

Waiver Request	
Title: WIOA Waiver Request: Reduce OSY Expenditure Requirement From 75 Percent to 50 Percent	
Effective Dates: Program year 24-25	Review by Date: March 15 th 2025

The following is a proposal from WorkForce West Virginia (WFWV) to the United States Department of Labor (USDOL) to reduce the expenditure requirement on out of school youth found in WIOA Section 129(a)(4)(A) and 20 CFR 681.410 from 75 percent to 50 percent, presented here for public comment or concern prior to submission for consideration to the USDOL.

Purpose:

The State of West Virginia would like to request consideration of a waiver, for program years (PY) 2024 and PY 2025 in accordance with the requirement of WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and local areas expend 75 percent of WIOA youth funds and local formula youth funds on out-of-school (OSY) youth and calculation of the local area expenditure for each local area.

The State’s request is to lower the out-of-school expenditure rate to 50 percent, which will allow the state and local areas to increase services to eligible in-school youth (ISY).

Approval of the waiver request will give local Workforce Development Boards flexibility and the ability to customize services based on the region’s needs. With West Virginia’s focus on career pathways and work-based learning, a waiver on youth expenditures will increase the flexibility of both the state and local Workforce Development Boards to serve youth ages 14-24. In addition, the waiver will allow the state to better prepare in-school-youth with barriers for post-graduation success.

West Virginia’s efforts for aligning workforce development and education are essential to promoting career pathways and best practices. Career pathway expansion in West Virginia is being developed in innovative ways to address the needs of those who face multiple barriers to success and achieving self-sufficiency.

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. State of West Virginia regulations and policy align with current federal law and regulations.

A description of the state's strategic goal(s).

West Virginia's Workforce and Economic Challenges: Addressing Youth and Labor Force Participation

West Virginia's labor force participation rate (LFPR) has shown modest improvement, increasing from 53.3% in 2017 to 54.9% in 2023. However, it remains significantly lower than the national rate, which was 62.6% in 2023. For decades, West Virginia's LFPR has lagged approximately 8% behind the national average, although it generally mirrors national trends.

The state's population of 16- to 19-year-olds is estimated at 88,215, with only 34.2% participating in the labor force. This age group has an employment-to-population ratio of 26.3% and faces an unemployment rate of 23.0%, the highest among all age groups. Factors contributing to these challenges include limited work experience, employer reluctance to hire teens, and restrictive labor laws. Expanding access to education and targeted job skills training will better prepare these individuals for workforce entry upon graduation.

Income, Poverty, and Rural Access to Resources

High unemployment and poverty levels in West Virginia, particularly in rural areas, continue to impede economic stability. Limited access to employment and training resources has exacerbated these issues. According to national rankings conducted by the "US News and World Report", West Virginia is ranked 48th in employment, a subcategory that evaluates unemployment rate, job growth, and labor force participation. These metrics provide critical insight into the state's economic prospects: the unemployment rate reflects the percentage of the labor force that is out of work, while the labor force participation rate highlights the proportion of the population that is either employed or actively seeking employment.

This challenging economic landscape underscores the importance of targeted interventions. Waiving the Workforce Innovation and Opportunity Act (WIOA) out-of-school youth expenditure requirement would help promote equitable access to services. Such a waiver would enable more youth, particularly those in underserved rural communities, to access resources needed to pursue

post-secondary education or career pathways. Addressing these barriers is crucial to fostering long-term economic growth and stability in the state.

Expanding ITAs and Workforce Outcomes for Youth

West Virginia aims to increase the use of Individual Training Accounts (ITAs) as a core strategy for youth development, especially for in-school youth (ISY). Through this initiative:

- **62% of ISY completing ITAs will earn a recognized credential**, equipping them with qualifications for high-demand occupations.
- **20% of ISY undertaking occupational skills training will have an ITA**, allowing them to pursue specialized technical or vocational training.
- **65% of ISY will achieve measurable skills gains**, exceeding the 51% youth goal for PY25 by 14 percentage points.

Additionally, the state will integrate ITAs with expanded apprenticeship programs which provide structured, on-the-job learning experiences that complement ITA-supported classroom training. Apprenticeships combined with ITAs will empower youth to transition directly into high-demand, high-wage careers while strengthening the state's labor force.

Addressing Youth Disconnection and Expanding Eligibility

Increasing the number of youth receiving support to enter or complete training programs will enable West Virginia to identify and assist at-risk individuals at an earlier stage, reducing the likelihood of them disengaging from education or the workforce. Early intervention ensures that more young people can develop essential foundational skills and stay connected to meaningful career or educational opportunities.

Expanding State-Level Partnerships and Career Pathways

Creating state-level programs with long-term partners will enhance service delivery to in-school youth. Partnerships, such as early involvement with the Division of Rehabilitation Services (DRS), will provide expanded access to resources. West Virginia will also increase opportunities for youth to acquire post-secondary skills and credentials for high-wage jobs by expanding career and technical education programs, ITAs, and work-based learning experiences.

Skills Gaps and Educational Priorities

A skills gap analysis suggests that by 2026, nearly half of West Virginia's workforce will need advanced communication skills such as social perceptiveness, speaking, and service orientation. These skills are particularly vital in the healthcare and customer service industries. Addressing gaps in reading comprehension, critical thinking, and writing—skills typically developed during K-12

education—will be essential for improving workforce readiness. As of 2022, 30% of high school seniors were not following any planned educational or career path.

