

U.S. Department of Labor

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



June 3, 2026

The Honorable Gretchen Whitmer
Governor of Michigan
111 S. Capitol Avenue
Lansing, MI 48933

Dear Governor Whitmer:

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 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 Michigan will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Michigan 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 requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed the State's waiver request and plan and has determined that the requirement impedes the ability of the State to implement its plan to improve the workforce development system. The State is approved to eliminate the expenditure requirement of Governor's reserve funds 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 Program Year 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.

Requested Waiver: Waiver of WIOA 134(d)(4) and 20 CFR 680.800(a) to allow local areas to reserve more than 20 percent of Adult and Dislocated Worker funds for incumbent worker training (IWT).

ETA Response: The State requested this waiver on March 1, 2024. ETA approved this waiver and the waiver remains in effect until June 30, 2028.

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 1, 2024. ETA approved this waiver and the waiver remains in effect until June 30, 2028.

Requested Waiver: Waiver of the requirement at WIOA Section 134(d)(4)(D)(ii) and 20 CFR 680.820 which establish a sliding scale based upon employer size for the minimum required non-federal share contribution that an employer must make for IWT.

ETA Response: In a letter dated May 29, 2024, ETA provided conditional approval to Michigan to waive the requirement at 134(d)(4)(D)(ii) and 20 CFR 680.820 which establish a sliding scale based upon employer size for the minimum required non-federal share contribution that an employer must make for IWT. ETA has determined that the conditions imposed in the prior approval of this waiver are inconsistent with the Administration's goals. Therefore, the State may lower the minimum employer contribution to 10 percent for all employers, regardless of size, through June 30, 2028.

Requested Waiver: Waiver of the requirement to meet data validation requirements outlined in WIOA Section 116(d)(5) and 20 CFR 677.240.

ETA Response: ETA does not approve the State's request. As communicated in the Training and Employment Guidance Letter No 05-25: *Maximizing Innovation in Workforce Innovation and Opportunity Act Programs*, "ETA will not support waiver requests that do not advance the administration's keys priorities, such as waivers of performance outcomes of participants and training providers." ETA's Regional Office and National Office staff are available to provide technical assistance and support.

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 cursive script that reads "Henry Mack".

Henry Mack, Ed.D.
Assistant Secretary

Enclosures

cc: Susan Corbin, Director, Michigan Department of Labor and Economic Opportunity
Pam Gerassimides, ETA Regional Administrator
Raymundo Garcia, ETA Federal Project Officer