

Interim Youth Policy | July 2, 2015

- TO:** Division of Workforce Development and Adult Learning (DWDAL) staff;
Local Workforce Development Area (LWIA) Directors and staff;
Workforce Innovation and Opportunity Act (WIOA) Title I Youth Providers
- FROM:** Division of Workforce Development and Adult Learning
Maryland Department of Labor, Licensing and Regulation
- SUBJECT:** Interim Youth Policy
- PURPOSE:** To provide interim policy guidance on DWDAL's expectations and requirements for WIOA Youth Program transition to Local Workforce Investment Boards, American Job Centers, and Youth Representatives
- ACTION:** Local Workforce Development Area (LWDA) Directors, American Job Center (AJC) labor exchange administrators, and central office managers will ensure all employees are aware of and receive copies of this policy. DWDAL policies are available [on the DLLR website](#).
- EFFECTIVE:** July 1, 2015
- EXPIRATION:** Until Cancelled.
- QUESTIONS:**

Carolynnette Scott
Disability & Youth Services Coordinator
410.767.2832
carolynnette.scott@maryland.gov

Lloyd Day
Director of Workforce Development
410.767.2995
lloyd.day@maryland.gov

Erin Roth
Director of Policy, DWDAL
410.767.5870
erin.roth@maryland.gov

TABLE OF CONTENTS

INTERIM YOUTH POLICY

| | |
|---|-------------------|
| GENERAL INFORMATION | page 3 |
| Workforce Innovation and Opportunity Act (WIOA)..... | page 3 |
| YOUTH PROGRAM TRANSITION | page 4 |
| REFERENCES | page 5 |
| Law..... | page 5 |
| USDOL Guidance..... | page 5 |
| Other References..... | page 5 |
| ATTACHMENT | pages 6-23 |
| Attachment A – TEGL 23-14, “WIOA Youth Program Transition”..... | pages 7-23 |

GENERAL INFORMATION

WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA)

The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014. WIOA supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. WIOA is designed to help both job seekers and businesses. WIOA addresses the needs of job seekers through establishing a workforce system that helps them access employment, education, training and support services to succeed in the labor market. WIOA addresses employer needs by matching them to the skilled workers they need to compete in the global economy.

WIOA takes effect on July 1, 2015, which is the first full program year after enactment, apart from a few select provisions.

YOUTH PROGRAM TRANSITION

On March 26, 2015, the U.S. Department of Labor (USDOL)'s Employment and Training Administration (ETA) issued Training and Employment Guidance Letter (TEGL) 23-14, "WIOA Youth Program Transition" as guidance and planning information to states, local workforce areas, and other recipients of WIA Title I youth formula funds on the activities associated with the implementation of WIOA.

DLLR, in consultation with key stakeholders, will soon provide comprehensive guidance that builds upon TEGL 23-14. In the interim, DLLR expects DWDAL staff, LWDA directors and staff, and WIOA Title I youth providers to adhere to the guidance provided in TEGL 23-14. Attachment A provides a copy of this guidance.

REFERENCES

LAW

- [Workforce Innovation and Opportunity Act of 2014 \(WIOA\)](#).

USDOL GUIDANCE

- Training and Employment Guidance Letter WIOA (TEGL) 23-14, [Workforce Innovation and Opportunity Act \(WIOA\) Youth Program Transition](#), dated March 26, 2015.

OTHER REFERENCES

- Workforce Innovation and Opportunity Act Overview, July 22, 2014;
- [Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Notice of Proposed Rulemaking](#) Pages 20573-20687 [FR DOC# 2015-05528] (joint Notice of Proposed Rulemaking (NPRM) with the Departments of Education and Labor, dated April 16, 2015;
- [Workforce Innovation and Opportunity Act; Notice of Proposed Rulemaking](#) Pages 20689-20966 [FR DOC# 2015-05530] (NPRM - Labor only), dated April 16, 2015.

ATTACHMENT

1. Attachment A – TEGL 23-14, “WIOA Youth Program Transition”

| | |
|---|---|
| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION WIOA/Youth |
| | CORRESPONDENCE SYMBOL OWI-DYS |
| | DATE March 26, 2015 |

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER WIOA NO. 23-14 OPERATING GUIDANCE for the WORKFORCE INNOVATION AND OPPORTUNITY ACT (referred to as WIOA or the Opportunity Act)

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: Workforce Innovation and Opportunity Act (WIOA) Youth Program Transition

- 1. Purpose.** To provide guidance and planning information to states, local workforce areas, and other recipients of Workforce Investment Act (WIA) Title I youth formula funds on the activities associated with the implementation of WIOA.

WIOA was signed into law on July 22, 2014. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. In general, the Act takes effect on July 1, 2015, the first full program year after enactment, unless otherwise noted.

The U.S. Departments of Labor and Education are working to publish a set of regulations for implementation and the proposed rules currently are anticipated to be published in the spring of 2015, with Final Rules published in early 2016. In order to continue implementation prior to the final rule, a series of WIOA Operational Guidance documents that provide the needed implementation information will be issued in the form of Training and Employment Guidance Letters (TEGLs). These Operational Guidance TEGLs will inform the system about how to begin the important planning and reorganization necessary to comply with new WIOA statutory requirements for the upcoming Program Year (PY) 2015 (beginning July 1, 2015). The Operating Guidance TEGLs will provide a framework for program activities until the regulations are finalized. This TEGL is one in the ongoing series of Guidance.

