

WAIVER REQUEST - REDUCE OUT-OF-SCHOOL YOUTH EXPENDITURE RATE FROM 75% TO 50%

The statutory and/or regulatory requirements the state would like to waive

The state must clearly cite the statute and/or regulation(s) in its request and ensure that the citations refer to the specific elements the state wishes to waive.

The State of Illinois is seeking a waiver from the following Section(s):

Section 129(a)(4)(A) and 20 CFR 681.410, which require not less than 75 percent of funds allotted to states under Section 127(b)(1)(C), reserved under Section 128(a), and available for statewide activities under subsection (b), and not less than 75 percent of funds available to local areas under subsection (c), shall be used to provide youth workforce investment activities for OSY.

Specifically, Illinois is requesting to waive the following requirements:

- A waiver of the requirement to expend 75 percent of funding on the OSY population. Illinois is requesting that this percentage be lowered to 50 percent.
- A waiver of the requirement that local funding must meet the 75 percent minimum expenditure requirement. It is requested that a state-level Out-of-School Youth target (See #1 above) be allowed instead of requiring individual areas to meet the minimum expenditure requirement.
- A waiver of the requirement to expend 75 percent of Statewide Activities funding on the OSY population. It is requested that this percentage be eliminated to allow greater flexibility in funding special projects that align with the State's vision and mission.
- A waiver of the limitation of only 25 percent of funding to support in-school youth.
- A waiver to use funding over the 25 percent limitation in WIOA to provide pre-apprenticeship program services to this population.

Illinois' current efforts to align education, the workforce, and economic development are laying a solid foundation for promoting leading career pathway models and best practices. Career pathway development in Illinois is being expanded to encompass every level of the education system and the needs of our diverse populations, including those who face multiple barriers to achieving self-sufficiency.

Of importance to the Governor's vision, the IWIB Strategic Plan and the Unified State Plan are the expansion of career pathway systems into the secondary system for opportunity youth. This waiver will allow Illinois to support these visions and provide targeted strategies for youth ages 15-24 living in Illinois, particularly those in poverty and unemployed.

Actions the state has undertaken to remove state or local statutory or regulatory barriers

The state must provide a discussion of the steps it has taken to remove any potential obstacles in the waiver request as appropriate. Quite often, state or local policies do not present a conflict for the request, and a simple statement indicating that there are no state or local barriers is sufficient.

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. State of Illinois regulations and policy align with current federal law and regulations.

State strategic goal(s)

The state must precisely articulate the goals it seeks to achieve by requesting a waiver. The state must also discuss how these goals relate to its Unified or Combined State Plan.

In the State of Illinois, the Illinois State Career Pathways Dictionary - A Unified State Framework for College and Career Readiness and Success was developed with input from the public and private sectors, including education, workforce development, and economic development entities, as well as extensive stakeholder input. This college and career pathways approach envisions that Illinois residents, including out-of-school youth, will be enabled to progressively build toward college and career success through aligned education, training, and employment opportunities over their lifetime. This includes partnerships with employers to support participants' educational and career advancement through on-the-job training, customized training, corporate training, incumbent-worker training, and other work-based training strategies.

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

The State of Illinois issues various funding opportunities using Statewide Funds throughout the program year. One such funding opportunity is the Youth Career Pathways grants, which are typically open for proposals once per program year. This Notice of Funding Opportunity (NOFO) solicits proposals from eligible organizations (Eligible Applicants) capable of developing a framework to strengthen career pathway systems that will improve youth college and career readiness, create employment opportunities, address equity in underserved communities, and expand partnerships among the workforce system, education, and business. Proposals must integrate workforce services, education, and economic development to address the challenges youth face in acquiring marketable, in-demand skills. All projects must include essential employability skills and digital literacy assessment programming. Additionally, applicants must demonstrate how they will implement the program components listed below and address the applicable program requirements.

Projected programmatic outcomes resulting from the implementation of the waiver

The state must provide an estimate of how the waiver will improve outcomes or provide other tangible benefits for jobseekers or employers. States have the discretion to determine how to measure a waiver's success and the specific data sources it intends to use to evaluate its impact.

As a result of this waiver, Illinois expects that:

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

Alignment with the Department of Labor's policy priorities

Describe how the waiver will align with the Department's policy priorities, such as:

- *Supporting employer engagement;*
- *Connecting education and training strategies;*
- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

This waiver aligns with not only the Department of Labor's priorities but also with those of the State of Illinois. Within the Illinois Unified Plan are examples of initiatives that demonstrate 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 career pathway opportunities across the education and workforce system by allocating additional funds toward in-school youth supports our common goal of expanding career pathways through 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 career-readiness and occupational skills needed to succeed in the job market.

As Illinois continues its engagement with educational institutions to create a job-driven education and training system, the state will make significant, 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 across the 48 comprehensive community colleges and multi-college centers, but the state will also expand its 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.

The State of Illinois is aligned with the Department of Labor's commitment to providing high-quality services for youth, beginning with career exploration and guidance, continued support for educational attainment, opportunities for skills training, such as pre-apprenticeships or internships, for in-demand industries and occupations, and

culminating with employment, enrollment in postsecondary education, or a Registered Apprenticeship.

Local areas are taking steps to address challenges in locating, retaining, and serving out-of-school youth in their WIOA-funded programs, including increasing their recruiting efforts and strengthening partnerships with other WIOA programs, such as adult education programs, state and local government agencies, and community-based organizations. Additionally, partners are working together to build career pathways that combine rigorous, high-quality education, training, and support services aligned with local skill needs and that prepare youth and young adults to succeed in secondary or postsecondary education programs and the labor market.

Individuals, groups, or populations affected by the waiver

States must describe the potential impact of a waiver on various system stakeholders, including how the waiver will impact services for disadvantaged populations, persons with barriers to employment, or businesses.

Both the education and workforce systems will be able to provide the benefits of this waiver to our youth with barriers. This includes the at-risk youth population, educational entities, American Job Centers (AJC) subcontracted service provider staff, employers, parents, and school counselors.

State plans for monitoring waiver implementation, including collection of waiver outcome information

States must describe how they intend to oversee effective waiver implementation and any unique protocols that may be used in their waiver requests.

The State will use the following approach for monitoring progress in implementation:

- State staff involved with the administration of youth programming will provide ongoing technical assistance and oversight as it relates to the appropriateness and effectiveness of this waiver. This information will be submitted regularly to the IWIB Continuous Improvement and Accountability (CIA) Committee.
- Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.
- Additionally, the IWIB Continuous Improvement and Accountability (CIA) Committee will have the responsibility of ensuring the specific goals and outcomes achieved by the waiver are realized. Furthermore, the information gathered from the waiver will inform new policies or changes to policy, as well as provide best practices. The outcomes of the waiver are reported in the WIOA Annual Report.

This strategy ensures that the goals described above, as well as those outlined in the State's Unified Plan and the IWIB Strategic Plan, are consistent with established objectives of the WIOA and federal and state regulations.

Assurance of state posting of the request for public comment and notification to affected local workforce development boards

WIOA does not prescribe a specific amount of time for states to post a potential waiver for comment, but it does require the state to demonstrate a reasonable opportunity for public review and comment by all stakeholders, including businesses and organized labor. Submit any comments or concerns collected in this manner and the outcome of the state's review of the public comments received. The state must also provide affected local boards with notice and opportunity to comment on the proposed waiver.

In accordance with the WIOA Regulations at 20 CFR 676.135, Illinois is submitting its Unified State Plan, which is subject to the requirements outlined in the WIOA Regulations at 20 CFR 676.130(d) for public review and comment. As such, Illinois's waiver request was posted on our website for comment and review by required parties and the public.

Local Boards via Board members and Board staff, WIOA partners, and other interested stakeholders participate in policy development. Additionally, LWIBs have the opportunity to participate in the public comment period, which includes informational webinars.

