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Number: WIN 0131
 Date: October 18, 2022
 Expiration Date: N/A

TO: Workforce Development System Partners

FROM: Gary Kamimura, Policy Manager

SUBJECT: Federal finding on exit goals in local WIOA Title I-B Youth service provider contracts

Purpose:

To communicate a U.S. Department of Labor (DOL) finding and required Local Workforce Development Board (LWDB) action on exit goals in local WIOA Title I-B Youth service provider contracts pursuant to DOL's Program Year 2021 WIOA Title I-B and III program monitoring conducted July 5-15, 2022.

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.

Effective the date of this WIN, new, extended, and amended WIOA Title I-B youth service provider contracts are not allowed to have exit requirements.

Content:

DOL issued a finding against the State for participant exit goals reflected in local WIOA Title I-B youth service provider contracts. It cited 20 CFR 681.450 (For how long must a local Workforce Innovation and Opportunity Act youth program serve a participant?), which reads:

“Local youth programs must provide service to a participant for the amount of time necessary to ensure successful preparation to enter postsecondary education and/or unsubsidized employment. While there is no minimum or maximum time a youth can participate in the WIOA youth program, programs must link participation to the individual service strategy and not the timing of youth service provider contracts or program years.”

DOL found that the inclusion of exit goals in local WIOA Title I-B youth service provider contracts violate this WIOA regulation. DOL further directed that future WIOA Title I-B youth service provider contracts not include exit goals that are based on the program year and must instead tie length of participation to the individual needs of participants based on assessments, Individual Service Strategies, and Individual Employment Plans. This requirement is specific to the WIOA Title I-B youth program. The same or similar regulatory requirement does not exist for the WIOA Title I-B Adult and Dislocated Worker programs. Nevertheless, the State encourages LWDBs to tie exits in other WIOA Title I-funded programs to fulfillment of documented participant needs and activities in assessments and Individual Employment Plans.

The WorkSource System is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Language assistance services for limited English proficient individuals are available free of charge.

The State worked collaboratively with the Workforce Development Council of Seattle-King County to develop and submit a response to DOL's finding. The DOL finding is provided in [Attachment A](#) and the State's proposed corrective action response is provided in [Attachment B](#).

A common question posed to the State since Finding #1 was issued is the following: How do exit goals in local service provider contracts differ from the language in Exhibit A of the State's subrecipient agreement with LWDBs. The answer is that Exhibit A in the State's WIOA Title I-B youth subrecipient agreements with LWDBs do not include exit goals. Rather, they include only *planned exits to employment*. LWDBs may include planned exits to employment goals in their local Title I-B youth service provider contracts. That would not conflict with 20 CFR 681.450. Note: The plan submitted by the State in collaboration with the Workforce Development Council of Seattle-King County (see [Attachment B](#)) is an example of how LWDBs can frame performance tables in their local WIOA Title I-B youth contracts.

The Workforce Monitoring Unit is including this item in its monitoring for this program year. Any local PY22 WIOA Title I-B youth service provider contracts that have non-qualified exit goals will be identified as "Observations" during the WIOA monitoring review. The Daily Observation Report will note that, effective the date of issuance of WIN 0131, any new, extended, or amended WIOA Title I-B youth service provider contracts must not have these exit requirements. This will be monitored as a compliance requirement in PY23 and any WIOA Title I-B youth service provider contracts identified as having non-qualified exit requirements will be required to be amended immediately.

References:

WIOA Final Rule, [20 CFR 681.450](#) (For how long must a local Workforce Innovation and Opportunity Act youth program serve a participant?)

Website:

<https://wpc.wa.gov/policy/state/win-state-guidance>

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Attachments:

[Attachment A](#) - Excerpt from September 2, 2022 program monitoring letter from Region 6, Employment and Training Administration, U.S. Department of Labor regarding Finding #1 and required corrective action.

[Attachment B](#) - Washington State Plan (Corrective Action Response) for Finding #1

Attachment A

Excerpt from September 2, 2022 program monitoring letter from Region 6, Employment and Training Administration, U.S. Department of Labor regarding Finding #1 and required corrective action.

Finding #1: WIOA Youth Exits Not Based on Individual Service Strategy at Sea-King WDC Providers Indicator:

1.a.2 Service Design

Sea-King WDC WIOA youth service provider contracts include specific participant exit goals, requiring the exit of a certain number of WIOA youth program participants per year. This condition results in service providers exiting youth participants from the program to meet contract exit goals based on the timing of the program year, not on the needs of the participants.

Sea-King WDC put these targets into their contracts to prevent service providers from keeping participants in the system indefinitely, which they had experienced in prior years.

20 CFR § 681.450 states, “Local youth programs must provide service to a participant for time necessary to ensure successful preparation to enter postsecondary education and/or unsubsidized employment. While there is no minimum or maximum time a youth can participate in the WIOA youth program, programs must link participation to the individual service strategy and not the timing of youth service provider contracts or program years.”

Corrective Action: The state must submit to the Regional Office documentation that Sea-King WDC:

- Revised all current youth service provider contracts to eliminate exit goals that are based on the program year and, instead, link length of participation to the needs of the participants based on assessments and individual service strategies; and
- Informed its youth service providers of these changes and what they mean for service delivery.

Attachment B

Washington State Plan (Corrective Action Response) for Finding #1

The State has collaborated with the Workforce Development Council of Seattle-King County (Seattle-King County WDC) to develop the plan below to address this finding:

- Seattle-King County WDC will modify all current youth service provider contracts to eliminate exit goals based on program year by the deadline of October 31, 2022.
- Seattle-King County WDC will retitle Performance Tables in the contracts as Planning Forms; Seattle-King County WDC will note the Planning Forms are estimated targets set for planning purposes only.
- Contract revisions will support providers in linking length of participation to the needs of the participants based on assessments and individual service strategies.
- Seattle-King County WDC will inform all youth service providers of the changes by the deadline of October 31, 2022.

The State will provide written documentation to the USDOL Program Officer once the issues have been addressed to close the finding by November 30, 2022.