In addition, ETA is hosting year-long webinar series called “Enough is Known for Action” focused on key WIOA priorities, including In School Youth (ISY), work experience, and credentials (see Resources for additional information).

| | |
|----------------------------|--------------------------------------|
| RESCISSIONS None | EXPIRATION DATE Continuing |
|----------------------------|--------------------------------------|

2. **References.**

- WIOA (Pub. L. 113-128) Title I, Sections 126-129;
- Training and Employment Guidance Letter (TEGL) No. 12-14, *Allowable Uses and Funding Limits of Workforce Investment Act (WIA) Program Year (PY) 2014 funds for Workforce Innovation and Opportunity Act (WIOA) Transitional Activities*;
- TEGL No. 19-14, *Vision for the Workforce System and Initial Implementation of the Workforce Innovation and Opportunity Act*;
- TEGL No. 13-09, *Contracting Strategies That Facilitate Serving The Youth Most In Need*;
- WIA (Pub. L. 105-220), Title I.

3. **Background.** While TEGL No. 19-14 says “States will receive their first WIOA allotment for the youth programs in April 2015 and will begin full implementation of WIOA for the Youth Program at that time,” this was imprecise. Operational implementation of the WIOA youth program begins on July 1, 2015, with all provisions taking effect July 1, 2016. The PY 2015 WIOA youth allotment that is distributed in April 2015 is for preparation and programmatic activities for WIOA youth program implementation on July 1, 2015. In addition, states and local workforce areas are encouraged to use allowable transition funds to prepare for implementation of the WIOA Youth program. The Department published TEGL No. 12-14 on October 28, 2014, found at: http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3475, to provide guidance on the use and reporting of PY 2014 funds for planning and implementation activities associated with the transition to WIOA for states and other recipients of funds under Title I of WIA— Attachment C specifies the available transition funds from the Youth program.

WIOA outlines a broader youth vision that supports an integrated service delivery system and provides a framework through which states and local areas can leverage other Federal, state, local, and philanthropic resources to support in-school youth (ISY) and OSY. WIOA affirms the Department’s commitment to providing high-quality services for all youth and young adults, beginning with career exploration and guidance, continued support for educational attainment, opportunities for skills training in in-demand industries and occupations, such as pre-apprenticeships or internships, and culminating with a good job along a career pathway, enrollment in post-secondary education, or a Registered Apprenticeship. All of the Department’s youth-serving programs continue to promote evidence-based strategies to assist in achieving high-levels of performance, accountability, and quality in preparing young people for the workforce.

Notably, WIOA shifts the primary program focus of Title I youth formula programs to support the educational and career success of out-of-school youth (OSY). A minimum of 75 percent of WIOA youth funds is required to be spent on OSY, which is an increase from the minimum of 30 percent under WIA. With an estimated 6 million 16-24 year olds in this country not employed or not in school, WIOA youth programs will provide a needed continuum of services to help disconnected youth navigate between the educational and workforce systems. The Department understands the complexities that some states and local areas may have in transitioning to spending a minimum of 75 percent of Title I youth formula

funds on OSY. For this reason, it is critical that states and local areas begin to incorporate strategies for recruiting and serving more OSY even prior to full implementation of the new WIOA statute on July 1, 2015. Working with the U.S. Departments of Education and Health and Human Services, the Department will provide intensive technical assistance to support efforts to identify and meet the needs of the OSY population. The Department intends to implement the OSY provision in a way that does not impact services provided to ISY currently enrolled in WIA programs.

4. OSY Expenditure Requirement. WIOA increases the minimum OSY expenditure rate for the youth formula-funded program from 30 percent under WIA to 75 percent under WIOA.

Under WIOA, an out-of-school youth is an individual who is:

- (a) Not attending any school (as defined under State law);
- (b) Not younger than 16 or older than age 24 at time of enrollment. Because age eligibility is based on age at enrollment, participants may continue to receive services beyond the age of 24 once they are enrolled in the program; and
- (c) One or more of the following:
 - (1) A school dropout;
 - (2) A youth who is within the age of compulsory school attendance, but has not attended school for at least the most recent complete school year calendar quarter. School year calendar quarter is based on how a local school district defines its school year quarters;
 - (3) A recipient of a secondary school diploma or its recognized equivalent who is a low-income individual and is either basic skills deficient or an English language learner;
 - (4) An individual who is subject to the juvenile or adult justice system;
 - (5) A homeless individual, a runaway, an individual who is in foster care or has aged out of the foster care system, a child eligible for assistance under section 477 of the Social Security Act, or an individual who is in an out-of-home placement;
 - (6) An individual who is pregnant or parenting;
 - (7) An individual with a disability;
 - (8) A low-income individual who requires additional assistance to enter or complete an educational program or to secure or hold employment. (WIOA sections 3(46) and 129(a)(1)(B).)

The minimum 75 percent OSY expenditure applies to local workforce development area funds and funds reserved by the Governor. However, only those statewide funds spent on direct services to youth are subject to the OSY expenditure requirement. Funds spent on statewide youth activities that do not provide direct services to youth, such as most of the required statewide youth activities listed in WIOA section 129(b)(1), are not subject to the OSY expenditure requirement. Please note this does not mean states may forgo the required statewide youth activities. In addition, state and local area administrative expenditures are not a part of the 75 percent OSY minimum expenditure calculation. Further, the 75 percent expenditure rate is a minimum requirement; therefore, states and local areas may spend up to 100 percent of their local area youth funds on OSY if they choose.

