

**U.S. Department of Labor**

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



June 6, 2022

The Honorable JB Pritzker  
Governor of Illinois  
State Capitol  
207 Statehouse  
Springfield, IL 62706

Dear Governor Pritzker:

Thank you for your waiver requests 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 March 15, 2022, as part of your recent WIOA State Plan modification. 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 expenditure for each local area.

ETA Response: ETA approves for Program Year (PY) 2022 and PY 2023, 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. 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. Illinois may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves for PY 2022 and PY 2023, 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. 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 PY 2022 and 2023, the State's request to waive the requirement limiting ITAs to only out-of-school youth (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 Illinois to implement its plan to improve the workforce development system. Approval of this waiver should not impede the State's efforts to prioritize OSY, including outreach to the OSY population.

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

ETA Response: ETA approves, through June 30, 2024, the State's request to adjust the six-month employment requirement for the purposes of conducting IWT. 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. The following conditions apply to implementation of this waiver:

- IWT may only be used to provide an employee skills to advance in their job or get skills to stay in a job (layoff aversion);
- Report individual records based on the Participant Individual Record Layout for all IWT participants through the Workforce Integrated Performance System (WIPS); and
- Track employment retention and earnings outcomes to measure whether use of this waiver has a positive effect.

Requested Waiver: 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's request to waive the requirement that a planning region consist of one local workforce development area, two or more intrastate local areas, or two or more interstate local areas is approved through June 30, 2024. This waiver allows the State to assign a single local workforce development area to more than one planning region. In its WIOA state Plan and waiver request, Illinois identified regions in the state that correspond with its economy, the labor market, and other factors. However, the existing geography of designated local workforce development areas span multiple regions. The State and local workforce areas indicate local areas have experienced success in planning and delivering services in the context of the State's identified regions in their early efforts. ETA reviewed the State's waiver request and plan and determined that the requirements requested to be waived impede the ability of Illinois to implement its plan to improve the workforce development system.

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 (OJT) employer reimbursement up to 90 percent for businesses with 50 or fewer employees.

ETA Response: ETA approves the State’s waiver request through June 20, 2024, for the WIOA Title I Adult, Dislocated Worker, and Youth formula funds. 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. Existing statutory authority permits the State and its local workforce areas to increase the reimbursement rate for OJT contracts up to 75 percent. The State may also reimburse up to 90 percent for OJT for businesses with 50 or fewer employees. ETA expects the utilization of OJT to increase in the State as a result of this waiver.

Requested Waiver: Waiver of WIOA Section 134(d)(5) and 20 CFR 680.195 to allow up to 20 percent of WIOA Title I Adult and Dislocated Worker local formula funds to be used for the provision of transitional jobs.

ETA Response: ETA approves the State’s waiver request through June 30, 2024, for the WIOA Title I Adult and Dislocated Worker formula funding streams. 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. To accurately report participants in receipt of transitional jobs, Illinois must record code value “6” in Participant Individual Record Layout (PIRL) element 1205 “Work Experience,” and code value “1” in PIRL element 1211.

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: ETA approves, through June 30, 2024, the State’s request to use statewide funds for disaster-relief employment, as described in WIOA Section 170(d) and 20 CFR 687.100(b). 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 under the following conditions:

- The Governor, or any federal agency, declares an emergency in the local area (or areas) where the State wishes to use statewide funds for the purpose of public service employment;
- WIOA-funded public service employment opportunities are short-term in nature;
- WIOA-funded public service employment opportunities increase the likelihood of participants entering unsubsidized employment; and
- The State collects and tracks use of funds under this waiver and complies with all WIOA- required performance and fiscal reporting.

The State must report its waiver outcomes and implementation of the approved waiver 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 black ink, appearing to read "Brent Parton". The signature is fluid and cursive, with a large initial "B" and a long horizontal stroke at the end.

