

U.S. Department of Labor

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



July 20, 2026

The Honorable Tony Evers
Governor of Wisconsin
115 East State Capitol
Madison, WI 53707

Dear Governor Evers:

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 April 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 Wisconsin will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Wisconsin 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 local areas expend 75 percent of local formula youth funds on out-of-school youth (OSY).

ETA Response: ETA approves for Program Year (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. Wisconsin may lower the local youth funds expenditure requirement to 50 percent 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 Wisconsin to implement its plan to improve the workforce development system.

Requested Waiver: Waiver of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (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 requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system.

Requested Waiver: Waiver of WIOA Section 134(c)(3)(F)(i) and (G) and 20 CFR 680.320(a) and 680.340(a) to allow for all training services to be provided through training contracts.

ETA Response: ETA approves, through June 30, 2028, the State's request to allow contract for services to be used instead of ITAs. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Wisconsin to implement its plan to improve the workforce development system.

Requested Waiver: Waiver from WIOA Section 129(a)(3)(A)(ii) and 20 CFR 681.250(c), which allows up to five percent of WIOA Youth participants to not meet low-income requirements, of those who ordinarily would need to be low-income for eligibility.

ETA Response: ETA does not approve this waiver, as this request falls outside of the Secretary's waiver authority. WIOA 189(i)(3)(A)(i) prohibits the Secretary from waiving requirements related to participant eligibility.

Requested Waiver: Waiver of the five percent limitation on eligibility of in-school youth based on the "requires additional assistance to enter or complete an education program or to secure and hold employment" barrier under WIOA Title I at WIOA Section 129(a)(3)(A)(ii).

ETA Response: ETA does not approve this waiver, as it falls outside the Secretary's waiver authority. WIOA 189(i)(3)(A)(i) prohibits the Secretary from waiving requirements related to participant eligibility. However, please note that a youth who lives in a high-poverty area automatically meets the low-income eligibility requirement under WIOA Section 129(a)(2), as does a youth who qualifies to receive free or reduced lunch under the Richard B. Russell National School Lunch Act as per 20 CFR 681.250(d). Therefore, the five percent exception does not apply to either of these subgroups of youth.

Requested Waiver: Waiver of WIOA Section 121(e) and 20 CFR 678.300(c), which require each local workforce development area to establish and maintain at least one comprehensive American Job Center (AJC).

ETA Response: ETA approves, for PYs 2026 and 2027, the State's request to waive the requirement that each local area maintain a comprehensive AJC. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system. Before implementing this waiver, the State must provide ETA with the following information:

- Specify which local areas will have a comprehensive center; and
- Explain the reasoning and benefits behind using alternative models in comparison to the current approach.

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: Amy Pechacek, Secretary, Wisconsin Department of Workforce Development
Pam Gerassimides, ETA Regional Administrator
Arlene Charbonneau, ETA Federal Project Officer