WAIVER REQUEST – PROVIDING ITAS TO WIOA IN-SCHOOL YOUTH

The statutory and/or regulatory requirements the state would like to waive

The state must clearly cite the statute and/or regulation(s) in its request and ensure that the citations refer to the specific elements the state wishes to waive.

The State of Illinois is seeking a waiver from the following Section(s):

Illinois requests a waiver from the requirement to provide Individual Training Accounts (ITAs) only to out-of-school youth (OSY) ages 16-24 enrolled in the WIOA Youth program.

20 CFR 681.550 states, “In order to enhance individual participant choice in their education and training plans and provide flexibility to service providers, the Department allows WIOA Individual Training Accounts (ITAs) for OSY, ages 16 to 24, using WIOA youth funds when appropriate.”

Background

The request is to permit LWIBs to use the state's list of eligible training providers to secure training for all youth, including in-school youth preparing to graduate and extending their educational goals into post-secondary opportunities. The waiver is designed to increase program flexibility, enhance informed customer choice, allow all youth to benefit from services provided by Illinois' certified training providers, and expand training options without requiring Illinois workNet (One-Stop) operators to register in-school youth participants aged 18 or older in the adult program. Funds used for ITAs would be tracked separately for each funding stream.

Using ITAs also allows youth service providers an opportunity to promote and encourage training as another option to entry into an increasingly tough labor market. Approval of this waiver would allow youth to select approved training programs from Illinois' list of in-demand occupation training programs.

Actions the state has undertaken to remove state or local statutory or regulatory barriers

The state must provide a discussion of the steps it has taken to remove any potential obstacles in the waiver request as appropriate. Quite often, state or local policies do not present a conflict for the request, and a simple statement indicating that there are no state or local barriers is sufficient.

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. State of Illinois regulations and policy align with current federal law and regulations.

State strategic goal(s)

The state must precisely articulate the goals it seeks to achieve by requesting a waiver. The state must also discuss how these goals relate to its Unified or Combined State Plan.

Providing occupational training to youth via an ITA will maximize the WIOA Youth Program's service delivery capacity by allowing youth focused on employment to have the same access to ITA advantages as adults and dislocated workers. In addition, this waiver will maximize flexibility based on the youth customers' assessed needs for training that leads to employment in high-growth industries and occupations.

Projected programmatic outcomes resulting from the implementation of the waiver

The state must provide an estimate of how the waiver will improve outcomes or provide other tangible benefits for jobseekers or employers. States have the discretion to determine how to measure a waiver's success and the specific data sources it intends to use to evaluate its impact.

The state estimates that the waiver will improve outcomes and provide other tangible benefits for job seekers and employers in the following ways:

- Increase in the number of local workforce innovation areas that offer ITAs to in-school youth.
- Increase in the number of youth who utilize an ITA to receive an industry-recognized and/or some other post-secondary credential.
- Increase in performance accountability measures for youth as found in section 116(b)(2)(A)(ii) of WIOA (e.g., increases in credential attainment and measurable skills gains).

Alignment with the Department of Labor's policy priorities

Describe how the waiver will align with the Department's policy priorities, such as:

- *Supporting employer engagement;*

- *Connecting education and training strategies;*
- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

This waiver aligns with not only the Department of Labor’s priorities but also with those of the State of Illinois. Within the Illinois Unified Plan are examples of initiatives that demonstrate 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. By allowing both in-school and out-of-school youth to use ITAs to access training services, in-school youth will be able to use the Eligible Training Provider List (ETPL) of approved programs, which include registered apprenticeships. Expanding the training program opportunities for in-school youth will allow them to connect more effectively with programs that match their interests, support their learning style, and better prepare them for employment and work-based learning. Youth who complete occupational skills or adult education programs may be better prepared to obtain employment. Serving in-school and out-of-school youth with the same policy and procedures ensures continuity of services for all youth.

Individuals, groups, or populations affected by the waiver

States must describe the potential impact of a waiver on various system stakeholders, including how the waiver will impact services for disadvantaged populations, persons with barriers to employment, or businesses.

The waiver will positively impact the eligible youth population, youth services, and eligible training providers, as well as the workforce system, by enabling youth pursuing post-secondary education and training opportunities to access a wider variety of providers and by providing greater flexibility in the services offered by those providers. Current eligible training providers will be able to expand the population served by including all eligible youth.

State plans for monitoring waiver implementation, including collection of waiver outcome information

States must describe how they intend to oversee effective waiver implementation and any unique protocols that may be used in their waiver requests.

The State will use the following approach for monitoring progress in implementation:

- State staff who administer youth programming will provide ongoing technical assistance and oversight regarding the appropriateness and effectiveness of this waiver. This information will be submitted regularly to the IWIB Continuous Improvement and Accountability (CIA) Committee.
- Annual WIOA on-site programmatic reviews will include an evaluation of the waivers' impact on programmatic goals and outcomes.
- Additionally, the IWIB Continuous Improvement and Accountability (CIA) Committee will ensure the specific goals and outcomes achieved by the waiver

are realized. Furthermore, the information gathered from the waiver will inform new or policy changes and provide best practices.

- This strategy ensures that the goals described above, as well as those outlined in the State's Unified Plan and the IWIB Strategic Plan, are consistent with established objectives of the WIOA and federal and state regulations. The outcomes of the waiver are reported in the WIOA Annual Report.

Assurance of state posting of the request for public comment and notification to affected local workforce development boards

WIOA does not prescribe a specific amount of time for states to post a potential waiver for comment, but it does require the state to demonstrate a reasonable opportunity for public review and comment by all stakeholders, including businesses and organized labor. Submit any comments or concerns collected in this manner and the outcome of the state's review of the public comments received. The state must also provide affected local boards with notice and opportunity to comment on the proposed waiver.

In accordance with the WIOA Regulations at 20 CFR 676.135, Illinois is submitting its Unified State Plan, which is subject to the requirements outlined in the WIOA Regulations at 20 CFR 676.130(d) for public review and comment. As such, Illinois's waiver request was posted on our website for comment and review by required parties and the public.

Local Boards, via Board members and Board staff, WIOA partners, and other interested stakeholders, participate in policy development. Additionally, LWIBs have the opportunity to participate in the public comment period, which includes informational webinars.

WAIVER REQUEST – AMEND THE DEFINITION OF INCUMBENT WORKER BY ELIMINATING OR REDUCING THE SIX-MONTH EMPLOYMENT REQUIREMENT

The statutory and/or regulatory requirements the state would like to waive

The state must clearly cite the statute and/or regulation(s) in its request and ensure that the citations refer to the specific elements the state wishes to waive.

The State of Illinois is seeking a waiver from 20 CFR 680.780 to amend the definition of “incumbent worker” by either reducing or, preferably, eliminating the six-month employment requirement. Several local workforce areas collaborated to jointly ask the State to submit this waiver request.

Actions the state has undertaken to remove state or local statutory or regulatory barriers

The state must provide a discussion of the steps it has taken to remove any potential obstacles in the waiver request as appropriate. Quite often, state or local policies do not present a conflict for the request, and a simple statement indicating that there are no state or local barriers is sufficient.

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. State of Illinois regulations and policy align with current federal law and regulations.

State strategic goal(s)

The state must precisely articulate the goals it seeks to achieve by requesting a waiver. The state must also discuss how these goals relate to its Unified or Combined State Plan.

The overarching goal is to eliminate an arbitrary barrier to providing incumbent worker training to companies and workers struggling to stay competitive. Removing this barrier aligns directly with priorities espoused by the Department of Labor, the Governor's Executive Order #3, the Five-Year Economic Development Plan, and the WIOA Unified State Plan to:

- Be more responsive to the needs of businesses;
- Support establishing long-term relationships between businesses and the workforce system;
- Promote the expansion of Registered Apprenticeships to more businesses as a means to meet their workforce needs;
- Provide upward mobility for workers into career pathways; and
- Promote increased use of work-based learning that allows workers to learn and earn at the same time.