Brent Parton  
Acting Assistant Secretary

Enclosure

cc: Sylvia Garcia, Director, Illinois Department of Commerce and Economic Opportunity  
Rose Zibert, Acting Regional Administrator, ETA  
Arlene Charbonneau, Federal Project Officer, ETA

**PY 2022 Illinois waiver requests, excerpt from State Plan submission  
March 15, 2022**

**WAIVER REQUEST - REDUCE OUT-OF-SCHOOL YOUTH EXPENDITURE  
RATE FROM 75% TO 50%**

**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): 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 for program years 2022 and 2023, which includes the entire time period for which states are authorized to spend those funds:

- 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.
- 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.
- 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.

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.

**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 and regulations.

**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 the State of Illinois, the Illinois State Career Pathways Dictionary - A Unified State Framework for College and Career Readiness and Success was developed with input from the public and private sector, including education, workforce development, and economic development entities as well as an extensive base of stakeholders. This college and career pathways approach envisions that Illinois residents, including out-of-school youth, will be enabled to progressively build toward college and career success through aligned education, training, and employment opportunities over their lifetime. This includes partnerships with employers to support participant educational and career advancement through on-the-job training, customized training, corporate training, incumbent worker training, and other work-based training strategies.

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.

The State of Illinois issues various funding opportunities using Statewide Funds throughout the program year. One such funding opportunity is the Youth Career Pathways grants which are typically out for proposal once during each program year. This Notice of Funding Opportunity (NOFO) soliciting proposals from eligible organizations (Eligible Applicants) capable of developing a framework which strengthens career pathway systems that will improve youth college and career readiness; create employment opportunities; address equity in underserved communities as well as expand partnerships between the workforce system, education and business. Proposals must integrate workforce services, education, and economic development to address the challenges youth face in obtaining marketable and in-demand skills. All projects must include essential employability skills and digital literacy assessments, programming. Additionally, applicants must demonstrate how they will implement the program components below as well as address the applicable program requirements.

**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:*

- *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.

The State of Illinois is aligned with the Department of Labor's commitment to providing high-quality services for youth, beginning with career exploration and guidance, continued support for educational attainment, opportunities for skills training, such as pre-apprenticeships or internships, for in-demand industries and occupations, and culminating with employment, enrollment in postsecondary education, or a Registered Apprenticeship.

Local areas are taking steps to address challenges locating, retaining, and serving out-of-school youth in their WIOA-funded programs, including increasing their recruiting efforts and strengthening partnerships with other WIOA programs such as the adult education program, state and local government agencies, and community-based organizations. Additionally, partners are working together to build career pathways that are a combination of rigorous and high-quality education, training, and support services that align

with local skill needs and prepare youth and young adults to be successful in secondary or postsecondary education programs and the labor market.

**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.*

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

- 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 Continuous Improvement Committee.
- Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.
- Additionally, the IWIB Continuous Improvement Committee will have the responsibility of reviewing reports and evaluations to ensure 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. Outcomes of the waiver will be reported in the WIOA Annual Report.

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 is submitting a modification to 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. As such, Illinois's waiver request posted 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 and other interested stakeholders participate in policy development. Additionally, LWIBs receive the opportunity to participate in a public comment period that includes webinars.

**Waiver outcomes for existing waivers.**

*The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the state seeks renewal of a previously approved waiver.*

Illinois has seen the following as a result of this waiver:

The number of in-school youth (ISY) served will increase.

- PY 18 – The state served 222 ISY.
- PY 19 – The state served 304 ISY.
- PY 20\* – The state served 244 ISY.
- PY 21 YTD – The state has served 502 ISY.
- \*PY 20 is lower due to COVID-19 when many in-school you were attending school virtually for a good part of the year.

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.

