates, exceeding past graduation rates. Below is a historic view of graduation rates in Montana.

4-Year Cohort Graduation Rates (Public & State-Funded Only): 2016-2021*

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Statewide	85.9%	86.4%	86.6%	85.9%	86.1%

Additionally, measurable goals to achieve regardless of the waiver approval include exceeding the WIOA Youth Program Expected and Negotiated Levels of Performance. For the 2023 Program year those are highlighted below:

	TITLE I – YOUTH PROGRAM			
	PROGRAM YEAR: 2022		PROGRAM YEAR: 2023	
	EXPECTED LEVEL	NEGOTIATED LEVEL	EXPECTED LEVEL	NEGOTIATED LEVEL
EMPLOYMENT (SECOND QUARTER AFTER EXIT)	60.0%	58.0%	60.0%	58.0%
EMPLOYMENT (FOURTH QUARTER AFTER EXIT)	55.0%	55.0%	55.0%	55.0%
MEDIAN EARNINGS (SECOND QUARTER AFTER EXIT)	\$3,200	\$3,200	\$3,200	\$3,200
CREDENTIAL ATTAINMENT RATE	45.0%	50.0%	45.0%	50.0%
MEASURABLE SKILL GAINS	45.0%	50.0%	45.0%	50.0%

WIOA Title I Youth providers have strong relationships with education systems within the district it serves. These relationships are critical as educators, principals, superintendents, and career and guidance counselors have established relationships with students and help caseworkers both target out-of-school youth and help participants transition back into education systems as appropriate. The State of Montana continually works toward a strong and equitable youth program. However, our sparse population centers, distance to obtain services, and variation of professional opportunities available have made obtaining WIOA Youth Program performance indicators difficult.

Waiver Goals and Outcomes

Goal: Provide more support to an increased number of in-School Youth

The flexibility of the ISY Waiver would allow WIOA Youth providers to enroll more ISY clients without considering the 25% limitations on funding that is in place now.

Enrolling more clients who are attending high school gives the ISY improved chances of planning or reaching their career or educational goals. Oftentimes, ISY are choosing to not establish an educational or employment goal due to the lack of financial support available to them.

Funding flexibility will also allow for continued support to clients post-high school or for those currently attending post-secondary education or skills trainings. This includes costs that may be incurred beyond what PELL or other educational grants/scholarships may provide.

Approval of this waiver will allow WIOA youth providers:

- to provide additional services such as Work Experiences, Supportive Services and Skills Training that would better prepare clients for entering the workforce upon completion of secondary school;
- to provide support for clients already enrolled in post-secondary schooling or skills training by helping with training costs, tuition, books etc., and supportive services to aide in completion of their planned training;
- allow for support in assisting clients with transitioning to post-secondary training and or skills training while still attending high school to get a running start on their educational plan or to assist with employment opportunities upon completion of high school;
- to provide more assistance with job training, skills training and supportive services that will benefit clients that are in need and have no other resources available to them. Montana is seeing an increased need for assistance from potential clients that are struggling with finding a job and need assistance with basic needs such as rent, gas money, clothing for school/work or educational costs.

Goal: Improved flexibility of state, local and statewide activities funding to best meet the needs of our citizens and businesses.

Expected Outcome: Approval of this waiver will allow the opportunity to provide more in-school youth with innovative strategies to address barriers facing at-risk youth on an individualized basis and encourage innovative strategies to address student retention, engagement, transition, and successful outcomes.

Provide greater opportunity for more youth to complete high school and continue on a pathway toward multiple career and educational opportunities, including apprenticeship

programs, short-term certificates, associate or **bachelor's** degrees, and sustainable employment.

The WIOA encourages strong partnerships to leverage resources and increase opportunities for youth. In the past year, Montana has appointed a Director of Strategic Engagement at the Montana Department of Labor & Industry and a Montana Ready Coordinator at the Montana Office of Public Instruction to better align education and workforce to encourage employer specific workforce pipelines. Additionally, input and implementation will be in coordination with the state's education system, including the Montana University System. The focus is to connect applicable state and local agency efforts in an effort to assist youth, including at-risk youth, in leveraging resources and aligning successful program models that lead to student persistence, retention, completion, career awareness, and employment opportunities.

6. Individuals, groups, or populations benefiting, or otherwise impacted by the waiver, or from the waiver.

Montana's low-income, at-risk youth, and young adult population, and subcontracted WIOA youth service provider staff, workforce development partners, American Job Centers (AJC), , parents, teachers, and school counselors and Montana employers/business/industry will benefit from the waiver, if approved.

7. How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information.

- A formal monitoring will be conducted by the entity designated by the SWIB.
- WSD's Fiscal and Reporting Analysts will collect, analyze, and provide quarterly data and expenditure reports on the status of WIOA youth expenditures. The WIOA Title I youth program manager will examine the effectiveness of this waiver through quarterly desk reviews and provide technical assistance to case managers as needed.
- Service providers will be monitored to verify eligibility for the Youth program.
- Guidance on the program's eligibility, the application, and related timeliness for reporting participant information is available in the [WIOA Operations Manual](#).

Notice to Local Boards and Public Comment

- Provide notice to any local board affected by the waiver;
- Provide any local board affected by the waiver an opportunity to comment on the request;
- Ensure meaningful public comment, including comment by business and organized labor, on the waiver.
- Collect and report information about waiver outcomes in the State's WIOA Annual Report