This change represents a significant shift in the focus of the WIOA youth program, and the Department will provide additional technical assistance and guidance on recruiting and serving OSY, who have substantial unmet needs and would benefit from the services provided under this program. Fortunately, as highlighted later in this TEGl, some states and local areas around the country already are well positioned to meet the new expenditure requirement because under WIA, they designed their services to reach and serve this population. In fact, in both PY 2011 and PY 2012 the national OSY expenditure rate was 57 percent. Section 9 of this TEGl provides examples of local areas from around the country that already serve large numbers of OSY.

Calculations. The OSY expenditure rate for statewide funds is calculated after subtracting funds that are not spent on direct services to youth. The OSY expenditure rate for local area funds is calculated after subtracting funds spent on administrative costs. For example, if a local area receives \$1 million and spends \$100,000 (10 percent) on administrative costs, the remaining \$900,000 is subject to the minimum OSY expenditure rate of 75 percent. In this example, the local area would be required to spend at least \$675,000 (75 percent) of the \$900,000 on OSY.

Planning. For PY 2015, the Department plans to provide youth allotments by April 1, 2015, or soon after, and PY 2015 funds are WIOA youth funds, governed by all applicable provisions of WIOA (schedule remains the same as WIA). While some states and local areas have the partnerships in place to immediately focus programs on OSY, other states and local areas may not be immediately positioned to spend at least 75 percent of WIOA funds on OSY for PY 2015 beginning July 1, 2015.

States and local areas must work towards spending 75 percent of PY 2015 funds on OSY. If they cannot meet the 75 percent requirement for their 2015 funds, they must demonstrate progress towards meeting the 75 percent OSY minimum expenditure rate through increased expenditures on OSY compared to the previous year. The increased expenditures must be a minimum increase of 10 percentage points compared to the previous year and no lower than a 50 percent OSY expenditure rate. If states and local areas cannot meet the OSY expenditure rate with their PY 2015 funds, they must be prepared to describe how they will achieve the 75 percent OSY expenditure rate with PY 2016 funds and describe concrete steps taken to comply with 75 percent OSY expenditure requirement and strategies the state and local areas are taking to secure contractors, solidify partnerships, and transition from a focus on ISY to OSY programs. The Department will provide additional guidance and technical assistance to states and local areas on implementation of the OSY expenditure requirement.

All states and local areas must spend a minimum of 75 percent of PY 2016 youth funds on OSY, subject to the exception in section 129(a)(4)(B) described below.

Tracking. The OSY expenditure rate is tracked for a specific program year allotment. ETA determines whether a state or local area meets the 75 percent OSY expenditure requirement upon completion of expenditures of all funds in the specific program year's allotment. For example, the first WIOA youth allotment is the PY 2015 allotment. The expenditure of the PY 2015 funds, including the breakout of ISY and OSY expenditures, is reported on the

ETA-9130 report. Because states have three years to expend funds and local areas have at least two years to expend funds, it may not be until the end of PY 2016, or in some cases PY 2017, before ETA can determine whether a state or local area has met the OSY expenditure requirement for PY15.

The current WIA statewide youth financial report does not capture expenditures on OSY and ISY that WIOA requires states to track beginning in PY 2015. In addition, the Department may not have the new statewide youth WIOA financial report finalized in time to allow states to begin such tracking. The Department, upon obtaining Office of Management and Budget clearance under the Paperwork Reduction Act, will provide further guidance regarding interim steps states should take in this regard. Additional guidance specific to updated ETA-9130 reports will also be forthcoming.

Recruiting Additional OSY. Reengaging out-of-school youth can take many forms, including information sharing between schools as well as print and electronic media campaigns. Some school districts host expos and reengagement fairs. Local areas should partner with school districts, such as the partnership in Los Angeles highlighted in Section 9, in order to access youth who are currently not attending school or who have dropped out. In addition, many Temporary Assistance for Needy Families (TANF) participants may be eligible for the WIOA youth program given the OSY age increased under WIOA, and local areas should partner with local TANF agencies in order reach the TANF population. Community organizations can also be another strong partner in reaching out-of-school youth. Utilizing multiple methods to reach out-of-school youth ensures that as many OSY as possible are contacted.

Exception. As stated in WIOA section 129(a)(4)(B), a state that receives a small state minimum allotment under WIOA sections 127(b)(1) (relating to the youth formula program) or 132(b)(1) (relating to the adult formula program) may submit a request for approval to the Department of Labor to decrease the percentage of funds spent on OSY to not less than 50 percent in a local area. The state request on behalf of a local area must include, after an analysis of the ISY and OSY populations in the local area, a determination by the State that the local area will be unable to use at least 75 percent of their local area funds on OSY due to a low number of OSY in the local area. The state must also include in the request the proposed percentage to be spent on OSY, which may not be less than 50 percent, and include a summary of the analysis that concludes the local area is unable to meet the 75 percent OSY requirement.¹

A list of States receiving the small State minimum allotments in PY 2015 will be based on PY 2015 allotments, which will be available on approximately April 1, 2015.