**Employment/Education Rate 2nd Quarter**

72.47%

74.13%

**Employment/Education Rate 4th Quarter**

67.52%

71.05%

**Employment/Education Rate 2nd Quarter**  
73.43%

**Employment/Education Rate 4th Quarter**  
73.07%

Evidence that the state and/or local areas are in jeopardy of missing 75 percent or information on past years' attempts to reach 75 percent:

- PY 18 (4/1/18 – 6/30/20) – Three local workforce innovation areas did not meet the 75% expenditure requirement. LWIA 15 – 50.64%; LWIA 19 – 59.81%; and LWIA 21 – 68.24.
- PY 19 (4/1/19 – 6/30/21) – Five local workforce innovation areas did not meet the 75% expenditure requirement. LWIA 15 – 58.21%; LWIA 17 – 73.78%; LWIA 19 – 55.22%; LWIA 21 – 67.94%; and LWIA 26 – 50.00%.
- PY 20 (4/1/20 – 6/30/22) – To date six local areas may be in jeopardy of not meeting the 75% expenditure requirement. LWIA 11 – 70.65%; LWIA 15 – 74.34%; LWIA 17 – 68.74%; LWIA 19 – 53.56%; LWIA 21 – 57.42%; and LWIA 23 – 66.96%.

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## **WAIVER REQUEST – PROVIDING ITAS TO WIOA IN-SCHOOL YOUTH**

### **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 for program years 2022 and 2023, which includes the entire time period for which states are authorized to spend those funds from the following Section(s):

Illinois requests a waiver on the requirement of providing Individual Training Accounts (ITAs) to only out-of-school youth (OSY) ages 16-24 enrolled in the WIOA Youth program.

20 CFR 681.550 states “In order to enhance individual participant choice in their education and training plans and provide flexibility to service providers, the Department allows WIOA Individual Training Accounts (ITAs) for OSY, ages 16 to 24 using WIOA youth funds when appropriate.”

## **Background**

The request is made to permit LWIBs to use the state’s list of eligible training providers to secure training for all youth including the in-school youth who are preparing to graduate and extend their educational goals into post-secondary opportunities. The waiver is designed to increase program flexibility, enhance informed customer choice, allow all youth to benefit from services provided by Illinois’ certified training providers, and expand training options without requiring Illinois workNet (One-Stop) operators to register in-school youth participants 18 years old or older in the adult program. Funds used for ITAs would be tracked separately for each funding stream.

Using ITAs also allows youth service providers an opportunity to promote and encourage training as another option for entry into an increasingly tough labor market. Approval of this waiver would allow youth to select approved training programs from Illinois’ list of demand occupation training programs.

## **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 and regulations.

## **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.*

Providing occupational training to youth via an ITA will maximize the service delivery capacity of the WIOA Youth Program by allowing those youth that are focused on employment to have the same access as adults and dislocated workers to the advantages of ITAs. In addition, this waiver will maximize

flexibility based on youth customers' assessed needs in terms of training that leads to employment in high growth industries and occupations.

### **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.*

The state estimates that the waiver will improve outcomes and provide other tangible benefits for jobseekers and employers in the following ways:

- Increase in the number of local workforce innovation areas that offer ITAs to in-school youth.
- Increase in the number of youth that utilize an ITA to receive an industry recognized and/or some other post-secondary credential.
- Increase in performance accountability measures for youth as found in section 116(b)(2)(A)(ii) of WIOA (e.g., increases in credential attainment and measurable skills gains).

### **Alignment with Department of Labor's policy priorities**

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

- *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. Through allowing both in-school and out-of-school youth to use ITAs to access training services, in-school youth will be able to use the Eligible Training Provider List (ETPL) of approved programs, which include registered apprenticeships. Expanding the training program opportunities for in-school youth will allow them to better connect to training programs that match their interest, support their learning

style and better prepare them for employment and work-based learning. Youth who complete occupational skills or adult education programs may be better prepared to obtain employment. Serving in-school and out-of-school youth with the same policy and procedures allows for a continuity of services for all youth.

**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.*

The waiver will positively impact the eligible youth population, youth service and eligible training providers, and the workforce system through access to a wider variety of providers for youth in pursuit of post-secondary education and training opportunities and the flexibility of services offered by those providers. Current eligible training providers will have the opportunity to expand the population served by including all eligible youth.

**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.*

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

- State staff who administer 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 Continuous Improvement Committee.
- Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.
- Additionally, the IWIB Continuous Improvement Committee will have the responsibility of reviewing reports and evaluations to ensure 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. Outcomes of the waiver will be reported in the WIOA Annual Report.