Projected programmatic outcomes resulting from the implementation of the waiver

The state must provide an estimate of how the waiver will improve outcomes or provide other tangible benefits for jobseekers or employers. States have the discretion to determine how to measure a waiver's success and the specific data sources it intends to use to evaluate its impact.

Illinois can effectively monitor the impact of the waiver through our existing Incumbent Worker Tracking System. A simple system modification can be deployed to require local areas to identify whether a project includes workers who have been with the company for less than 6 months. We will be able to track companies, their locations, sectors, and the number of workers trained through these projects that would otherwise have been denied.

Alignment with the Department of Labor's policy priorities

Describe how the waiver will align with the Department's policy priorities, such as:

- *Supporting employer engagement;*
- *Connecting education and training strategies;*
- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

Illinois has long been a strong advocate of incumbent worker training to improve the competitive position of workers and businesses. Our Unified State Plan places strong

emphasis on the workforce system's responsiveness to employers' needs, and the six-month requirement is an arbitrary barrier to using incumbent worker training to support Registered Apprenticeships, upskill workers, and keep companies competitive.

A survey conducted by the local workforce boards indicates that:

- dozens of employer requests for incumbent worker training were denied due to this requirement; and
- Employers expressed frustration with being able to use incumbent worker training for some employees but not others if they are newly hired. (Local areas are aware they have the flexibility to include new hires if they make up a minority of the training cohort.)

Individuals, groups, or populations affected by the waiver

States must describe the potential impact of a waiver on various system stakeholders, including how the waiver will impact services for disadvantaged populations, persons with barriers to employment, or businesses.

Individuals impacted by the waiver potentially include:

- all disadvantaged populations that recently entered the workforce through support from community-based programs funded from sources other than WIOA;
- newly hired workers who wish to enter a Registered Apprenticeship;
- newly hired workers who wish to upskill their talents for improved job security.

State plans for monitoring waiver implementation, including collection of waiver outcome information

States must describe how they intend to oversee effective waiver implementation and any unique protocols that may be used in their waiver requests.

- The IWIB Continuous Improvement and Accountability (CIA) Committee will have the responsibility of ensuring the specific goals and outcomes achieved by the waiver are realized. Furthermore, the information gathered from the waiver will inform new policies or changes to policy, as well as provide best practices. The outcomes of the waiver are reported in the WIOA Annual Report.

Assurance of state posting of the request for public comment and notification to affected local workforce development boards

WIOA does not prescribe a specific amount of time for states to post a potential waiver for comment, but it does require the state to demonstrate a reasonable opportunity for public review and comment by all stakeholders, including businesses and organized labor. Submit any comments or concerns collected in this manner and the outcome of the state's review of the public comments received. The state must also provide affected local boards with notice and opportunity to comment on the proposed waiver.

In accordance with the WIOA Regulations at 20 CFR 676.135, Illinois is submitting its Unified State Plan, which is subject to the requirements outlined in the WIOA Regulations at 20 CFR 676.130(d) for public review and comment. As such, Illinois's waiver request was posted on our website for comment and review by required parties and the public.

Local Boards via Board members and Board staff, WIOA partners, and other interested stakeholders participate in policy development. Additionally, LWIBs have the opportunity to participate in the public comment period, which includes informational webinars.

WAIVER REQUEST – PLANNING REGION ALIGNMENT

The statutory and/or regulatory requirements the state would like to waive

The state must clearly cite the statute and/or regulation(s) in its request and ensure that the citations refer to the specific elements the state wishes to waive.

The State of Illinois is seeking a waiver from the following Section(s):

WIOA Sec. 106(a)(2) and 20 CFR § 679.210 (preamble)

“In accordance with WIOA Section 106(a)(2), a single local area may not be split across two planning regions. Local areas must be contiguous to be a planning region and effectively align economic and workforce development activities and resources.”

Illinois has been proactive in coordinating regional planning with the implementation of the WIOA requirements. These efforts led the state to identify meaningful planning regions, which resulted in the 10 Economic Development Regions (EDRs). To support this process, Illinois coordinated regional planning, including guidelines, regional and statewide planning events, and coordinated technical assistance resources as part of the development of the initial regional plans in 2016. With the release of the final WIOA rules, planning resources were updated in 2017 and again in early 2018 to gather consultation with local chief elected officials, local workforce board members, and other interested stakeholders for subsequent designation and alignment with planning regions.

Under WIOA Sec. 106(b)(2), 20 CFR § 679.250(a), and TEG 27-14, the Governor must approve a request for initial local area designation from any area that was one under the Workforce Investment Act of 1998 (WIA) for the 2-year period preceding the date of enactment of WIOA; provided the local area had performed successfully and sustained fiscal integrity during that two-year period. All twenty-two of Illinois' Local Workforce Innovation Areas (LWIA) met the requirements for initial designation based on an analysis of fiscal integrity and WIOA performance. Illinois identified ten planning regions that meet the requirements of WIOA Sec. 106(a)(2) and 20 CFR § 679.210.

Five of the 22 LWIAs (4/Ogle, 11/Livingston, 19/DeWitt, 21/Calhoun, Jersey, and 23/Douglas) meet the requirements for designation crossover between planning regions.

Furthermore, WIOA Sec. 106(b)(2) and 20 CFR § 679.250(a) state the Governor may not reconfigure Illinois' initially designated local areas for subsequent designation without consultation with local area chief elected officials, Local Workforce Innovation Boards (LWIBs), and other interested stakeholders. Given that these LWIAs, as designated, have sustained fiscal integrity and met performance targets, the Governor is unable to reconfigure these areas without consultation.

While these LWIAs meet the requirements set forth in statute and regulation, the Governor undertook an extensive process of consultation with local boards and elected officials to identify a regional planning structure that would not result in any single local area being split between two or more regions. This consultative process provided these stakeholders with the opportunity to voice their concerns about realignment and to demonstrate why the configurations should remain.

Local feedback expressed concerns that focusing the realignment decision on labor market information is a "one-size-fits-all" approach that fails to account for the full composition of *counties and communities*. The State also received feedback expressing concern about the *administrative burden of realigning the counties and that this process would divert time and resources from serving job seekers and businesses in the community*.

The impacted counties and local workforce areas have demonstrated success in planning and delivering services within the current regional and local workforce area boundaries. Based on this fact and in response to feedback from the consultation process, Illinois is pursuing this waiver to ensure service continuity in the impacted counties. This waiver removes a barrier that impedes the State's efforts to improve the workforce, education, and economic development systems in Illinois.

Actions the state has undertaken to remove state or local statutory or regulatory barriers

The state must provide a discussion of the steps it has taken to remove any potential obstacles in the waiver request as appropriate. Quite often, state or local policies do not present a conflict for the request, and a simple statement indicating that there are no state or local barriers is sufficient.

The Illinois Workforce Innovation Board (IWIB) and WIOA Core partners established a working group to develop a plan of action to address this issue. The working group reviewed regional planning data, identified a compliant regional planning structure, and developed a local consultation process with the Governor's Office, WIOA state agencies, the state board, the state legislature, chief elected officials, local board members, and other interested stakeholders.

Illinois' regional data has been updated, and is based on regional economic and labor market data that includes:

- commuting patterns;
- number of employers and jobs supported regionally;

- projections of regional job growth; and
- targeted industry growth patterns.

A state-level team, on behalf of the Governor, convened workshops in the affected counties. Over 90 employers, elected officials, workforce development board members, community college representatives, one-stop partners, representatives of economic development entities, and others attended these public meetings. Each session provided local chief elected officials and other interested parties with labor market data that demonstrated the county's alignment with the appropriate regional planning area. In addition, the sessions outlined steps and technical assistance available to support the realignment.

The State of Illinois documented the feedback from the consultation workshops. In addition, the State has received and reviewed additional written comments expressing questions, concerns, and objections to the realignment process. Two of the impacted counties have expressly objected to the realignment requirement.

