

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210



October 21, 2021

The Honorable Jay Robert “JB” Pritzker
Governor of Illinois
207 Statehouse
Springfield, IL 62706

Dear Governor Pritzker:

Thank you for your waiver request submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (enclosed). The waiver request was received on August 18, 2021. This letter provides the Employment and Training Administration’s (ETA) official response to your 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).

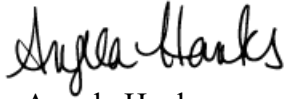
Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the state and local areas expend 75 percent of Governor’s reserve youth funds and local formula youth funds on out-of-school youth (OSY) and calculation of the local area expenditures for each local area.

ETA Response: ETA approves for Program Year (PY) 2021, which includes the entire time period for which states are authorized to spend those funds, the State’s request to waive the requirement that the State expend 75 percent of Governor’s reserve youth funds on OSY. The State may eliminate the expenditure requirement of Governor’s reserve for OSY. 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.

In addition, ETA approves for PY 2019, PY 2020 and PY 2021, which includes the entire time period for which states are authorized to spend those funds, the State’s request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Illinois may lower the local youth funds expenditure requirement to 50 percent for OSY. Furthermore, the State may calculate the local OSY expenditures statewide rather than for each local area. As a result of this waiver, ETA expects that the number of in-school youth (ISY) served will increase and that performance accountability outcomes for overall WIOA Youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators.

The State must report its waiver outcomes and implementation of the approved waivers in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide technical assistance to you in support of your goals. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,



Angela Hanks
Acting Assistant Secretary

Enclosure

cc: Julio Rodriguez, Deputy Director, Illinois Department of Commerce
Rose Zibert, Chicago Regional Administrator, Employment and Training Administration
Arlene Charbonneau, Federal Project Officer, Employment and Training Administration



Illinois
Department of Commerce
& Economic Opportunity
OFFICE OF EMPLOYMENT & TRAINING
JB Pritzker, Governor

August 16, 2021

WIOA Waiver Coordinator
200 Constitution Ave, NW S-4203
Washington, DC 20001

ATTN: WIOA Waiver Coordinator

Under the Secretary of Labor's waiver authority outlined in Section 189(i)(3)(A) of the Workforce Innovation and Opportunity Act (WIOA) and 20 CFR 679.600, the Secretary may waive certain provisions of the WIOA Title I Subtitle A, B, and E. The Illinois Department of Commerce and Economic Opportunity Office of Employment and Training is requesting that the Secretary grant the following waiver request through the end of the 2020-2023 Unified State Plan:

- Waiver for Youth Expenditure Requirement

The attached waiver plan provides further details on this request in keeping with DOL guidelines in TEGL 08-18. If the waiver is granted, Illinois' WIOA Combined State Plan will be revised to incorporate the change.

One public comment in support was received and attached with the waiver request.

We thank you for considering this request. If you have any questions, please contact Lisa Jones at Lisa.D.Jones@illinois.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Julio Rodriguez".

Julio Rodriguez, Deputy Director
Office of Employment and Training

Attachment

cc: Sylvia Garcia, Director Department of Commerce and Economic Opportunity
Rose Zibert, Acting USDOL ETA Region V Administrator

Reduce Out of School Youth Expenditure from 75% to 50%

Workforce Innovation and Opportunity Act Waiver Request Template

Under the Secretary of Labor's waiver authority outlined in Section 189(i)(3)(A) of the Workforce Innovation and Opportunity Act (WIOA) and 20 CFR 679.600, the Secretary may waive certain provisions of WIOA Title I Subtitle A, B, and E and provisions found in Sections 8-10 of the Wagner-Peyser Act. WIOA Section 189(i)(3)(B) and 20 CFR 679.620 identify elements that must be included in a waiver request. A State may request a waiver in its overall Unified or Combined State Plan submission or modification. Or, if submitting separate from the State Plan submission, States may use this template to request a waiver. States may also request a waiver using their own format or form, as long as elements required by WIOA are addressed in the request. After reviewing a state's initial request, the Employment and Training Administration (ETA) may request additional information, if necessary, to complete its review.

To submit a waiver request, e-mail this completed form (or state-developed form) along with a cover letter to WIOA.Plan@dol.gov and the appropriate ETA regional office. ETA will also accept hard copy submissions.

Date: July 30, 2021

State: Illinois

Agency: Illinois Department of Commerce and Economic Opportunity

Provide narrative for the following elements:

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):

1. 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. 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.

Reduce Out of School Youth Expenditure from 75% to 50%

- b. A waiver of the requirement that local funding must meet the 75 percent minimum expenditure requirement. It is requested to allow a state-level Out-of-School Youth target (See #1 above) instead of requiring individual areas to each meet the minimum expenditure requirement.
- c. A waiver of the requirement to expend 75 percent of Statewide Activities funding on the OSY population. It is requested to eliminate this percentage to allow flexibility of funding for special projects that meet the vision and mission of the State.
- d. A waiver of the limitation of only 25 percent of funding to support in-school youth.
- e. A waiver to use funding over the 25 percent limitation in WIOA to provide pre-apprenticeship programs services to this population.

Background

Illinois' current efforts for aligning education, workforce and economic development is 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 as well as across the needs of our diverse populations including those that face multiple barriers to achieving self-sufficiency.

Of importance to the Governor's vision, the IWIB Strategic Plan and the Unified State Plan is 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 to the estimated 1.8 million youth ages 15-24 living in Illinois in 2013 and particularly focus on those within that number of which approximately 18.3% were in poverty and 19.3% were unemployed – more than twice the rate of the entire labor force.