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 is submitting 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. As such, Illinois's waiver request posted 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 and other interested stakeholders participate in policy development. Additionally, LWIBs receive the opportunity to participate in the public comment period that includes informational webinars.

**Waiver outcomes for existing waivers.**

*The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the state seeks renewal of a previously approved waiver.*

Illinois has seen the following as a result of this waiver:

- Increase in the number of local workforce innovation areas that offer ITAs to in-school youth.
  - Three local workforce innovation areas (LWIAs) utilized the waiver authority in PY 18. To date in PY 21 a total of 15 LWIAs have provided ITAs to in-school youth.
- Increase in the number of youth that utilize an ITA to receive an industry recognized and/or some other post-secondary credential.
  - The number of in-school youth receiving ITA has increased from 3 in PY 18 to 59 year to date in PY 21.

- Increase in performance accountability measures for youth as found in section 116(b)(2)(A)(ii) of WIOA (e.g., increases in credential attainment and measurable skills gains).
  - The outcomes achieved for ISY exiters that received an ITA from the beginning of the waiver authority up to this point in PY21 are 55 have received a measurable skills gain, 42 have successfully completed training, 52 have received a credential, and thirty-eight have entered employment with an average wage of \$16.08/hr..

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**WAIVER REQUEST – AMEND THE DEFINITION OF INCUMBENT WORKER BY ELIMINATING OR REDUCING THE SIX-MONTH EMPLOYMENT REQUIREMENT**

**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 20 CFR 680.780 to amend the definition of “incumbent worker” by either reducing or, preferably, eliminating the 6-month employment requirement for program years 2022 and 2023, which includes the entire time period for which states are authorized to spend those funds. Several local workforce areas collaborated to jointly ask the State to submit this waiver request.

**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 and regulations.

**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.*

The overarching goal is to eliminate an arbitrary barrier to providing incumbent worker training to companies and workers struggling to stay competitive. Removing this barrier aligns directly with priorities espoused by the Department of Labor, the Governor's Executive Order #3, the Five- Year Economic Development Plan and WIOA Unified State Plan to:

- Be more responsive to the needs of businesses
- Support establishing long-term relationships between businesses and the workforce system
- Promote the expansion of Registered Apprenticeships to more businesses as a means to meet their workforce needs
- Provide upward mobility for workers into career pathways
- Promote increased use of work-based learning that allows workers to learn and earn at the same time.

**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.*

Illinois can effectively monitor the impact of the waiver through our existing Incumbent Worker Tracking System. A simple system modification can be deployed to require local areas to identify if a project includes workers that have been at the company less than six months. We will be able to track the companies and their location, sector and the number of workers trained in these projects that otherwise would have been denied.

Based on actual outcomes in PY20 and 21 and the formula fund reduction to Illinois in PY22, specific programmatic outcomes projections through the end of PY23 include:

- Minimum of 50 employers conducting projects under the waiver
- Minimum of 50 projects under the waiver
- Minimum of 100 workers trained under the waiver.

The number of employers is the key measure which drives all outcomes. The more companies that participate the more projects are undertaken and workers trained. While interest in IWT remains strong, the PY23 reduction in formula funds reduces the pool of available funds to support IWT. We believe the projections provided here are realistic given the circumstances.

**Alignment with Department of Labor’s policy priorities**

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

- *Supporting employer engagement;*
- *Connecting education and training strategies;*
- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

Illinois has long been a strong advocate of incumbent worker training as a means improving the competitive position of workers and businesses. Our Unified State Plan places a strong emphasis on workforce system responsiveness to the needs of employers, and the 6-month requirement is an arbitrary barrier to using incumbent worker training to support Registered Apprenticeships, upskilling workers and keeping companies competitive.

A recent survey conducted by the local workforce boards indicates that in 2019:

- dozens of employer requests for incumbent worker training were denied due to this requirement; and
- Employers expressed frustration with being able to use incumbent worker training for some employees but not others if they are newly hired. (Local areas are aware they have flexibility to include new hires if they make up a minority of the training cohort.)