This waiver will provide Illinois with the flexibility to remove a regulatory barrier for counties that have demonstrated the ability to plan and deliver services within the current local workforce area and regional planning area boundaries.

State strategic goal(s)

The state must precisely articulate the goals it seeks to achieve by requesting a waiver. The state must also discuss how these goals relate to its Unified or Combined State Plan.

The strategies and activities listed below are part of six policy priorities within the Illinois WIOA Unified Plan and speak specifically to regional alignment as identified in this waiver request and provide support for planning and sector partnerships.

Strategy 1: Coordinate Demand-Driven Strategic Planning at the State and Regional Levels.

Activity 1.1: Develop Strategic Indicators, Benchmarks and Related Planning Data Resources

Activity 1.2: Establish Regional Planning Areas

Activity 1.3: Conduct Integrated Regional Planning

Strategy 2: Support Employer-Driven Regional Sector Initiatives

Activity 2.1: Promote Employer-Driven Regional Sector Partnerships

Activity 2.2: Promote Sector-Based Business Services and Employer Initiatives

Projected programmatic outcomes resulting from the implementation of the waiver

The state must provide an estimate of how the waiver will improve outcomes or provide other tangible benefits for jobseekers or employers. States have the discretion to determine how to measure a waiver's success and the specific data sources it intends to use to evaluate its impact.

A waiver from realigning the LWIAs with regional planning areas allows Illinois to comply with WIOA statute and regulations for complying with the Governor's need to allow LWIAs that maintain fiscal sustainability and performance accountability to stay intact.

The intent of the waiver is not to impose an unviable mandate on local Chief Elected Officials (CEOs) and workforce boards that are unable to restructure their county alignment at this time. The projected outcome of the waiver is to avoid creating a dysfunctional, disorganized environment that would ultimately have a negative impact on service delivery and customer outcomes if realignment were forced on local CEOs.

Alignment with the Department of Labor's policy priorities

Describe how the waiver will align with the Department's policy priorities, such as:

- *Supporting employer engagement;*
- *Connecting education and training strategies;*
- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

Illinois' current regional and local structure aligns with the four identified purposes of Title I of WIOA priorities involving activities at the regional level, which include:

- enhancing the strategic role of states and elected officials, and Local Workforce Innovation Boards in the public workforce system by increasing flexibility to tailor services to meet employer and worker needs at the state, regional, and local levels;
- supporting the alignment of the workforce investment, education, and economic development systems in support of a comprehensive, accessible, and high-quality workforce development system at the Federal, state, and local and regional levels;
- improving the quality and labor market relevance of workforce investment, education, and economic development efforts by promoting the use of industry and sector partnerships, career pathways, and regional service delivery strategies; and
- increasing the prosperity and economic growth of workers, employers, communities, regions, and States.

Individuals, groups, or populations affected by the waiver

States must describe the potential impact of a waiver on various system stakeholders, including how the waiver will impact services for disadvantaged populations, persons with barriers to employment, or businesses.

This waiver benefits the entire state workforce system, reduces unnecessary administrative expenses caused by realignment, and is consistent with current Local Workforce Innovation Area structures. Those specifically impacted include:

- Employers;

- Job seekers, including WIOA priority population groups;
- Local area one-stop partners and delivery systems;
- LWIBs;
- Economic development entities;
- the IWIB; and
- WIOA state agency staff, including planning, performance, policy, reporting, and fiscal.

State plans for monitoring waiver implementation, including collection of waiver outcome information

States must describe how they intend to oversee effective waiver implementation and any unique protocols that may be used in their waiver requests.

The State will use the following approach for monitoring progress in implementation:

- State staff involved with the administration of governance provisions will provide ongoing technical assistance and oversight as it relates to the appropriateness and effectiveness of this waiver. This information will be submitted regularly to the IWIB Continuous Improvement and Accountability (CIA) Committee.
- Annual WIOA on-site programmatic reviews will include an evaluation review of the impact the waivers have on programmatic goals and outcomes.
- Additionally, the IWIB Continuous Improvement and Accountability (CIA) Committee will have the responsibility of ensuring the specific goals and outcomes achieved by the waiver are realized. Furthermore, the information gathered from the waiver will inform new policies or changes to policy, as well as provide best practices to assist in preparing for the Program Year 2026 planning process.

This strategy ensures that the goals described above, as well as those outlined in the State's Unified Plan and the IWIB Strategic Plan, are consistent with established objectives of the WIOA and federal and state regulations.

To date, the burden of contributing to multiple regional plans has not risen to the level of the locally perceived burden of realignment. As mentioned previously, Illinois successfully brokered realignment of several counties during the current planning cycle. Our position is to continue encouraging local areas to consider realignment and to offer technical assistance to implement it, but to stop short of imposing this requirement on local CEOs determined to maintain the status quo.

The local areas that were not allowed to realign have continued to effectively plan and deliver services while maintaining fiscal sustainability and performance accountability under the current local workforce area and regional planning boundaries.

Assurance of state posting of the request for public comment and notification to affected local workforce development boards

WIOA does not prescribe a specific amount of time for states to post a potential waiver for comment, but it does require the state to demonstrate a reasonable opportunity for public review and comment by all stakeholders, including businesses and organized labor. Submit any comments or concerns collected in this manner and the outcome of the state's review of the public comments received. The state must also provide affected local boards with notice and opportunity to comment on the proposed waiver.

In accordance with the WIOA Regulations at 20 CFR 676.135, Illinois is submitting its Unified State Plan, which is subject to the requirements outlined in the WIOA Regulations at 20 CFR 676.130(d) for public review and comment. As such, Illinois's waiver request was posted on our website for comment and review by required parties and the public.

Local Boards via Board members and Board staff, WIOA partners, and other interested stakeholders participate in policy development. Additionally, LWIBs have the opportunity to participate in the public comment period, which includes informational webinars.

WAIVER REQUEST – INCREASE ON-THE-JOB TRAINING REIMBURSEMENT

The statutory and/or regulatory requirements the state would like to waive

The state must clearly cite the statute and/or regulation(s) in its request and ensure that the citations refer to the specific elements the state wishes to waive.

Illinois currently has the authority under WIOA Section 134(c)(3)(H)() to provide reimbursements to employers of on-the-job training programs up to 75 percent and is seeking expansion of the authority to the current allowable employer reimbursement for the wage rate of an On-the-Job Training (OJT) participant for the extraordinary costs of providing training and additional supervision related to the OJT as described in WIOA Section 134(c)(3)(H)(i) and further outlined at 20 CFR 680.720 (b).

Illinois is proposing a sliding reimbursement scale for employers based on their size and capabilities. Under this waiver, employers with fifty (50) or fewer employees would be reimbursed up to ninety percent (90%), those with between 51 and 250 employees up to seventy-five (75%) reimbursement, and all other employers up to the statutory limit of 50%. Further, Illinois has developed a policy as documentation of the factors used when deciding to increase the wage reimbursement level above 50 percent (50%) as required under WIOA Section 134(c)(3)(H)(i)(I) and 680.730.

This waiver is being requested to apply to all OJT contracts supported by WIOA formula funds, including Adult, Dislocated Workers, and Youth, as appropriate.

Many small businesses are facing unprecedented demands to keep their doors open and avoid layoffs. Extra incentives, such as increased wage reimbursement, are tools to support a strengthened recovery strategy. Illinois needs the flexibility to offer increased

incentives to establish new on-the-job training opportunities during a time of uncertainty and recovery.

Actions the state has undertaken to remove state or local statutory or regulatory barriers

The state must provide a discussion of the steps it has taken to remove any potential obstacles in the waiver request as appropriate. Quite often, state or local policies do not present a conflict for the request, and a simple statement indicating that there are no state or local barriers is sufficient.

There are no State or Local barriers to implementing the provisions requested within this proposed waiver.

State strategic goal(s)

The state must precisely articulate the goals it seeks to achieve by requesting a waiver. The state must also discuss how these goals relate to its Unified or Combined State Plan.

