

Washington State WorkSource Information Notice (WIN)

WIN Number: 0146

WIN Title: Waiver of the requirement to expend at least 75 percent of the state's WIOA Title I-B youth formula grant on out-of-school youth

Date: January 7, 2025

Expiration: June 30, 2026

Purpose:

To communicate the U.S. Department of Labor's (DOL) approval of Washington's request to waive the federal requirement to expend at least 75 percent of WIOA Title I-B youth formula grant funds on out-of-school youth (OSY) and lower it to a minimum of 50 percent.

Action Required:

Local Workforce Development Boards and their contractors must distribute this guidance broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

Content:

The U.S. Secretary of Labor approved Washington's request to waive the federal requirement to expend at least 75 percent of its WIOA Title I-B youth formula grant funds on OSY during Program Years (PY) 2024 and 2025 (see [Attachment A](#)). The request was submitted by the Workforce Training and Education Coordinating Board (WTECB) on behalf of the Governor on November 20, 2024 and approved by the DOL Secretary on December 20, 2024.

The OSY expenditure requirement for PY 2024 and PY 2025 is now a minimum of 50 percent for the state and each local workforce development area. The State will need to request another waiver if it wants to extend it beyond this two-year period. It is not clear at this time if WIOA reauthorization between now and the end of PY 2025 would require the State to reapply for this waiver (potential WIOA reauthorization under the bipartisan, bicameral H.R. 6655 proposed that 65 percent of Title I-B youth formula funds be expended on OSY).

The State must report on outcomes resulting from the waiver in its annual WIOA Title I-B and III performance reports representing PY 2024 and PY 2025. DOL will look for in-school youth (ISY) participation to increase and outcomes for primary indicators of performance for OSY and ISY to remain steady or increase. DOL will review those results to inform whether or not to maintain the waiver and identify best and promising practices.

The State must also identify receipt of the waiver in its four-year WIOA State Plan and intends do that in the two-year update to the plan.

References:

- WIOA Section 129(a)(4)(A)
- WIOA Final Rule, 20 CFR 681.410
- [Training and Employment Guidance Letter \(TEGL\) 08-18](#)

Website:

[Workforce Professionals Center](#)

Direct Inquiries To:

*Employment System Administration and Policy
Employment System Policy and Integrity Division
Employment Security Department
P.O. Box 9046
Olympia, WA 98507-9046
SystemPolicy@esd.wa.gov*

Attachments:

[Attachment A](#) – Approval letter from the U.S. Department of Labor

Attachment A

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



December 20, 2024

The Honorable Jay Inslee
Governor of Washington
P.O. Box 40002
Olympia, WA 98504

Dear Governor Inslee:

Thank you for your waiver request submission to the U.S. Department of Labor 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 request was received November 18, 2024. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Washington will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Washington and ETA. This action is taken under the Secretary of Labor'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: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY).

ETA Response: ETA approves for Program Year (PYs) 2024 and 2025, which includes the entire time period for which states are authorized to spend each of those Program Year fund allotments, the State's request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed Washington's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Washington to implement its plan to improve the workforce development system. Washington may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves for PY 2024 and PY 2025, which includes the entire time period for which states are authorized to spend those funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Washington may lower the local youth funds expenditure requirement to 50 percent for OSY. As a result of this waiver, ETA expects that the number of in-school youth (ISY) served will increase, and performance accountability outcomes for overall WIOA Youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators.

The State must report its waiver outcomes and implementation of the approved waiver 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 cursive script that reads "José Javier Rodríguez".

José Javier Rodríguez

cc: Cami Feek, Commissioner, Washington State Employment Security Department
Dr. Tamika L. Ledbetter, Regional Administrator, ETA
Carol Padovan, Federal Project Officer, ETA