By addressing these challenges through strategic partnerships, expanded access to training resources, and targeted policy adjustments, West Virginia aims to enhance labor force participation and economic stability while ensuring equitable opportunities for its youth.

A discussion of how the waiver complements Department of Labor priorities (i.e., expansion of apprenticeship, improved employment engagement, etc.):

WIOA youth programs provide access to education, work experience, and support services to participants with barriers to employment. More specifically, WIOA youth programs connect education and training strategies, support employer engagement, and supports innovative apprenticeship and ITA opportunities. The US Department of Labor (USDOL) prioritizes work-based learning and strategies to improve the services offered to underserved communities and ensure inclusion of underrepresented groups. This waiver not only aligns with the USDOL's priorities, but also with the priorities of the state of West Virginia.

West Virginia's waiver request will enable WIOA youth programs to provide outreach to in-school youth. These youth will primarily have barriers to employment which may include impoverished areas, foster care youth, youth with disabilities, and juvenile justice served youth as appropriate. By working with in-school youth, the program can engage them before they leave school and face additional barriers, helping to prevent challenges before they occur. Work experience, apprenticeships, ITAs, and job readiness learning models will be the primary strategy for career exploration and employment preparation. Allowing additional funds to in-school youth supports the goal of expanding career pathway opportunities through more accelerated work-based training while aligning with programs that lead to industry-recognized credentials.

West Virginia has established the Grow Your Own and Apprenticeship initiative for youth beginning in their junior year of high school. The Grow Your Own program is designed to address West Virginia's critical need for teachers. Grow Your Own Pathway to Teaching programs provide high school students with a career path to pursue a career in education which allows them to graduate with a bachelor's degree in three years. The apprenticeship model is designed to provide paid work experience and on-the-job training. The WV Apprenticeship Model provides Grow Your Own students with wage-earning field experiences, preparing them for the teaching career while alleviating financial burdens. Students who have graduated high school and complete the Youth Apprenticeship are certified as a Teacher Apprentice by the U.S. Department of Labor.

West Virginia is aligned with the USDOL's commitment to providing high-quality services for youth, beginning with career exploration, support, attainment of goals, and opportunities for skills training, such as apprenticeships, on the job training, and ITA's for in demand occupations. Outcomes include employment, post-secondary education, or Registered Apprenticeships.

Local regions in the state will continue to address the challenges of locating, serving, and retaining Out of school youth in the WIOA youth program. They will continue to increase recruitment and strengthen partnerships with partner agencies in order to prepare youth to be successful.

Quantifiable projected programmatic outcomes resulting from implementation of the waiver:

Through the implementation of the waiver, West Virginia anticipates significant improvements in youth program outcomes. The state will prioritize enrolling and serving an additional 20% of in-school youth (ISY) living in high-poverty areas, focusing on those with substantial barriers to employment, such as foster care youth, youth involved in the juvenile justice system, and youth with disabilities.

The waiver will enhance career readiness and educational support, emphasizing expanded work-based learning opportunities, including apprenticeships and pre-apprenticeship programs. Job readiness training will be integral, with a majority of ISY expected to complete at least one work-readiness activity.

Engaging in-school youth early will allow West Virginia to address existing barriers and provide targeted support before additional challenges arise, fostering a smoother transition into adulthood and the workforce. By offering mentorship, academic support, and career exploration opportunities, we anticipate improved retention rates for in-school youth in secondary education programs. This proactive approach aims to reduce the risk of youth disengaging from education or the workforce. Additionally, the waiver will provide the flexibility needed to pilot innovative initiatives, such as programs targeting in-demand occupations, including healthcare, technology, and skilled trades. Partnerships with employers, educational institutions, and community organizations will be expanded to align youth programming with local and regional workforce needs, ensuring ISY have the tools and opportunities needed to succeed.

Individuals, Groups, or populations benefiting, or otherwise impacted by the waiver from the waiver:

The waiver of the out-of-school youth expenditure requirement in West Virginia will impact several key stakeholders and bring benefits to both the education and workforce systems. Beneficiaries include in-school youth facing barriers, educational institutions, the American Job Center, and partner programs that can utilize funds to deliver services to youth participants.

The state remains committed to serving out-of-school youth participants. However, this waiver will enable WIOA youth programs to expand services to more in-school youth who can significantly benefit from one or more of the 14 program elements. Emphasis will be placed on providing opportunities for work experience, education, and training to support their development and future success.

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

In alignment with the WIOA Final Regulations at 20 CFR 679.160, the state will oversee waiver implementation through its established monitoring processes, which include regular evaluations of program performance and compliance. Local Workforce Development Boards (WDBs) will play a key role in monitoring compliance with waiver requirements and objectives, ensuring adherence to WIOA regulations. These efforts will involve the systematic collection and analysis of measurable outcome data to evaluate the waiver's impact. The collected data will be assessed against established performance benchmarks to determine effectiveness and inform necessary adjustments. All monitoring activities will be integrated into the state's routine oversight framework to maintain accountability and ensure effective program management.