



August 17, 2020

The Honorable JB Pritzker
Governor of Illinois
207 Statehouse
Springfield, IL 62706

Dear Governor Pritzker:

Thank you for your waiver requests submission to the U.S. Department of Labor (Department) 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 (copy enclosed). The waiver requests were received on May 18, 2020. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that Illinois will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Illinois and ETA. This action is taken under the Secretary'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: The State is requesting a waiver of WIOA Section 134(c)(3)(H)(i) and 20 CFR 680.720(b) in order to increase on-the-job training (OJT) employer reimbursement up to 90 percent to assist in its response to the impact of the pandemic.

ETA Response: ETA approves the State's waiver request through June 30, 2022, for the WIOA Title I Adult, Dislocated Worker, and Youth formula funds. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Illinois to implement its plan to improve the workforce development system. Existing statutory authority permits the State and its local workforce areas to increase the reimbursement rate for OJT contracts up to 75 percent. The State may also reimburse up to 90 percent for OJT for businesses with 50 or fewer employees. ETA expects the utilization of OJT to increase in the State as a result of this waiver.

Requested Waiver: Waiver of WIOA Section 134(d)(5) and 20 CFR 680.195 to allow up to 20 percent of WIOA Title I Adult and Dislocated Worker local formula funds to be used for the provision of transitional jobs.

ETA Response: ETA approves the State's waiver request through June 30, 2022, for the WIOA Title I Adult and Dislocated Worker formula funding streams. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Illinois to implement its plan to improve the workforce development system. To accurately report participants in receipt of transitional jobs, Illinois must record code value "6" in

Participant Individual Record Layout (PIRL) element 1205 “Work Experience,” and code value “1” in PIRL element 1211.

Requested Waiver: Waiver of Training and Employment Guidance Letter (TEGL) No. 12-19, Section 3, to permit the State to request subsequent funding increments for National Dislocated Workers Grants (DWG) grants when reaching 50 percent expenditure, rather than 70 percent, of the total DWG funds awarded to date.

ETA Response: This waiver is not needed; TEGL No. 12-19 allows flexibility as to when states can request funding increments. ETA will provide technical assistance regarding DWG drawdown strategies to encourage consistency of operations.

Requested Waiver: Waiver of WIOA Section 129(c)(4) and 20 CFR 681.590(a), which require local boards to spend a minimum of 20 percent of local area funds for the Title I Youth program to provide in-school and out-of-school youth with work experience activities described under WIOA Section 129(c)(2)(C).

ETA Response: ETA does not approve this waiver. ETA reviews states’ compliance with this requirement through quarterly financial reports, and states have two years to meet the statutory requirement for work experience expenditures. Illinois was on track to meet the 20 percent work experience expenditure requirement for both Program Years 2018 and 2019 based on reviews of financial reports submitted through Mar 31, 2020. As noted in Frequently Asked Questions published at <https://www.dol.gov/agencies/eta/coronavirus>, ETA will take into account the months that the COVID-19 pandemic impacted the ability of local areas to place youth in work experiences. ETA will also provide technical assistance on delivering and accounting for work experience.

Requested Waiver: Waiver to allow flexibility in the use of funds reserved by the Governor to provide statewide rapid response activities under WIOA Section 134(a)(2)(A) to also provide statewide employment and training activities under WIOA Sections 134(a)(2)(B) and 134(a)(3), including disaster-relief employment to affected areas.

ETA Response: ETA approves, through June 30, 2022, the State’s request to use statewide funds for disaster-relief employment, as described in WIOA Section 170(d) and 20 CFR 687.100(b). ETA reviewed the State’s waiver request and plan and has determined that the requirements requested to be waived impede the ability of Illinois to implement its plan to improve the workforce development system. Therefore, ETA approves this waiver under the following conditions:

- The Governor, or any federal agency, declares an emergency in the local area (or areas) where the State wishes to use statewide funds for the purpose of public service employment;
- WIOA-funded public service employment opportunities are short-term in nature;
- WIOA-funded public service employment opportunities increase the likelihood of participants entering unsubsidized employment; and
- The State collects and tracks use of funds under this waiver and complies with all WIOA-required performance and fiscal reporting.

The State must report its waiver outcomes and implementation of the approved waivers 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. The Department proposed additional flexibility in its budgets for Fiscal Years 2018 through 2021 to give governors more decision-making authority to meet the workforce needs of their states. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Pallasch". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Pallasch".

John Pallasch
Assistant Secretary for Employment and Training

Enclosure

cc: Erin Guthrie, Director, Illinois Department of Commerce and Economic Opportunity
Julio Rodriguez, Deputy Director, Office of Employment and Training
Rose Zibert, Acting Chicago Regional Administrator, ETA
Arlene Charbonneau, Federal Project Officer, ETA