¹ The Department will provide additional information about this exception in the soon to be published Department of Labor only Notice of Proposed Rulemaking to implement titles I and III of WIOA.

5. **Youth Standing Committees.** Local Boards are responsible for the oversight of youth programs. Under WIA, Youth Councils were mandated to fulfill this function for the Board. (For the current national list of Youth Councils, please visit <http://www.servicelocator.org/youthcouncil.asp>.) While WIOA eliminates the requirement for Local Boards to establish a Youth Council, the Department encourages Local Boards to establish, “a standing committee to provide information and to assist with planning, operational, and other issues relating to the provision of services to youth, which shall include community-based organizations with a demonstrated record of success in serving eligible youth,” as permitted by Sec. 107(b)(4)(A)(ii) of WIOA. Local areas should keep in mind that Youth Councils are required through June 30, 2015 and existing Youth Councils can serve a critical role in helping local youth programs transition to WIOA.

WIOA further permits a Local Board to designate an existing Youth Council as a youth standing committee if the Youth Council fulfills the requirements of a standing committee. While the Department encourages Local Boards to designate their high-performing Youth Councils as youth standing committees, WIOA does not require it (WIOA Sec. 107(b)(4)(C)). Local Boards may create a new youth standing committee that has different membership than the Youth Council under WIA in order to design youth standing committee membership to meet the local area’s needs.

A Local Board may also choose not to establish a youth standing committee at all. If so, the Local Board is still responsible for conducting oversight of youth workforce investment activities under WIOA section 129(c) and identifying eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis. The Department will provide additional technical assistance about how to establish a youth standing committee, including how to identify whether a local area has an existing high-performing Youth Council that may be a good candidate to be a youth standing committee.

6. **Transitioning ISY and Resources for Serving ISY.** ETA recognizes that states and local areas may still be serving large numbers of ISY as they transition into WIOA on July 1, 2015. It is critical that local areas not prematurely exit ISY from the program due to the shift in emphasis under WIOA to OSY. At the same time, new enrollments must reflect the shift in emphasis to OSY programs. ISY and OSY expenditure rates are tracked and reported based on a specific program year’s allotment. For the PY 2014 WIA youth allotment, including unobligated PY 2014 funds carried over to PY 2015, the 30 percent OSY expenditure minimum will still apply. Consistent with that 30 percent requirement, states and local areas may choose to use most of the remaining PY 2014 funds for services to ISY, in order to assist them in successfully completing the program, while focusing PY 2015 funds on OSY, consistent with the minimum 75 percent expenditure requirement on OSY.

States and local areas must carefully plan the services and referrals necessary to successfully serve the remaining ISY while beginning to shift WIOA funds to serving more OSY. As fewer resources under WIOA will be devoted to ISY, Local Boards and youth committees need to identify existing resources throughout their communities that can provide services to ISY. In addition, Local Boards and youth committees may consider strategies for serving ISY that cost less and reach more students, such as providing labor market and employment

information as well as exposure to the world of work through career awareness, employer presentations, and employer visits. Local areas also should partner with school districts to coordinate services for in-school youth. For example, many school districts have programs focused on career preparation, such as Career Academies, and the youth workforce system can play a role in developing or enhancing such career preparation programs. More information about Career Academies can be found in the resource section below.

State and local workforce development board leadership is important to ensure this shift in target population is both complete and also balances the needs of youth currently in the program, particularly ISY, as they complete their participation. Outreach, contracting, and service strategies are examples of the approaches that should be carefully considered and planned as part of the transition.

7. Additional Youth Changes under WIOA.

Program Elements. WIOA section 129(c)(2) includes 14 program elements, which include the original 10 program elements under WIA (which have been consolidated to nine as the summer employment opportunities program element is now a sub-element under paid and unpaid work experiences) and 5 new program elements. The five new program elements are: financial literacy education; entrepreneurial skills training; services that provide labor market and employment information about in-demand industry sectors or occupations available in the local areas; activities that help youth prepare for and transition to post-secondary education and training; and education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster. The Department will provide additional technical assistance on each of these elements. The full list of the 14 program elements under WIOA section 129(c)(2) consists of:

- (1) Tutoring, study skills training, instruction and evidence-based dropout prevention and recovery strategies that lead to completion of the requirements for a secondary school diploma or its recognized equivalent (including a recognized certificate of attendance or similar document for individuals with disabilities) or for a recognized post-secondary credential;
- (2) Alternative secondary school services, or dropout recovery services, as appropriate;
- (3) Paid and unpaid work experiences that have academic and occupational education as a component of the work experience, which may include the following types of work experiences:
 - (i) summer employment opportunities and other employment opportunities available throughout the school year;
 - (ii) pre-apprenticeship programs;
 - (iii) internships and job shadowing; and
 - (iv) on-the-job training opportunities;
- (4) Occupational skill training, which includes priority consideration for training programs that lead to recognized post-secondary credentials that align with in-

- demand industry sectors or occupations in the local area involved, if the Local Board determines that the programs meet the quality criteria described in WIOA sec. 123;
- (5) Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
 - (6) Leadership development opportunities, including community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors;
 - (7) Supportive services;
 - (8) Adult mentoring for a duration of at least 12 months that may occur both during and after program participation;
 - (9) Follow-up services for not less than 12 months after the completion of participation;
 - (10) Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling, as well as referrals to counseling, as appropriate to the needs of the individual youth;
 - (11) Financial literacy education;
 - (12) Entrepreneurial skills training;
 - (13) Services that provide labor market and employment information about in-demand industry sectors or occupations available in the local area, such as career awareness, career counseling, and career exploration services; and
 - (14) Activities that help youth prepare for and transition to post-secondary education and training.

