



JUN 28 2018

The Honorable Bruce Rauner  
Governor of Illinois  
Office of the Governor  
207 State House  
Springfield, Illinois 62706

Dear Governor Rauner:

Thank you for your waiver request of certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system, submitted as part of your WIOA State Plan modification on April 2, 2018 (copy enclosed). This letter provides the Employment and Training Administration's (ETA) official response to the State's request 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 Waivers: Waivers associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that states and local areas expend 75 percent of all Governor's reserve and local formula youth funds on out-of-school youth (OSY).

The State's request to waive the requirement that states and local areas expend 75 percent of all Governor's reserve and local formula youth funds on OSY is approved. 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 the requested waivers for Program Years (PYs) 2018 and 2019 (July 1, 2018 through June 30, 2020). Illinois may lower the target rate for Governor's reserve and local youth funds to 50 percent.

Requested Waiver: Waiver of the obligation of eligible training providers (ETPs) to collect performance data on all students in a training program at WIOA Sections 116(d)(4)(A) and 122, and 20 CFR 677.230(a)(4) and (5) and 20 CFR 680.460.

The State's request to waive the obligation of ETPs to collect and report performance data on all students in a training program is approved. 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 for PYs 2018 and 2019 (July 1, 2018 through June 30, 2020).

The State must provide information regarding how the Governor will take into account the outcomes of all students in an ETP program of study, with respect to their employment and earnings, as required for the demonstration of continued eligibility in 20 CFR 680.460(f)(1)(iii) and WIOA Section 122. The State will continue to collect and report data for all WIOA-funded participants in accordance with WIOA Sections 116 and 120, and as specified at 20 CFR 677.230 and 680.460. While ETA recognizes the importance of informing consumer choice through the provision of quality data on training outcomes, we also recognize that the systems and willingness to collect the required performance data from providers may discourage training provider participation, which is a critical component of the workforce development system.

Requested Waiver: Waiver of WIOA Section 106(a)(2) and 20 CFR 679.210 and supporting preamble to allow the State additional time to identify regions that contain only whole local areas.

ETA understands the State is currently working toward identification of WIOA-compliant regions and applauds its careful implementation in this area. ETA has the flexibility to extend corrective action deadlines to give states the opportunity to meet a given WIOA requirement without having to take further action. Therefore, Illinois does not need a waiver to extend the amount of time under its plan to achieve compliance. ETA is available to discuss whether Illinois would find additional flexibility useful regarding the assignment of a single local area to multiple regions.

Requested Waiver: Waiver to expand the definition of a recognized postsecondary credential to include a certain threshold of hours worked, a threshold of classroom instruction, and/or a certain number of postsecondary credits earned as part of a Registered Apprenticeship.

WIOA does not govern how completion of a Registered Apprenticeship is determined. Therefore, the WIOA waiver authority does not permit ETA to grant this request. In the absence of a waiver to the definition, ETA believes that the actions described below will help address the State's concerns and is ready to support your efforts to expand apprenticeships. Under existing flexibilities, Illinois can count components of either a non-registered apprenticeship (such as on-the-job or other employer-sponsored training) or Registered Apprenticeship toward the credential measure. For example, if an apprenticeship results in a recognized postsecondary credential, such as an industry-recognized certificate or certification, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree, then Illinois can count it. For the Registered Apprenticeships for which Illinois has concerns, ETA will work with the State to create the component parts (stackable or interim credentials) that will meet the WIOA definition of recognized postsecondary credential during the course of a longer-term training program. Furthermore, Illinois can take the challenge of incentivizing investment in longer-term credentials into account when negotiating annual performance targets with ETA and its local areas.

ETA is available for further discussion and to provide technical assistance to the State to support achieving its goals. Also, the Department has proposed additional flexibility in its Fiscal Year 2019 Budget to give governors more flexibility to meet the workforce needs of their states. Should Congress pass legislation signed by the President with new legal authority, we will be happy to revisit the areas that cannot currently be waived. If you have questions or wish to explore additional flexibility, feel free to contact my office at (202) 693-2772.

Sincerely,



Rosemary LaHasky  
Acting Assistant Secretary

Enclosure

cc:

Julio Rodriguez, Illinois Office of Employment and Training, Department of Commerce and Economic Opportunity

Christine Quinn, ETA Chicago Regional Administrator, Employment and Training Administration

Arlene Charbonneau, Federal Project Officer, Employment and Training Administration