This waiver is consistent with a national focus to develop the workforce system that is more responsive to the needs of business and individual customers and with Illinois' strategic direction, goals and priorities as outlined within its Unified State Plan, for which it is awaiting approval, the Illinois Workforce Innovation Board's Strategic Plan, and the preliminary priorities of a new IWIB standing committee of business engagement. OJTs are a proven model for providing individual customers with the information, instruction, and training needed to meet the unique needs of businesses, preparing them to be retained upon successful completion. It would allow smaller businesses with limited resources greater flexibility. This is especially true during recovery from a disaster.

Projected programmatic outcomes resulting from the implementation of the waiver

The state must provide an estimate of how the waiver will improve outcomes or provide other tangible benefits for jobseekers or employers. States have the discretion to determine how to measure a waiver's success and the specific data sources it intends to use to evaluate its impact.

The state estimates that the waiver will improve outcomes and provide other tangible benefits in the following ways:

- Increase in the number of OJT placements.
- Increase in the number of OJT placements in targeted sectors and occupations.
- Increase in the employment retention rates in the OJT-related industry in the 2nd and 4th quarters following exit.
- Increase in the number of unique employer work sites using OJT.

Alignment with the Department of Labor's policy priorities

Describe how the waiver will align with the Department's policy priorities, such as:

- *Supporting employer engagement;*
- *Connecting education and training strategies;*

- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

This waiver aligns with not only the Department of Labor's priorities but also with those of the State of Illinois. Within the Illinois WIOA Unified State Plan are examples of initiatives that demonstrate the importance of work-based learning and the critical role it plays in meeting the needs of businesses.

Individuals, groups, or populations affected by the waiver

States must describe the potential impact of a waiver on various system stakeholders, including how the waiver will impact services for disadvantaged populations, persons with barriers to employment, or businesses.

The waiver would benefit employers and individual customers. It would be especially beneficial to small businesses, including new start-ups, as a cost-effective incentive to adopt the proven OJT method for hiring and training new workers. It will allow Illinois businesses to quickly adapt to a changing landscape, improve capacity, and remain competitive. Individuals, such as dislocated workers transitioning to new occupations or industries, long-term unemployed attempting to return to the workforce and acquire new skills, or entry-level workers, such as youth, will be seeking to start careers in a weak economic climate. This waiver would expand the potential training options for WIOA-eligible job seekers and workers.

State plans for monitoring waiver implementation, including collection of waiver outcome information

States must describe how they intend to oversee effective waiver implementation and any unique protocols that may be used in their waiver requests.

The state will use the following approach for monitoring progress in implementation:

State staff who administer programming will provide ongoing technical assistance and oversight as it relates to the appropriateness and effectiveness of this waiver. This information will be submitted regularly to the Illinois Workforce Innovation Board (IWIB) Continuous Improvement and Accountability (CIA) Committee. Furthermore, the information gathered from the waiver will inform new policies or changes to policy, as well as provide best practices.

Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.

Assurance of state posting of the request for public comment and notification to affected local workforce development boards

WIOA does not prescribe a specific amount of time for states to post a potential waiver for comment, but it does require the state to demonstrate a reasonable opportunity for public review and comment by all stakeholders, including businesses and organized labor. Submit

any comments or concerns collected in this manner and the outcome of the state's review of the public comments received. The state must also provide affected local boards with notice and opportunity to comment on the proposed waiver.

In accordance with the WIOA Regulations at 20 CFR 676.135, Illinois is submitting its Unified State Plan, which is subject to the requirements outlined in the WIOA Regulations at 20 CFR 676.130(d) for public review and comment. As such, Illinois's waiver request was posted on our website for comment and review by required parties and the public.

Local Boards via Board members and Board staff, WIOA partners, and other interested stakeholders participate in policy development. Additionally, LWIBs have the opportunity to participate in the public comment period, which includes informational webinars.

WAIVER REQUEST – USE OF STATEWIDE FUNDS FOR QUALIFYING EVENTS

The statutory and/or regulatory requirements the state would like to waive

The state must clearly cite the statute and/or regulation(s) in its request and ensure that the citations refer to the specific elements the state wishes to waive.

Specifically, the State of Illinois is requesting from the Employment and Training Administration (ETA) a waiver to allow flexibility in the use of the funds reserved by the Governor for use to provide statewide rapid response activities (i.e., WIOA section 134(a)(2)(A)), and for use to provide statewide employment and training activities (i.e. WIOA section 134(a)(2)(B) and (3)) in order to provide comprehensive Disaster Recovery assistance to affected areas as described in WIOA 170(d) and 20 CFR 687.100(b). The state may continue to apply for applicable grants as they become available.

Additionally, this waiver requests approval to exclude individuals from the calculation of state and local performance measures found in WIOA §§ 116(b) and (c). Specifically, the exclusion request is for participants who receive only disaster relief employment and no other allowable career and training services through the grant or through co-enrollment in another WIOA core or partner program. This request is consistent with the performance allowance in TEGL 12-19. The state understands that it must include these participants in various reports and the state's annual Participant Individual Record Layout (PIRL) submissions, using the “Special Project ID field. In addition, Illinois will segregate the *Disaster Recovery* projects from other Statewide Rapid Response grants. The services to participants will be limited to the time needed to respond to and recover from the disaster.

Under this waiver allowance, permitted WIOA statewide fund use includes, but is not limited to:

- Expeditious allocation of funds to a local workforce innovation board so they may respond quickly to a disaster, emergency, or other qualifying event as described at 20 CFR 687.100(b). Only those events and cascading events caused by a qualifying event that have been declared as an emergency or disaster by the Federal Emergency Management Agency (FEMA), by the chief official of a Federal Agency with jurisdiction over the Federal response to a disaster with potential significant loss of employment, or the Governor of Illinois qualify for the use of WIOA statewide funds.
- To alleviate the effects that a qualifying event causes within affected local area(s) and/or planning regions, WIOA statewide funds will allow comprehensive disaster relief employment and/or employment and training activities, and the provision of needed humanitarian resources and services, including other services or resources deemed necessary as described at 20 CFR 687.180(b)(1).
- State Disaster grant policies and procedures will mirror those of Disaster Recovery National Dislocated Worker Grants (DWG) in terms of eligibility, allowable services, wage and health and safety requirements, etc., to ensure continuity of services between the State and Federal Disaster grants as necessary.
- An individual's disaster relief employment is limited to 12 months or 2080 hours for work related to recovery from a single emergency or disaster. OET may extend an individual's disaster relief employment for up to an additional 12 months or 2080 hours if requested and sufficiently justified by the local board.
- Supportive services may be provided to enable individuals to participate in disaster relief employment and employment and training activities, including such costs as transportation, childcare, and personal safety equipment and clothing consistent with local policies.
- Individuals shall be eligible to be offered disaster relief employment and employment and training services if such individual is a dislocated worker; is a long-term unemployed individual as defined by the State; is temporarily or permanently laid off as a consequence of the emergency or disaster; or in the case of an individual who is self-employed, becomes unemployed or significantly underemployed as a result of the emergency or disaster.

Actions the state has undertaken to remove state or local statutory or regulatory barriers

The state must provide a discussion of the steps it has taken to remove any potential obstacles in the waiver request as appropriate. Quite often, state or local policies do not present a conflict for the request, and a simple statement indicating that there are no state or local barriers is sufficient.

The state established the Illinois Emergency Management Agency (IEMA) as the lead agency in the event of an emergency or disaster, when a county is declared a disaster area by the Governor. Within all Illinois local workforce innovation areas or local areas, there are responsible entities marshaled by local government or its agents, should a qualifying event occur. The state works in concert with these entities to provide resources and expertise.