**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.*

Individuals impacted by the waiver potentially include:

- all disadvantaged populations that recently entered the workforce through support from community-based programs funded from sources other than WIOA
- newly hired workers that wish to enter a Registered Apprenticeship
- newly hired workers that wish to upskill their talents for improved job security.

**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.*

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

- State staff 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 Continuous Improvement Committee.
- Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.
- Additionally, the IWIB Continuous Improvement Committee will have the responsibility of reviewing reports and evaluations to ensure 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. Outcomes of the waiver will be reported in the WIOA Annual Report.

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 is submitting a modification to 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. As such, Illinois's waiver request posted on our website for comment and review by required parties and the public.

Local boards, working through their statewide organization, the Illinois Workforce Partnership, collectively approached the State to pursue this waiver request. The State's waiver request includes direct input provided by the local boards and employers in their respective local area.

### **Waiver outcomes for existing waivers**

*The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the state seeks renewal of a previously approved waiver.*

Illinois has seen the following as a result of this waiver:

Overall, 100% of LWIAs were successful in utilizing this waiver to help their employees gain valuable skills through IWT. Participating companies are in sectors such as healthcare, manufacturing, transportation & distribution, and hospitality.

LWIAs report:

- 4 companies conducted their first IWT projects under the waiver.
- 56 businesses conducted 61 projects that provided training to 158 workers under the waiver. This represents a significant portion of all IWT activity in the state since the waiver went into effect.
- Waiver projects account for 19 percent of all IWT projects, 22 percent of all employers, and 7 percent of workers trained.
- An investment of approximately \$1.4 million in projects under the waiver make up nearly 30% of the statewide total for all projects in this period.

This activity occurred during the height of the Covid-19 pandemic which caused many companies to suspend or cancel active projects and defer starting new projects. We believe that while IWT activity under the waiver was significant, it is also far less than would have occurred in the absence of the

pandemic. Considering the positive impact of the waiver thus far in spite of challenges to employers, we request the waiver be extended for the duration of the Unified State Plan.

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## **WAIVER REQUEST – PLANNING REGION ALIGNMENT**

### **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):

WIOA Sec. 106(a)(2) and 20 CFR § 679.210 (preamble)

“In accordance with WIOA Section 106(a)(2), a single local area may not be split across two planning regions. Local areas must be contiguous to be a planning region and effectively align economic and workforce development activities and resources.” for program years 2022 and 2023, which includes the entire time period for which states are authorized to spend those funds.

Illinois has been proactive in coordinating regional planning with the implementation of the WIOA requirements. These efforts led to the state identifying meaningful planning regions that resulted in the 10 Economic Development Regions (EDRs). To support this process, Illinois coordinated regional planning including guidelines, regional and statewide planning events as well as coordinated technical assistance resources as part of the development of the initial regional plans in 2016. With the release of the final WIOA rules, planning resources were updated in 2017 and then again in early 2018 to garner consultation with local chief elected officials, local workforce board members and other interested stakeholders for the purposes of subsequent designation and alignment with planning regions.

Under WIOA Sec. 106(b)(2), 20 CFR § 679.250(a), and TEGE 27-14, the Governor must approve a request for initial local area designation from any area that was one under the Workforce Investment Act of 1998 (WIA) for the 2-year period preceding the date of enactment of WIOA; provided the local area had performed successfully and sustained fiscal integrity during that 2-year period. All twenty-two of Illinois' Local Workforce Innovation Areas (LWIA) met the requirements for initial designation based on analysis of fiscal integrity and WIOA performance. Illinois identified ten planning regions that meet the requirements of WIOA Sec. 106(a)(2) and 20 CFR § 679.210.

Five of the 22 LWIAs (4/Ogle, 11/Livingston, 19/DeWitt, 21/Calhoun, Jersey and 23/Douglas) that meet the requirements for designation crossover between planning regions. Furthermore, WIOA Sec. 106(b)(2) and 20 CFR § 679.250(a), states the Governor may not reconfigure Illinois' initially-designated local areas for subsequent designation without consultation with local area chief elected officials, Local Workforce Innovation Boards (LWIBs), and other interested stakeholders. Given these LWIAs as designated have sustained fiscal integrity and met performance, the Governor is unable to reconfigure these areas without consultation.

