

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



June 3, 2026

The Honorable Governor JB Pritzker
Governor of Illinois
401 S. Spring Street
Springfield, IL 62704

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 requests were received on March 30, 2026, as part of your recent WIOA State Plan modification submission. 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 of Labor'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).

ETA Response: ETA approves, for Program Years (PY) 2026 and 2027, which includes the entire time period for which states are authorized to spend each of those PY fund allotments, the State's request to waive the State requirement to expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed the State's waiver request and plan and has determined that this requirement impedes the ability of the State to implement its plan to improve the workforce development system. The State may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves, for PYs 2026 and 2027, which includes the entire time period for which states are authorized to spend each of those PY fund allotments, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. The State may lower the local youth funds expenditure requirement to 50 percent for OSY. As a result of this waiver, ETA expects that the number of in-school youth (ISY) served will increase, and 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 is also approved to calculate the lowered 50 percent expenditure rate at the State level instead of individually for each local area.

Requested Waiver: Waiver of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for ISY.

ETA Response: ETA approves, for PYs 2026 and 2027, the State's request to waive the requirement limiting ITAs to only OSY, ages 16–24. In addition to these OSY, the State may use ITAs for ISY, ages 16–21. ETA reviewed the State's waiver request and plan and has determined that the requirement limiting ITAs to OSY impedes the ability of the State to implement its plan to improve the workforce development system.

Requested Waiver: Waiver of WIOA Section 134(d)(2) and 20 CFR 680.910 to allow the use of supportive services for participants within 12 months of exit for employment retention.

ETA Response: ETA approves, for PYs 2026 and 2027, the State's request to waive the requirement that prohibits the use of Adult and Dislocated Worker funds for provision of supportive services during the 12 months following participant exit and entry into employment. With this waiver the State can provide targeted supportive services to participants who have exited from the program and entered employment, including recipients of public assistance, to ease temporary barriers that may impede job retention.

Requested Waiver: Waiver of 20 CFR 680.780 to adjust the six-month employment requirement for incumbent worker training (IWT).

ETA Response: The State requested this waiver on March 4, 2024. ETA approved this waiver and the waiver remains in effect until June 30, 2028.

Requested Waiver: The State is requesting a waiver of WIOA Section 106(a)(2) and 20 CFR 679.210 to allow the state to assign a single local workforce development area to multiple planning regions.

ETA Response: The State requested this waiver on March 4, 2024. ETA approved this waiver and the waiver remains in effect until June 30, 2028.

Requested Waiver: The State is requesting a waiver of WIOA Section 134(c)(3)(H)(i) and 20 CFR 680.720(b) in order to increase on-the-job training employer reimbursement up to 90 percent for businesses with 50 or fewer employees.

ETA Response: The State requested this waiver on March 4, 2024. ETA approved this waiver and the waiver remains in effect until June 30, 2028.

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

ETA Response: The State requested this waiver on March 4, 2024. ETA approved this waiver and the waiver remains in effect until June 30, 2028.

Requested Waiver: Waiver of WIOA Section 129(c)(4), 20 CFR 681.590–650, and Training and Employment Guidance Letter (TEGL) No. 21-16, *Title I Youth Formula Program Guidance* to count supportive services toward the 20 percent paid and unpaid work experience requirement for WIOA Youth.

ETA Response: ETA does not approve the State’s request. While WIOA Section 129(c)(4) establishes the 20 percent minimum expenditure requirement and 20 CFR 681.590-650 implements the youth program work experience expenditure requirement, the prohibition on supportive services counting toward the work experience expenditure is established in TEGL No. 21-16, from which ETA is not approving variances. The 20 percent requirement is designed to ensure that youth participants have access to meaningful paid and unpaid work experience opportunities that are central to WIOA’s youth program design. Supportive services play an important role in removing barriers to participation, but they serve a distinct function and are not considered a substitute for direct work experience activities under current policy. ETA will work with the State to provide technical assistance focused on strategies to meet the 20 percent threshold.

Requested Waiver: Waiver of WIOA Section 116(b) and 20 CFR 677.155 to exclude WIOA participants referred from the Supplemental Nutrition Assistance Program (SNAP) from WIOA reporting requirements.

ETA Response: ETA does not approve the State’s request. As communicated in TEGL 05-25: *Maximizing Opportunity in Workforce Innovation and Opportunity Act Programs*, “ETA will not support waiver requests that do not advance the administration’s key priorities, such as waivers of performance outcomes of participants and training providers.” In addition, ETA notes that WIOA’s statistical adjustment model is specifically designed to correct for changes in the characteristics of participants served, including those receiving or eligible for public assistance, such as SNAP. At the end of each program year, the model recalculates expected levels of performance using actual participant characteristics and actual economic conditions experienced during the year. This includes variables directly tied to barriers to employment and receipt of public assistance. As a result, any increase or decrease in the number of SNAP-involved participants is automatically incorporated into the adjustment process, ensuring that states are not disadvantaged by shifts in referral sources or participant characteristics.

The State is reminded that WIOA Title I waivers may not be used for any discriminatory purposes. All activities and waiver plan provisions must comply with Section 188 of WIOA, the implementing regulations at 29 CFR Part 38, and all applicable federal nondiscrimination laws.

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,

A handwritten signature in blue ink that reads "Henry Mack". The signature is written in a cursive, flowing style.

Henry Mack, Ed.D.
Assistant Secretary

Enclosures

cc: Kristin Richards, Director, Illinois Department of Commerce and Economic Opportunity
Pam Gerassimides, ETA Regional Administrator
Arlene Charbonneau, ETA Federal Project Officer