Illinois's WIOA Unified State Plan articulates many of the WIOA-related statewide activities it undertakes or can undertake in response to a qualifying event. For example, the Office of Employment and Training is responsible for applying and administering applicable National Dislocated Worker Grants (NDWG), consistent with WIOA Sec. 170 and its corresponding regulatory requirements. These grants are helpful once allocated, but in the time between the event and allocation, urgent aid is needed, and much work remains to be done. If months pass before the NDWG allocation occurs, damage can be exacerbated, and work may not be completed. The state is mindful of this time gap and strives to apply as soon as the state is eligible for NDWG funding assistance, as appropriate. The efficient use of time immediately after a qualifying event is a critical factor in how well recovery is measured. This is a serious barrier that the state wants to reduce.

The State of Illinois' waiver request to allow flexibility in the use of the funds reserved by the Governor for use to provide statewide rapid response activities (i.e., WIOA section 134(a)(2)(A)), and for use to provide statewide employment and training activities (i.e. WIOA section 134(a)(2)(B) and (3)) in order to provide comprehensive Disaster Recovery assistance to affected areas as described in WIOA 170(d) and 20 CFR 687.100(b) was approved in 2019.

State strategic goal(s)

The state must precisely articulate the goals it seeks to achieve by requesting a waiver. The state must also discuss how these goals relate to its Unified or Combined State Plan.

This waiver will allow the State of Illinois to efficiently and effectively respond to disasters by aligning the program requirements of a disaster recovery project regardless of if they are funded with WIOA Statewide Rapid Response funds or the National Dislocated Worker Grant Program.

The objective of improved outcomes, varied as they may be, is best served when available funding is used quickly and effectively for all parties involved. Illinois' WIOA Unified State Plan articulates that the Governor's WIOA statewide funds will generally be used to promote a vision of jobs that pay, schools that teach, and government that works. To that end, in the event of a qualifying event, the state intends to use WIOA statewide funds to ensure relevant workforce development responses are provided in a timely manner. WIOA statewide funds may be provided to local areas deemed in need of financial resources because of being affected by a qualifying event.

The use of WIOA statewide funds associated with this waiver supports the state's goal of local WIOA-based programs and activities that better serve targeted groups of customers in the workforce development system. The use of WIOA statewide funds offers greater flexibility, enabling the state and local governing entities to expand their capacity to coordinate resources, services, and activities for individuals, workers, and employers affected by the qualifying emergency and/or disaster event. The state will use WIOA statewide funds to ensure that critical, time-sensitive work can be performed and to expand the potential participant pool. The waiver flexibility permits local areas the latitude to marshal available labor, conduct appropriate training, requisition required

resources quickly, and provide immediate and comprehensive disaster recovery assistance, including efforts to minimize further disaster impacts.

Projected programmatic outcomes resulting from implementation of the waiver

The state must provide an estimate of how the waiver will improve outcomes or provide other tangible benefits for jobseekers or employers. States have the discretion to determine how to measure a waiver's success and the specific data sources it intends to use to evaluate its impact.

The state estimates that the waiver will improve outcomes and provide other tangible benefits in the following ways:

- Increase statewide and local area workforce development response times to a qualifying event;
- Increase public safety and help support humanitarian activities;
- Availability of disaster relief employment will provide grant participants with access to employment and training activities;
- Increasing eligible grant participants' employment and training activities will lead to a higher probability of securing unsubsidized employment; and
- Alleviation of some of the time-sensitive variables arising from a qualifying event affecting an employer and lessening the severity of possible layoffs or business closings.

Alignment with the Department of Labor's policy priorities

Describe how the waiver will align with the Department's policy priorities, such as:

- *Supporting employer engagement;*
- *Connecting education and training strategies;*
- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

This waiver aligns with not only the Department of Labor's priorities but also with those of the State of Illinois. Within the Illinois Unified Plan, there are examples of initiatives that demonstrate the importance of ensuring career and work-readiness at all levels. This will allow the state to temporarily expand service capacity at the local level through time-limited funding assistance in response to significant disasters.

Expanding the state's ability to provide disaster-related employment opportunities through statewide funding enables participants to develop skills that better prepare them to obtain permanent employment.

Individuals, groups, or populations affected by the waiver

States must describe the potential impact of a waiver on various system stakeholders, including how the waiver will impact services for disadvantaged populations, persons with barriers to employment, or businesses.

The waiver will positively impact:

- All eligible participants as identified in WIOA section 170 and 20 CFR 687.170, which include dislocated workers, long-term unemployed individuals as defined by the State, temporarily or permanently laid off workers because of the emergency or disaster, or in the case of an individual who is self-employed, becomes unemployed or significantly underemployed as a result of the emergency or disaster; and
- Non-WIOA eligible recipients include affected businesses and employers, residents, and other individuals who benefit from the qualifying event clean-up, restoration, and humanitarian activities, and resources provided.

State plans for monitoring waiver implementation, including collection of waiver outcome information

States must describe how they intend to oversee effective waiver implementation and any unique protocols that may be used in their waiver requests.

The state will use the following approach for monitoring progress in implementation: OET workforce development leadership will determine whether the qualifying event requires the use of WIOA statewide funds, approve the project's parameters, serve as the operational lead, and be tasked with WIOA fund administration and project management or activities. Applicable federal, state, and local laws, regulations, policies, and procedures will be used to ensure fiscal accountability. Unless otherwise authorized in this waiver, the financial and administrative rules contained in the Workforce Innovation and Opportunity Act; Final Rule (i.e., 20 CFR 683) will apply.

At a minimum, the funding recipient will supply the OET with the following information for review:

- Completed Request for Funds form with local board signatory authorizing request;
- Official declaration documenting the emergency and/or disaster event;
- Narrative will include, at a minimum, a summary of the event, a preliminary assessment of the clean-up, and humanitarian needs of the affected areas, and will demonstrate whether there is a sufficient population of eligible individuals to conduct the planned work;
- Budget and budget justification; and
- Completed worksite summary.

The OET will receive monthly project status reports and will host teleconferences with project stakeholders as needed to monitor progress. At a minimum, funding recipients will provide the OET with the following information for review:

- Revised narrative and associated attachments when a modification is required;
- Monthly Financial Status Reports;
- Monthly project status report of project activities; and
- Data entry for all participant services in the Illinois Workforce Development System (IWDS).

Only local boards will be the recipient of WIOA statewide funding for qualifying events. If a qualifying event occurs in a local area, the state requires the respective local board to collaborate with local governments and other recognized entities to determine whether workforce development-oriented services and activities are warranted. Local boards may work with their respective local area fiscal agents to complete and submit the funding request to OET. Local boards will work with the one-stop operator(s) to communicate the funding parameters to workforce development system partners and other service providers. Participant activity is to be recorded in the state system of record, the IWDS. All funds obligated will be accounted for in the financial management system, the GRS. Case management and related source documentation associated with the emergency and/or disaster must include the qualifying event as a point of reference.

State staff who administer programming will provide ongoing technical assistance and oversight as it relates to the appropriateness and effectiveness of this waiver. This information will be submitted regularly to the Illinois Workforce Innovation Board (IWIB) Continuous Improvement and Accountability (CIA) Committee.

Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.

Additionally, the IWIB Continuous Improvement and Accountability (CIA) Committee will be responsible for ensuring that the specific goals and outcomes achieved through the waiver are realized. Furthermore, the information gathered from the waiver will inform new policies or changes to policy, as well as provide best practices.

The Rapid Response disaster and emergency waiver has allowed the State and local areas to respond to disasters using readily available State Rapid Response funds and assist laid-off workers with obtaining temporary disaster recovery employment, as well as permanent employment. Since receiving this waiver, three local workforce innovation boards have received awards and provided disaster recovery employment to 22 participants at 5 disaster worksites. All disaster activity has concluded.

Assurance of state posting of the request for public comment and notification to affected local workforce development boards

WIOA does not prescribe a specific amount of time for states to post a potential waiver for comment, but it does require the state to demonstrate a reasonable opportunity for public review and comment by all stakeholders, including businesses and organized labor. Submit any comments or concerns collected in this manner and the outcome of the state's review of the public comments received. The state must also provide affected local boards with notice and opportunity to comment on the proposed waiver.