While these LWIAs meet the requirements within statute and regulation, the Governor did undertake an extensive process to consult with the local boards and elected officials, to identify a regional planning structure that would not result in any single local area split between two or more regions. This consultative process provided the opportunity for these stakeholders to voice their concerns over realignment and demonstrate why the configurations should remain.

The local feedback expressed concerns that *focusing the realignment decision on labor market information is a "one-size fits all" approach that does not focus on the complete composition of the counties and communities*. The State also received feedback expressing concern about the *administrative burden of realigning the counties and that this process would divert time and resources from serving job seekers and businesses in the community*.

The impacted counties and local workforce areas have demonstrated that they have been successful in planning and delivering services in the context of the current regional and local workforce area boundaries. Based on this fact and in response to feedback obtained from the consultation process, Illinois is pursuing this waiver to ensure the continuity of service in the impacted counties. This waiver removes a barrier that impedes the State's

efforts to improve the workforce, education, and economic development systems in Illinois.

**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.*

The Illinois Workforce Innovation Board (IWIB) and WIOA Core partners established a working group to develop a plan of action to address this issue. The working group meet in the summer of 2017 to review the regional planning data, identify a compliant regional planning structure, and develop a local consultation process with the Governor's Office, WIOA state agencies, state board, state legislature, chief elected officials, local board members, and other interested stakeholders.

Illinois' regional data has been updated and based on regional economic and labor market data that includes:

- commuting patterns;
- numbers of employers and jobs supported regionally;
- projections of regional job growth; and
- targeted industry growth patterns.

In spring of 2018, a state level team on behalf of the Governor convened workshops in the impacted counties. Over 90 employers, elected officials, workforce development board members, community college representatives, one-stop partners, representatives of economic development entities, and others attended these public meetings. Each session provided local chief elected officials and other interested parties with the labor market data that demonstrated the alignment of the county with the appropriate regional planning area. In addition, the sessions outlined steps and technical assistance available to support the realignment.

The State of Illinois documented the feedback from the consultation workshops. In addition, the State has received and reviewed additional written comments expressing questions, concerns, and objections to the realignment process. As of August 15, 2018, two of the impacted counties have expressly objected to the realignment requirement.

This waiver will provide Illinois with the flexibility to remove a regulatory barrier for counties that have demonstrated the ability to plan and deliver services in the context of the current local workforce area and regional planning area boundaries.

**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.*

The strategies and activities listed below are part of six policy priorities within the Illinois WIOA Unified Plan and speak specifically to regional alignment as identified in this waiver request and provide the support for planning and sector partnerships.

- Strategy 1: Coordinate Demand-Driven Strategic Planning at the State and Regional Levels.
  - Activity 1.1: Develop Strategic Indicators, Benchmarks and Related Planning Data Resources
  - Activity 1.2: Establish Regional Planning Areas
  - Activity 1.3: Conduct Integrated Regional Planning
  
- Strategy 2: Support Employer-Driven Regional Sector Initiatives
  - Activity 2.1: Promote Employer-Driven Regional Sector Partnerships
  - Activity 2.2: Promote Sector-Based Business Services and Employer Initiatives

**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.*

A waiver from realigning the LWIAs with regional planning areas, allows Illinois to comply with WIOA statute and regulations for complying with the Governor's need to allow LWIAs that maintain fiscal sustainability and performance accountability to stay intact.

The intent of the waiver is to not impose an unviable mandate on local Chief Elected Officials (CEOs) and workforce boards not able to restructure their county alignment at this time. The projected outcome of the waiver is to avoid creating a dysfunctional and disorganized environment that ultimately would have a negative impact on service delivery and customer outcomes if realignment were forced on local CEOs.