ETA previously approved the State's request to waive the requirement that the state expend 75 percent of Governor's reserve youth funds on OSY for Program Years (PYs) 2019 and 2020, which includes the entire time period for which states are authorized to spend PY 19 and 20 funds.

In addition, ETA conditionally approved for PYs 2019 and 2020, which includes the entire time period for which states are authorized to spend PY 19 and 20 funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY.

The State is updating its waiver request to extend this authority through the time period in which local PY 2022 funds are available for expenditure and to update the waiver request to include projected quantifiable outcomes (i.e., for the core indicators under WIOA or shorter-term state-defined indicators) for WIOA youth served under the waiver as requested by ETA. See the *Projected programmatic outcomes resulting from implementation of the waiver* section of this waiver request.

Reduce Out of School Youth Expenditure from 75% to 50%

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.

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 support of the expansion of career pathway systems across the education system, Illinois will use this waiver to provide youth with barriers the necessary supports to successfully equip them with the academic and technical skills necessary to improve their employability. Furthermore, Illinois anticipates that this waiver will provide greater opportunity for blending funds at the federal, state, and local levels across the partners to increase innovative strategies for improving career pathway opportunities for youth.

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.

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.

Note at this time, the effects of the pandemic on registrant numbers and performance have yet to be realized; therefore, the projected outcomes listed above may not be achieved.

Alignment with Department of Labor's policy priorities

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

Reduce Out of School Youth Expenditure from 75% to 50%

- *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 demonstrating 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 the career pathway opportunities across the education and workforce system by allowing additional funds toward in-school youth, supports our common goal to expand career pathway opportunities through more 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 necessary career readiness and occupational skills necessary to succeed in the job market.

As Illinois continues the engagement of educational institutions to create a job-driven education and training system, the state will be making significant and 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 through the 48 comprehensive community colleges and multi-college centers, but the state will also be expanding the 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.

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 system will be able to provide the benefits of this waiver to our youth with barriers. This includes at-risk youth population, educational entities, American Job Centers (AJC) and 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.

Reduce Out of School Youth Expenditure from 75% to 50%

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

1. State staff involved with the administration of youth programming will provide ongoing technical assistance and oversight as it relates to the appropriateness and the effectiveness of this waiver. This information will be submitted regularly to the IWIB Evaluation and Accountability Committee.
2. Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.
3. Additionally, the IWIB Evaluation and Accountability 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 or changes to policy as well as 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.

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 submitted 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. Accordingly, Illinois will post this waiver request on our website for comment and review by required parties and the public.

Local Boards via Board members and/or Board staff as well as WIOA partners can comment during the public period, this includes participation in information webinars. Additionally, LWIB members/staff, WIOA partners, as well as other interested stakeholders take part in policy development.



Mr. Julio Rodriguez,
Deputy Director, Illinois Office of Employment and Training Illinois Department of Commerce
and Economic Opportunity
100 West Randolph, Suite 3-400
Chicago, Illinois 60601

July 12, 2021

Dear Mr. Rodriguez,

The Illinois Workforce Partnership (IWP) association represents the network of Illinois' 22 local workforce areas. The IWP advocates for the creation of a skilled workforce for our state's continued competitiveness and growth. IWP serves as the voice of the Illinois workforce development system and as a clearinghouse for workforce development.

IWP is in support of Illinois Department of Commerce and Economic Opportunity, Office of Employment and Training request for an Extension of the Out-of-School Expenditure waiver requirement to expend 75 percent of funding on the OSY population. IWP supports Illinois' request to decrease the expenditure requirement to 50 percent.

WIOA makes it clear that low-income youth with barriers to employment are a priority population for funding and services. Program flexibility is critical to implement services for the most vulnerable youth in high poverty distressed communities. The waiver request will strengthen a LWIB's ability to design and deliver meaningful career pathway programs for *all* youth, regardless of school status.

This waiver request will allow the local workforce areas to increase their services to ISY, while continuing to serve OSY as a priority population. A high school diploma is crucial for students who plan to enter college or the workforce. High school graduates are more likely to be employed and earn higher incomes. This waiver request will allow additional funds to be used by LWIBs to serve youth at risk of dropping out of school. Additional supportive services and case management are cost effective ways to keep K-12 youth in school and engaged in career pathways, as they prepare for post-secondary education or unsubsidized employment. An increase in ISY funds will provide a larger pool of skilled youth prepared to meet the current and future needs of employers in local areas and throughout the state.

Illinois plans to use this waiver to provide youth ISY with barriers, additional supports to offer customized solutions to improve their employability. This waiver aligns with federal, state, regional and local plans. The opportunity to blend funds at the federal, state, and local levels across partners will increase innovative strategies. This waiver will increase partnerships and collaboration with DCEO, the IWIB, LWIB's, local school districts, community organizations, post-secondary institutions, and employers.

All job seekers, including the hardest to serve, deserve individualized, high-quality career, training, and supportive services needed to obtain and maintain good jobs. Employment and training programs available throughout Illinois provide services to overcome barriers and achieve educational and employment goals to move job seekers from poverty to self-sufficiency. This waiver allows the State and LWIBs the flexibility needed to support our youth and improve our ability to meet the needs of business through career pathways.

Please accept this letter of support from IWP in concurrence with the Illinois Department of Commerce and Economic Opportunity, Office of Employment and Training request to extend the Out-of-School Expenditure waiver.

Sincerely,



Lisa M. Bly-Jones, Ed.D.
President, Illinois Workforce Partnership
303 North Main Street
Rockford, IL 61101-1049