



Illinois
Department of Commerce
& Economic Opportunity
OFFICE OF EMPLOYMENT & TRAINING
JB Pritzker, Governor

WIOA NOTICE NO. 18-NOT-01, Change 4

TO: Chief Elected Officials
Local Workforce Innovation Board Chairpersons
Local Workforce Innovation Board Staff
WIOA Fiscal Agents and Grant Recipients
WIOA Program Services Administrators
Illinois workNet® Operators
WIOA State Agency Partners
Other Interested Persons

SUBJECT: Out-of-School Youth Expenditure Rate Reduction

DATE: June 22, 2022

I. PURPOSE

This notice informs the workforce system that Illinois received a waiver from the United States Department of Labor (USDOL) allowing the state and Local Workforce Boards to reduce the required out-of-school youth (OSY) expenditure rate under the Workforce Innovation and Opportunity Act (WIOA).

II. ISSUANCES AFFECTED

A. References:

Workforce Innovation and Opportunity Act Section 129(a)(4)(A)
Workforce Innovation and Opportunity Act: Final Rule 20 CFR 681.410

B. Rescissions:

WIOA Notice No. 18-NOT-01, Change 3 Out-of-School Youth Expenditure Rate Reduction (October 28, 2021)

III. BACKGROUND

Illinois' current efforts for aligning education, workforce, and economic development are laying a solid foundation for promoting leading career pathway models and best practices. Career pathway development in Illinois continues to expand to encompass every level of the education system as well as across the needs of our diverse populations including those that face multiple barriers to achieving self-sufficiency.

Of importance to the Governor's vision, the Illinois Workforce Innovation Board (IWIB) Strategic Plan, and the Unified State Plan is the expansion of career pathway systems into the secondary system for opportunity youth.

Within the Unified State Plan are examples of initiatives demonstrating the importance of ensuring career and work readiness at all levels, and how Illinois is moving toward strategies that integrally tie education to workforce development. Expanding the career pathway opportunities across the education and workforce system by allowing additional funds toward in-school youth (ISY), supports our common goal to expand career pathway opportunities through more accelerated work-based training while aligning and integrating programs of study that lead to industry-recognized credentials and improved employment and earnings. This alignment will truly address the P-20 pipeline by providing the necessary career readiness and occupational skills necessary to succeed in the job market.

As Illinois continues the engagement of educational institutions to create a job-driven education and training system, the state will be making significant and strategic system improvements that address workforce development needs through flexible, responsive, and progressive programs informed by labor market information. Not only will this continue to occur through the forty-eight (48) comprehensive community colleges and multi-college centers, but the state will also be expanding the reach to integrate meaningful career readiness programs and work-based learning models that focus on high-demand occupations for students and workers at all levels.

To reinforce these visions and provide targeted strategies to the millions of youth ages 15-24 living in Illinois and particularly focusing on those in poverty and unemployed, the State has requested a waiver from USDOL to reduce the out-of-school youth (OSY) expenditure rate requirement under WIOA.

In support of the expansion of career pathway systems across the education system, Illinois will use this waiver to provide youth with barriers the necessary support to successfully equip them with the academic and technical skills necessary to improve their employability. Furthermore, Illinois anticipates that this waiver will provide greater opportunity for blending funds at the federal, state, and local levels across the partners to increase innovative strategies for improving career pathway opportunities for youth.

IV. COMPONENTS

The State of Illinois received a waiver from the USDOL to the provisions under the Workforce Innovation and Opportunity Act (WIOA) which requires that the State expend 75 percent of the Governor's reserve youth funds on OSY and the requirement that local areas expend 75 percent of local youth formula funds on OSY.

Specifically, Illinois was granted the waiver to the following requirements:

1. A waiver of the requirement to expend 75 percent (75%) of funding on the OSY population. Illinois received approval to lower this percentage to 50 percent (50%).
2. A waiver of the requirement that local funding must meet the 75 percent (75%) minimum expenditure requirement. It was requested to allow a state-level OSY target (see #1 above) instead of requiring individual areas to each meet the minimum expenditure requirement.
3. A waiver of the requirement to expend 75 percent (75%) of Statewide Activities funding on the OSY population to allow flexibility of funding for special projects that meet the vision and mission of the State.
4. A waiver of the limitation of only 25 percent (25%) of funding to support ISY.
5. A waiver to use funding over the 25 percent (25%) limitation in WIOA to provide pre-apprenticeship program services to this population.

This waiver has been approved for Program Years (PYs) 2022 and 2023 (July 1, 2022 through June 30, 2024).

Even though the expenditure requirement is reduced, LWIBs must take steps to address challenges in locating, retaining, and serving OSY in their WIOA-funded programs. These steps include increasing recruiting efforts and strengthening partnerships with other WIOA programs such as the adult education program, state, and local government agencies, as well as community-based organizations.

The desired outcomes to achieve by waiving the expenditure requirement include:

1. Increase in number of ISY served; and
2. Performance accountability outcomes for overall youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators.

The Department of Labor requires that states report on waiver outcomes. The Illinois Workforce Innovation Board's (IWIB) Continuous Improvement Committee (CIC) will be acquiring data and information to gauge the success of the waiver outcomes listed above. Additionally, USDOL is asking that states report any innovative strategies to address student retention, therefore the IWIB staff will send an annual survey to gather any best practices. Local boards are still required to expend not less than 20 percent (20%) of the funds allocated to the local area for the youth program less the costs of administration to provide ISY and OSY with paid and unpaid work experiences that have an academic and occupational education component.

V. ACTION REQUIRED

All LWIAs, recipients, and subrecipients shall review this notice and distribute it to all appropriate individuals within the organization.

VI. INQUIRIES

Inquiries should be directed to OET, John Barr, (312) 805-9505 or john.w.barr@illinois.gov.

VII. EFFECTIVE DATE

This notice is effective on July 1, 2022.

VIII. EXPIRATION DATE

This notice will remain in effect until June 30, 2024, unless amended or rescinded by the Office of Employment and Training.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julio Rodriguez', with a stylized flourish at the end.

Julio Rodriguez, Deputy Director
Office of Employment and Training

JR:ld