In accordance with the WIOA Regulations at 20 CFR 676.135, Illinois is submitting its Unified State Plan, which is subject to the requirements outlined in the WIOA Regulations at 20 CFR 676.130(d) for public review and comment. As such, Illinois's waiver request was posted on our website for comment and review by required parties and the public.

Local Boards via Board members and Board staff, WIOA partners, and other interested stakeholders participate in policy development. Additionally, LWIBs have the opportunity to participate in the public comment period, which includes informational webinars.

WAIVER REQUEST – EXCLUSION FROM WIOA PERFORMANCE ACCOUNTABILITY FOR SNAP WORK-REQUIREMENT REFERRALS TO WIOA TITLE I

The statutory and/or regulatory requirements that the state would like to waive

The state must clearly cite the statute and/or regulation(s) in its request and ensure that the citations refer to the specific elements the state wishes to waive.

The State of Illinois is seeking a waiver under WIOA sec. 189(i)(3) and 20 CFR 679.610–679.620 from the following Section(s): WIOA Section 116(b) and 20 CFR 677.155 (and related performance reporting requirements in 20 CFR part 677).

Specifically, Illinois requests approval to exclude from the statewide WIOA Title I performance numerator and denominator SNAP recipients referred by the Illinois Department of Human Services (IDHS) who are subject to federal SNAP work requirements (including Able-Bodied Adults Without Dependents (ABAWDs) and any other individuals newly subject to SNAP work requirements) and who receive services to meet or maintain SNAP work-requirement obligations (“SNAP work-requirement referrals”). This request is a time-limited, narrowly defined adjustment to performance outcomes intended to preserve accountability and comparable performance outcomes under WIOA Title I for Adult and Dislocated Worker participants. It is not intended to diminish accountability or suspend overall performance expectations for WIOA Title I participants.

Furthermore, Illinois believes we are not seeking a waiver beyond the Secretary’s authority under 20 CFR 679.610(a)(12) and 20 CFR 675.100, which set out Title I requirements of WIOA, including promoting accountability through core performance indicators, sanctions, and high-quality evaluations. WIOA provides broad waiver authority that allows the U.S. Department of Labor to waive specific statutory and regulatory requirements under WIOA Title I when doing so advances system improvement goals. ETA has previously approved a waiver affecting performance-related requirements, including performance measures used for negotiation and accountability.

Illinois’ request will protect the integrity of statewide performance accountability while ensuring Illinois can serve this high-volume SNAP compliance cohort without creating incentives to delay or deny access to needed services. Accountability for SNAP work-requirement referrals will be maintained through:

- Tracking this cohort separately using auditable coding in the performance reporting file/PIRL.

- Reporting outcomes for this cohort transparently in the annual performance narrative and/or a supplemental attachment; and
- Using evaluation and continuous improvement methods (including periodic analysis of service patterns and outcomes) to assess effectiveness and improve service delivery.

These steps ensure the waiver supports, rather than undermines, the Title I purpose in 20 CFR 675.100, which is to promote accountability and improve service delivery through data, sanctions where applicable, and high-quality evaluation.

Illinois administers the SNAP program through the Department of Human Services and oversees the WIOA Title I program through the Department of Commerce and Economic Opportunity's Office of Employment and Training. Each month, about 2 million Illinois residents—representing over 1 million households—rely on SNAP benefits.

Program participants often face barriers to employment and training, including economic instability, limited English proficiency, transportation challenges, housing instability, and other unmet supportive service needs. These challenges make timely, customer-centered career, training, and supportive services essential. Additionally, many customers may have limited recent work history due to Illinois's prior statewide SNAP work-requirement waiver.

In November 2025, the most recent month with complete data, the Illinois Department of Human Services estimated that more than 247,000 adult SNAP recipients could be subject to new work requirements and risk losing benefits due to strengthened enforcement under H.R. 1, the "One Big Beautiful Bill," signed into law in July 2025.

Following the implementation of these new work requirements on February 1, 2026, many individuals referred to WIOA Title I programs require immediate support. While some will need only minimal assistance from WIOA staff—such as researching local job opportunities, conducting job searches, and completing applications, many others will require more extensive services through the Illinois workNet[®] System.

SNAP recipients referred to Illinois workNet Centers, either in-person or virtually, often have limited time to participate. They require prompt engagement in career services to determine whether they are ready to enter the workforce immediately or need training to earn recognized post-secondary credentials for long-term employment.

Further, Illinois' current workforce system, composed of twenty-two local workforce innovation areas, lacks adequate staffing to support the anticipated influx of SNAP recipients and the capacity to provide a sustained series of services while maintaining professional relationships, thoughtful service delivery, and strong performance outcomes. In the most recent complete Program Years, 2023 and 2024, Illinois served

approximately 25,574 and 25,234 individuals (including WIOA-enrolled and reportable individuals), respectively, across all three WIOA Title I programs.¹

While not all of the more than 247,000 individuals projected to be subject to SNAP work requirements will seek staff-assisted services at an Illinois workNet American Job Center, even a small share can significantly increase system volume. For example, if approximately one percent (about 2,470 individuals) present for staff-assisted services in a program year, that volume alone would represent an increase of more than 10 percent over recent annual WIOA Title I participant counts, straining local capacity and potentially distorting negotiated performance outcomes if included in statewide Title I indicators.

Review of PY2021-2024 performance outcomes shows that WIOA Title I Adult and Dislocated Worker participants consistently perform below the overall Title I population. This pattern holds across all five performance indicators, with some showing double-digit declines.

Actions the state has undertaken to remove state or local statutory or regulatory barriers

The state must provide a discussion of the steps it has taken to remove any potential obstacles in the waiver request as appropriate. Quite often, state or local policies do not present a conflict for the request, and a simple statement indicating that there are no state or local barriers is sufficient.

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Illinois regulations and policies align with current federal law. The Office of Employment and Training, in coordination with the Department of Innovation and Technology (DoIT), will implement the data and reporting controls needed to identify the SNAP work-requirement cohort, ensure the cohort is excluded from statewide WIOA Title I performance numerator and denominator calculations, and maintain appropriate case-level documentation for program integrity and partner reporting.

State strategic goal(s)

The state must precisely articulate the goals it seeks to achieve by requesting a waiver. The state must also discuss how these goals relate to its Unified or Combined State Plan.

Illinois' Unified State Plan (USP) advances the Governor's vision for an integrated workforce, education, and economic development system that expands economic opportunity for job seekers and workers while meeting employer needs. In partnership with the Illinois Workforce Innovation Board (IWIB) and WIOA core partners, Illinois emphasizes demand-driven strategies—including sector partnerships and career pathways—that connect customers to career, training, and supportive services aligned with local, regional, and statewide priorities.

¹ Statewide Performance Reports, Participants Served with Career Services defined in WIPS for Program Years referenced.

The anticipated increase in SNAP work-requirement referrals from the Illinois Department of Human Services (IDHS) will require nimbler, expedited coordination of intake, triage, referrals, and service delivery across Illinois workNet American Job Centers (AJCs), grantees/subgrantees, and community partners. This waiver supports timely, customer-centered service delivery for SNAP work-requirement referrals while preserving meaningful WIOA Title I performance accountability through a clearly defined cohort approach with separate tracking and transparent reporting.

This waiver also aligns with the pillars of America's Talent Strategy by supporting industry-driven talent pipelines (Pillar I), improving worker mobility through navigation, barrier reduction, and modernized data and technology (Pillar II), strengthening integrated service delivery through IDHS referrals (Pillar III), preserving meaningful performance accountability through separate, transparent reporting (Pillar IV), and leveraging statutory flexibility to scale innovative service models (Pillar V).