Expanded Work Experience Focus. WIOA section 129(c)(4) prioritizes work experiences with the requirement that local areas must spend a minimum of 20 percent of non-administrative local area funds on work experience. Under WIOA, paid and unpaid work experiences that have as a component academic and occupational education may include the following four categories: summer employment opportunities and other employment opportunities available throughout the school year; pre-apprenticeship programs; internships and job shadowing; and on-the-job training opportunities. The Department encourages local programs to coordinate work experiences, particularly summer employment, with other youth serving organizations and agencies. As was encouraged through joint letters in past years with the Departments of Health and Human Services and Housing and Urban Development, coordinating with Temporary Assistance for Needy Families, Community Services Block Grant, and Community Development Block Grant programs can strengthen local summer jobs efforts.

Work experience is a critical WIOA youth program element. For PY 2015 WIOA youth funds, local areas must implement the 20 percent minimum work experience expenditure rate. Program expenditures on the work experience program element include wages as well as staffing costs for the development and management of work experiences. Similar to the 75 percent OSY expenditure requirement, administrative costs are not subject to the 20 percent minimum work experience expenditure requirement. The work experience expenditure rate is calculated for after subtracting funds spent on administrative costs. The 20 percent minimum is calculated based on non-administrative local area youth funds and is not applied separately for ISY and OSY.

For example, if a local area received \$1 million in local WIOA youth funds, and spent \$100,000 (10 percent) on administrative costs, the minimum work experience expenditure requirement would be based on the remaining \$900,000. In this case, local areas would need to spend a minimum of \$180,000 (20 percent) on the work experience program element. Because the OSY expenditure requirement applies to overall local youth funds, this does not mean that 75 percent of the \$180,000 to be spent on work experience must be for OSY. In this example, the 75 percent OSY minimum expenditure requirement applies to the \$900,000 so that \$675,000 (75 percent of \$900,000) must be spent on OSY. There is no requirement for the types of services for which the minimum \$675,000 OSY expenditures must be spent.

State and local areas must track funds spent on work experience beginning with PY 2015 funds. While the Department will not have the new WIOA financial report finalized in time for the first quarter of PY 2015, state and local areas should keep track of PY 2015 youth funds spent on work experience in order to report on these expenditures as soon as the new WIOA financial report is available.

New Eligibility Criteria. WIOA section 129(a)(1) provides new eligibility criteria for the WIOA youth program. To be eligible to participate in the WIOA youth program, an individual must be an OSY or an ISY. The OSY eligibility requirements are included in section 5 of this TEGL. An ISY must be attending school, not younger than 14 or older than 21, low income, and have one or more of a list of barriers provided in WIOA section 129(a)(1)(C)(iv):

- (I) Basic skills deficient.
- (II) An English language learner.
- (III) An offender.
- (IV) A homeless youth or a runaway, in foster care or has aged out of the foster care system.
- (V) Pregnant or parenting.
- (VI) A youth who is an individual with a disability.
- (VII) An individual who requires additional assistance to complete an educational program or to secure or hold employment.

Youth enrolled beginning July 1, 2015 must meet the new eligibility criteria provided in WIOA. On July 1, 2015, all WIA youth participants who are still enrolled in the WIA youth program must be grandfathered into the WIOA youth program, even if the participant would not otherwise be eligible for WIOA. Local youth programs are not required to complete an eligibility re-determination if the participant has been determined eligible and enrolled under WIA. Furthermore, these participants must be allowed to complete the WIA services specified in their individual service strategy. Additional guidance will be issued to provide more detail on the new eligibility criteria.

New Primary Indicators of Performance. WIOA section 116(b)(2)(A)(ii) provides six new indicators of performance for the WIOA youth program. The new indicators of performance

are effective starting July 1, 2016, and separate guidance will be issued prior to their implementation.

8. **Preparing for WIOA Transition through Youth Service Provider Contracts.** Youth service provider contracts are awarded through a competitive process as discussed in WIOA section 123. In preparing for the transition from WIA to WIOA, it is important to incorporate the major changes under WIOA into Requests for Proposals (RFPs) and youth provider contracts immediately. For example, if local areas issue separate RFPs for ISY and OSY, as many WIA youth service provider contracts typically do, they should be structured in a way to ensure local areas are moving toward implementation of the 75 percent OSY expenditure minimum. Likewise, local areas should consider how to incorporate the 20 percent work experience expenditure minimum into RFPs and new service provider contracts.

WIOA requirements must be incorporated by amending or modifying the option years of current contracts, provided that such changes are permissible under the contract (i.e., if the contract includes a clause that allows for changes to be made to contracts to conform to new legislation, regulations, or requirements). In competing new contracts, the Department encourages local areas to employ one-year contracts which may contain additional option years, rather than multi-year contracts, at the beginning of WIOA implementation. Given how resource-intensive the RFP process may be, option year contracts are a strategy to ensure maximum flexibility while final regulations are published and program guidance is issued. They also provide added flexibility to local areas during a time of transition when regulations and guidance will be issued that could provide information necessary for future service provider contracts.

For further guidance on contracting strategies, see TEGl No. 13-09 at: <http://wdr.doleta.gov/directives/attach/TEGL/TEGL13-09acc.pdf> that provides contracting strategies that facilitate serving the youth most in need.

9. **Examples of Local Areas Successfully Serving Large Numbers of OSY.** Currently, a number of local areas around the country, both urban and rural, are already spending, or are close to spending, 75 percent of youth funds on OSY under WIA. The following are examples of local areas from around the country that already serve large numbers of OSY.

Brevard Florida NextGen Program

Service Area: Brevard County, Florida

OSY Expenditure Rate: 80 percent

Outreach Strategies: The NextGen outreach strategy includes engaging dropouts via partnerships with the public school system where youth entering into the High School Equivalency (HSE) program are first referred to them for inclusion in the NextGen program. They also work directly with Elementary and Secondary Education Act (ESEA) Title I Schools to provide outreach to graduating seniors and with pregnant teens

programs. Community partnerships with the Department of Juvenile Justice and foster care providers include referrals of youth and joint staffing, where appropriate.

Program Model: The NextGen service model includes three initial modules: assessment, life skills training, and goal setting/planning. After completing these modules, the youth are placed into one of two tracks. The Training track includes career coaching and skills training to earn an in-demand industry-recognized credential and continued support to get a job. The Job track includes learning job search techniques, developing a resume portfolio, career coaching, paid work experiences, on-the-job training, and supported job search assistance.

More information at: <http://careersourcebrevard.com/job-seekers/youth-services/next-gen>.

Los Angeles City

Service Area: L.A. City

OSY Current Expenditure Rate: Over 80 percent

Outreach Strategies: The LA Reconnections Career Academy includes a formal partnership with Los Angeles Unified School District (LAUSD) to target and serve OSY. The partnership includes an information sharing agreement that includes lists of dropped out students with LAUSD and co-location of counselors from LAUSD on-site at schools and WIA Youth WorkSource Centers. It also includes Student Recovery Days, which created teams of WIA Youth staff, LAUSD personnel, and other partners going door to door to homes from LAUSD's drop-out list to encourage youth to return to schools. In 2011, they had over 700 volunteers who contacted over 6,700 families in 2,552 home visits, 4,222 phone calls and 812 business visits, resulting in 1,341 students returning to school.

More information at: <http://www.ypiusa.org/services/youthsource-education/larca/>

The Job Council

Service Area: Jackson and Josephine counties in Southern Oregon including rural and urban areas

OSY Current Expenditure Rate: 75 percent

Outreach Strategies: The Job Council has developed relationships with juvenile justice facilities, organizations serving homeless youth, case managers serving those receiving public assistance, and many others who work regularly with OSY and/or their families. The Job Council uses the connection young people have with social media through a Facebook page that includes updates on projects the youth are doing and dates of future orientations.

Work Experience: The Job Council's OSY program offers workforce training opportunities including forestry stewardship, entry-level health care occupational

training, as well as paid work experiences. For OSY who have not yet obtained a high school diploma or HSE, staff assists them in attaining one.

Those with a high school diploma or HSE are enrolled in *CareerX*, a three-week career exploration training course. During *CareerX*, youth tour local businesses and Rogue Community College, explore career possibilities aligned with their interests, earn a National Career Readiness Certificate, CPR/first aid, and a food handler's card, practice interviewing, and develop a career portfolio. Upon successful completion of the competencies identified for this three week intensive program, they become eligible for paid work experience, paid on-the-job training, or Certified Nursing Assistant Training as well as on-going job search assistance.

The Job Council has a strong emphasis on paid work experience training opportunities. The program's largest costs are youth wages and just over 20 percent is set aside for work experience. With contracts from Bureau of Land Management, U.S. Forest Service, and other conservation agencies, they generate \$75,000-\$100,000 per year in additional funds to pay for wages, transportation, equipment and supplies to provide meaningful, real-world work experiences to OSY interested in outdoor careers, allowing them to serve more youth than if they relied solely upon WIA funds. Youth 18 and older who are more interested in a career in health care are dual-enrolled in WIA Adult services to share the cost of Certified Nursing Assistant training.

More information at: <http://www.jobcouncil.org/>.

The North Central Texas Workforce Development Board

Service Area: 14 counties surrounding Dallas and Fort Worth

OSY Expenditure Rate: 70 percent

Outreach Strategies: The Board employs a number of outreach strategies for reaching OSY including: 1) "outreach" presentation language focused on the OSY population such as: "Do you know young people who have dropped out of school?" or "Are you (or someone you know) looking for additional help entering the job market now that you have graduated?"; 2) staff outreach to local high school counselors who may know recent dropouts, alternative education centers, and HSE or literacy agencies; 3) staff outreach at partner orientations in the American Job Center including Supplemental Nutrition Assistance Program (SNAP), Adult WIA, and Employment Services to introduce the WIA Youth program offerings to any interested participants and family members (with the hope of reaching their parents, grandparents, aunts, uncles, etc.); and 4) staff outreach directly to other partner agencies such as Health and Human Services Commission, Women, Infants and Children, local probation, and faith-based organizations.