Illinois seeks to achieve the following goals through this waiver request:

- *Maintain the integrity of WIOA Title I performance accountability:* Exclude a clearly defined, auditable, time-limited SNAP work-requirement compliance cohort from statewide Title I indicator calculations, while separately tracking and reporting outcomes to ensure transparency.
- *Provide rapid, customer-centered access and appropriate service sequencing for SNAP work-requirement referrals:* Use triage, navigation, and barrier-informed service planning, supported by technology and labor market data, to quickly connect customers to the right mix of career services, allowable work activities, education and training, and supportive services (e.g., Illinois workNet AJC navigator-led triage supported by the IWDS 2.0 referral system).
- *Sustain employer-driven strategies and work-based learning pathways at scale:* Preserve local capacity for business services, sector partnerships, and work-based learning so employers continue to receive timely talent support and customers can connect with hiring opportunities and access earn-and-learn pathways (e.g., Apprenticeship Illinois / Illinois Works and CEJA workforce pathways).
- *Strengthen cross-agency coordination, data use, and continuous improvement:* Implement shared referral and tracking protocols with IDHS; monitor outcomes for this cohort; and use results to drive continuous improvement, support streamlined, coordinated service delivery, and reduce duplicative intake and reporting across partners (e.g., IWIB Continuous Improvement and Accountability Committee review).

These goals directly support Illinois' Unified State Plan and IWIB Strategic Plan priorities, such as customer-centered service delivery, employer engagement, work-based learning, and data-driven improvement.

Projected programmatic outcomes resulting from the implementation of the waiver

The state must provide an estimate of how the waiver will improve outcomes or provide other tangible benefits for jobseekers or employers. States have the discretion to

determine how to measure a waiver's success and the specific data sources it intends to use to evaluate its impact.

As a result of this waiver, Illinois expects that:

- SNAP work-requirement referrals will engage more quickly and progress toward employment and training outcomes while meeting compliance requirements. Illinois will measure waiver success using cohort-level metrics, including: time from IDHS referral to first staff-assisted service/triage; completion of required work-activity verification; referrals to training, credential programs, and work-based learning; credential attainment; and entry into unsubsidized employment.
- Excluding this defined cohort from statewide Title I indicator calculations will allow career specialists to provide individualized planning and appropriate service sequencing without incentives to delay access or avoid staff-assisted engagement because of negotiated performance concerns. Illinois will preserve performance discipline by maintaining comparable negotiated Title I results for Adult and Dislocated Worker participants while separately tracking and reporting SNAP cohort outcomes to support transparency, evaluation, and continuous improvement.

Alignment with the Department of Labor's policy priorities

Describe how the waiver will align with the Department's policy priorities, such as:

- *Supporting employer engagement;*
- *Connecting education and training strategies;*
- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

This waiver aligns with the Department's policy priorities. It advances the pillars of America's Talent Strategy by preserving industry-driven talent pipeline capacity, improving worker mobility through technology-enabled navigation and barrier reduction, and strengthening integrated cross-system referral and tracking.

Illinois will maintain accountability by separately tracking and transparently reporting outcomes for this defined cohort, using those results for continuous improvement and evaluation, and preserving the integrity of Title I performance measures while enforcing an outcome focus for the SNAP referral strategy.

- *Supporting employer engagement:* Preserves local capacity for Illinois workNet business services, sector partnerships, and rapid access to hiring opportunities (e.g., AJC employer outreach and recruiting events informed by Illinois Employment Business System (IEBS) data).
- *Connecting education and training strategies:* Supports career-pathway navigation and referrals to training aligned with regional sector demand (e.g.,

coordinated referrals to community college career pathways and bridge/credential programs via Illinois workNet and IWDS 2.0).

- *Supporting work-based learning*: Protects and strengthens earn-and-learn pathways as volume increases (e.g., Apprenticeship Illinois, Illinois Works, and CEJA workforce pathways).
- *Improving job and career outcomes*: Enables rapid, customer-centered triage and barrier-informed planning, paired with supportive service coordination, to help customers meet requirements and progress toward employment and advancement.
- *Other priorities as articulated in guidance*: Advance customer-centered, data-driven integration and cross-agency coordination (e.g., shared IDHS referral protocols, IWDS 2.0 development and continuous improvement review through IWIB), including scaling navigator-led triage and technology-enabled routing to manage volume and improve service matching.

Individuals, groups, or populations affected by the waiver

States must describe the potential impact of a waiver on various system stakeholders, including how the waiver will impact services for disadvantaged populations, persons with barriers to employment, or businesses.

This waiver applies to SNAP work-requirement referrals served through Illinois workNet American Job Centers and the local workforce system partners that support them, including Local Workforce Innovation Boards (LWIBs), local WIOA Title I Adult and Dislocated Worker providers, and community partners.

The waiver does not change eligibility, access, or service priority; it only excludes this clearly defined SNAP work-requirement referral cohort from statewide Title I performance numerator and denominator calculations, while outcomes for the cohort are tracked and reported separately.

By preserving meaningful negotiated performance accountability, the waiver supports timely triage, individualized planning, supportive service coordination, and referrals to training and work-based learning for customers with employment barriers, while maintaining capacity for employer services and sector strategies that benefit Illinois employers.

State plans for monitoring waiver implementation, including the collection of waiver outcome information

States must describe how they intend to oversee effective waiver implementation and any unique protocols that may be used in their waiver requests.

The State will use the following approach for monitoring progress in implementation:

- State staff involved in administering the Adult and Dislocated Worker programs will provide ongoing technical assistance to inform and respond to local workforce professionals who are expected to provide intake, develop career plans,

coordinate appropriate services, and ensure the success of the SNAP work-requirement referrals referred to their local Illinois workNet Centers.

- Annual WIOA on-site programmatic reviews will include an evaluation of the impact of the waivers on programmatic goals and outcomes.
- State and local performance management staff will provide continuous monitoring of outcomes for the SNAP work-requirement cohort, which is tracked separately from the general WIOA Title I population using a dedicated participant-cohort flag in the case-management and performance reporting systems. The annual performance report narrative will summarize those outcomes separately from negotiated WIOA performance.
- Additionally, the IWIB Continuous Improvement and Accountability Committee will be apprised of this Waiver Request and the resulting decision, as they implement their charge of continuous improvement across the system through evaluations, partner collaboration, and technical assistance.

This strategy ensures that the goals described above, as well as those outlined in the State's Unified Plan and the IWIB Strategic Plan, are consistent with established objectives of the WIOA and federal and state regulations.

Assurance of state posting of the request for public comment and notification to affected local workforce development boards

WIOA does not prescribe a specific amount of time for states to post a potential waiver for comment. Still, it does require the state to demonstrate a reasonable opportunity for public review and comment by all stakeholders, including businesses and organized labor. Submit any comments or concerns collected in this manner, and the outcome of the state's review of the public comments received. The state must also provide affected local boards with notice and opportunity to comment on the proposed waiver.

In accordance with the WIOA regulations governing Unified State Plan modifications (20 CFR 676.135) and the public review and comment requirements applicable to Unified State Plans (20 CFR 676.130(d)), Illinois will post this waiver request for a reasonable public comment period and notify affected Local Workforce Innovation Boards (LWIBs) and other required stakeholders. Posting dates: [INSERT START DATE]–[INSERT END DATE]. Illinois will accept written comments via [INSERT EMAIL/WEB FORM] and provide at least one informational webinar during the comment period. Illinois will summarize the comments received and describe any resulting changes to the waiver request in the Unified State Plan modification submission.

Local Boards, via Board members and staff, WIOA partners, and other interested stakeholders, participate in policy development. Additionally, LWIBs have the opportunity to participate in the public comment period, which includes informational webinars.

Waiver outcomes for existing waivers.

Waiver Requests for 2026 Unified State Plan

The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the state seeks renewal of a previously approved waiver.

Not applicable. This is a new waiver request. If approved, Illinois will report waiver implementation status and outcomes, including any cohort-level tracking summaries, in subsequent State Plan modifications or required reports.