More information at: <https://www.dfwjobs.com/>.

The Northern Panhandle Workforce Investment Board (NPWIB), Inc.

Service Area: Primarily rural local area in West Virginia serving six counties and two cities

OSY Expenditure Rate: 80 percent

Outreach Strategies: There were a significant number of dropouts in the region over the last several years, so the NPWIB board allocated the majority of its WIA youth funds serving OSY. NPWIB board members, board staff, and youth provider staff spent the first couple of years conducting outreach activities to this target group, including working closely with local school systems, alternative learning schools, and area adult basic education classes. Additional outreach activities included posting flyers at local grocery stores, community centers, State agencies, and community-based organizations. Strong partnerships have been the key to recruiting and serving OSY over the past 10 years. Another program hallmark is a policy that requires OSY to attain a HSE in order to continue participation.

More information at: <http://www.npworkforcewv.org/>.

The Northern Rural Training and Employment Consortium (NoRTEC)

Service Area: Local workforce investment area (LWIA) composed of 11 counties in Northern California. The LWIA contains more than 20 percent of the State's land mass, but contains less than 3 percent of the State's population. Its two largest population centers each contain about 90,000 people, and the majority of its communities have populations of 2,000 to 7,500.

OSY Current Expenditure Rate: 76 percent

Outreach Strategies: NoRTEC has developed cooperative relationships in each of its 11 counties with juvenile hall, juvenile probation, group homes, foster care agencies, alternative high schools, "regular" high schools, and YouthBuild programs to assist in outreach and recruitment efforts. Many of their youth participants are referred by one or more of these agencies. Many of the youth that enroll in their program arrive wanting a job. This gets them in the door, and the assessment process begins.

Work Experience: If the youth is a dropout, they use the career exploration process to illustrate how important a diploma/HSE is, along with additional training—either worksite or classroom-based—in order to get a job that has career potential and the opportunity to advance and make more than minimum wage. A promise of incentive payments and a paid work experience assignment are often used to get the youth to participate in career exploration activities and complete their high school education. Work experience assignments are then developed, primarily in the private sector, in a career field in which the youth is interested. A relationship with local employers has

been developed through a strong business services program, and is critical to placing these youth in employment upon program completion.

More information at: <http://ncen.org/>.

10. Additional Resources.

Bringing Students Back to the Center: The Department of Education released this guide in November 2014, to help school and community leaders address the challenges of dropout recovery and establish or strengthen their own re-engagement efforts. It was written to provide useful information to school and district level leaders, civic leaders, and state policy makers as well as other potential drivers and partners in re-engagement initiatives. It includes information on: establishing the need for re-engagement support, understanding disconnected youth and their needs, defining a re-engagement center and its key functions and determining the range of existing models and their operation See:

<http://www2.ed.gov/programs/dropout/re-engagement-guide121914.pdf>

Career Pathways: WIOA defines career pathways in part as a combination of rigorous and high-quality education, training, and other services that aligns with the skill needs of industries in the economy of the state or regional economy involved, and prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including Registered Apprenticeship. To learn more about career pathways, please visit: <https://learnwork.workforce3one.org/>.

Career Academy Model: The career academy model is an evidence-based widely used high school reform initiative that aims to keep students engaged in school and prepare them for successful transitions to postsecondary education and employment. Career Academies are organized as small learning communities, combine academic and technical curricula around a career theme, and establish partnerships with local employers to provide work-based learning opportunities. There are estimated to be more than 2,500 Career Academies operating around the country. For more information, see: http://www.mdrc.org/project/career-academies-exploring-college-and-career-options-ecco#featured_content.

Competitive Federal Funding Opportunities: Across the federal government, there are a variety of competitive funding opportunities that support ISY including USDA, Department of Interior, HUD, and HHS. Local programs can set up “Notices” using the subscription service on <http://grants.gov> to receive alerts when new ISY funding opportunities are posted. For example, the U.S. Department of Interior hosts a Youth Conservation Corps competition, where youth work to protect the natural, cultural, and historical resources of your national parks through rewarding work projects. Specifically, *ED Grants Forecast* details all upcoming funding opportunities that the Department of Education has opened up for application or expects to open up for application in FY2015 and can be found at: <http://www2.ed.gov/fund/grant/find/edlite-forecast.html>. In addition, *Open Competitions* links to a list of currently open grant competitions and provides access to their applications at: <http://www2.ed.gov/fund/grant/apply/grantapps/index.html>.

Early Warning Systems: Early warning systems (EWS) provide educators, administrators, and policymakers with actionable information that they can use to prepare all students to succeed in college and careers. EWS combine multiple data points, translate them into predictive indicators that are based on research, and proactively communicate them to stakeholders, so they can examine which students are or are not on track for postsecondary success and intervene accordingly. For more information about early warning systems, see: <http://www.dataqualitycampaign.org/files/DQC%20Early%20Warning%20June12.pdf>.

Enough Is Known for Action Briefing and Webinar Series: On November 13, 2014, the Department of Labor and Brandeis Center for Youth and Communities hosted the “Enough is Known for Action: Ready to Employ, Educate, and Support Youth” **briefing**. Panelists from six communities addressed how results-oriented partnerships involving government, business, nonprofits, public schools, post-secondary institutions and intermediaries employ, educate, and support youth by leveraging resources – including those made available through the passage of WIOA. To learn more, please visit: <http://cyc.brandeis.edu/Employ-educate-support-youth/EnoughisKnownforAction.html>.

The **webinar series** informs and inspires the youth community so they are positioned for action now in anticipation of the WIOA implementation. The first webinar on OSY was held on February 25, 2015 and is available for viewing at: <https://www.workforce3one.org/view/5001501350570154610/info>

Monthly webinars will be held on the last Wednesday of each month in 2015 and will include credentials, work experience, ISY, and standing youth committees.

Joint Guidance Letter on Summer Employment: For the last several years, the Departments of Labor (DOL), Health and Human Services (HHS), and Housing and Urban Development (HUD) have issued a “Dear Colleague” letter to encourage networks of state and local youth providers along with Public Housing Agencies to develop summer jobs programs for disconnected youth that provide employment, educational experiences, and essential skills. The letter also encourages programs to co-enroll youth in the Temporary Assistance for Needy Families (TANF) and applicable Workforce Investment Act (WIA) programs so that participants in TANF-funded subsidized employment opportunities can benefit from additional services. The most recent letter is available here: <http://www.acf.hhs.gov/programs/ofa/resource/hhs-dol-and-hud-issue-joint-letter-encouraging-summer-youth-employment-efforts>

Mini One Stops: Some local areas have created “mini One Stops” within high schools where One Stop staff work closely with school counselors to coordinate a variety of programs including career exploration, work experience and much more. Mini One Stops are a good example of local resources (e.g., WIA, Education, Vocational Rehabilitation, and others) being blended to support ISY. Schools provide the office space, and the equipment costs are split. A bonus for the One Stop staff is access to the current attendance and information system at the school, and staff who are located on-site in the mini One Stop are an integral part of the school team. For more information, see:

<http://www.newwaystowork.org/documents/ycidocuments/separateycideas/Ch7YouthOneStops/Mini%20One-Stop%20Centers%20in%20Schools.pdf>

Pre-Apprenticeship Programs: DOL defined a quality pre-apprenticeship program in the Training and Employment Notice (TEN) 13-12. Pre-apprenticeship is defined as a program or set of strategies designed to prepare individuals to enter and succeed in a Registered Apprenticeship program and has a documented partnership with at least one, if not more, Registered Apprenticeship programs. YouthBuild and Job Corps often serve as pathways to Registered Apprenticeship programs and have a track record of successful apprenticeship placements because they have the elements of successful pre-apprenticeship programs. For more information, see: http://wdr.doleta.gov/directives/attach/TEN/TEN_13-12.pdf

The Guideposts for Success: The Guideposts for Success is a research-based policy and practice framework that delineates what all youth, including those with disabilities, need to succeed. Guideposts focused on serving youth, including those with disabilities, are available, as well as those focused on target populations, including: foster youth, youth in the juvenile justice system, youth with mental health needs, and youth with learning disabilities. To learn more, please visit: <http://www.ncwd-youth.info/guideposts>.

Reconnecting Out-of-School Youth: The American Youth Policy Forum's *Whatever It Takes: How Twelve Communities Are Reconnecting Out-Of-School Youth* documents what committed educators, policymakers, and community leaders across the country are doing to reconnect out-of-school youth to the social and economic mainstream. It provides background on the serious high school dropout problem and describes in-depth what twelve communities are doing to reconnect dropouts to education and employment training. It also includes descriptions of major national program models serving out-of-school youth. While published in 2006, it is still very relevant. To learn more, see: <http://www.aypf.org/resources/whatever-it-takes-2006/>.

Reengagement Centers: The goal of reengagement centers is to provide caring, well-trained staff that helps young people develop personalized plans to earn a high school diploma or equivalency. Reengagement centers are designed to offer high school dropouts a range of services such as individual academic assessments, opportunities to explore different education options and referrals to appropriate schools or other credential programs. For more information about reengagement centers, see: <http://nlc.org/reengagement>.

U.S. Department of Health and Human Services Resources: Programs funded by the U.S. Department of Health and Human Services, including programs within the Administration for Children and Families (ACF) may be good resources for recruiting OSY and coordinating services for them. ACF programs include:

- Runaway and Homeless Youth (RHY) program. To learn more about RHY, please visit: <http://www.acf.hhs.gov/programs/fysb/programs/runaway-homeless-youth>. To obtain contact information for RHY programs at the state level, please visit: <http://www.acf.hhs.gov/programs/fysb/grants/fysb-grantees>.
- John H. Chafee Foster Care Independence Program. To learn more, please visit: <http://www.acf.hhs.gov/programs/cb/resource/chafee-foster-care-program>.

- Temporary Assistance for Needy Families (TANF) program. Many OSY receive benefits from the TANF program as young parents or children of a TANF household. To learn more about TANF, please visit: <http://www.acf.hhs.gov/programs/ofa/programs/tanf>. To obtain contact information for TANF programs at the state level, please visit: <http://www.acf.hhs.gov/programs/ofa/help>.

WIOA Youth Resources: To learn about Titles I and III of WIOA, as well as access additional WIOA resources and updates go to: <http://www.doleta.gov/wioa/> and click on WIOA 101 webcast series, WIOA overview, and other resources displayed on this page.

11. Inquiries. All inquiries should be directed to the appropriate ETA regional office.