### **Alignment with Department of Labor's policy priorities**

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

- *Supporting employer engagement;*
- *Connecting education and training strategies;*
- *Supporting work-based learning;*
- *Improving job and career results; and*
- *Other priorities as articulated in guidance.*

Illinois' current regional and local structure align with the four identified purposes of Title I of WIOA priorities involving activities at the regional level which include:

- enhancing the strategic role for states and elected officials, and Local Workforce Innovation Boards in the public workforce system by increasing flexibility to tailor services to meet employer and worker needs at State, regional, and local levels;
- supporting the alignment of the workforce investment, education, and economic development systems in support of a comprehensive, accessible, and high-quality workforce development system at the Federal, state, and local and regional levels;
- improving the quality and labor market relevance of workforce investment, education, and economic development efforts by promoting the use of industry and sector partnerships, career pathways, and regional service delivery strategies; and
- increasing the prosperity and economic growth of workers, employers, communities, regions, and States.

### **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.*

This waiver benefits the entire state workforce system, reduces unnecessary administrative expenses caused by realignment, and keeps consistent with current Local Workforce Innovation Area structures. Those specifically impacted include:

- Employers;
- Job seekers, including WIOA priority population groups;
- Local area one-stop partners and delivery systems;
- LWIBs;
- Economic development entities;
- the IWIB; and
- WIOA state agency staff including planning, performance, policy, reporting, and fiscal.

**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.*

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

- State staff involved with the administration governance provisions 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.
- Annual WIOA on-site programmatic reviews will include evaluation review of the impact the waivers have on programmatic goals and outcomes. Outcomes of the waiver will be reported in the WIOA Annual Report.
- Additionally, the IWIB Evaluation and Accountability Committee will have the responsibility of reviewing reports and evaluations to ensure 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 to assist in preparing for the Program Year 2020 planning process.

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 is submitting a modification to 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. As such, Illinois's waiver request posted 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 and other interested stakeholders participate in policy development. Additionally, LWIBs receive the opportunity to participate in public comment period that includes webinars.

**Waiver outcomes for existing waivers**

*The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the state seeks renewal of a previously approved waiver.*

Illinois has seen the following as a result of this waiver:

To date the burden of contributing to multiple regional plans has not risen to the level of the locally perceived burden of realignment. As mentioned previously, Illinois successfully brokered realignment of several counties during the current planning cycle. Our position is to continue to encourage local areas to consider realignment and offer technical assistance to implement but stopping short of imposing this requirement on local CEOs determined to maintain the status quo.

The local areas that were allowed not to realign have continued to effectively plan and deliver services while maintaining fiscal sustainability and

performance accountability under the current local workforce area and regional planning boundaries.

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## **WAIVER REQUEST – INCREASE ON-THE-JOB TRAINING REIMBURSEMENT**

### **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.*

Illinois currently has the authority under WIOA Section 134(c)(3)(H)( i) to provide reimbursements to employers of on-the-job training programs up to 75 percent, and is seeking expansion of the authority to the current allowable employer reimbursement for the wage rate of an On-the-Job Training (OJT) participant for the extraordinary costs of providing training and additional supervision related to the OJT as described in WIOA Section 134(c)(3)(H)(i) and further outlined at 20 CFR 680.720 (b) for program years 2022 and 2023, which includes the entire time period for which states are authorized to spend those funds.

Illinois is proposing a sliding reimbursement scale to the employer based on its size and capability. Under this waiver, employers with fifty (50) or less employees would be reimbursed up to ninety percent (90%), those with between 51 and 250 employees up to seventy-five (75%) reimbursement and all other employers up to the statutory limit of 50%. Further, Illinois will develop policy as documentation of the factors used when deciding to increase the wage reimbursement level above 50 percent (50%) as required under WIOA Section 134(c)(3)(H)(i)(I) and 680.730.

This waiver is being requested to apply for all OJT contracts supported by WIOA formula funds, including Adult, Dislocated Worker, and Youth, as appropriate.

Many small businesses are facing unprecedented demands to keep their doors open and avoid layoffs. Extra incentives such as the increased wage reimbursement is a tool to support a strengthened recovery strategy. Illinois needs to have the flexibility to provide an increased incentive to establish new on-the-job training opportunities during a time of uncertainty and recovery.

**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 no State or Local barriers to implementing the provisions requested within this proposed waiver.

**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.*

This waiver is consistent with a national focus to develop the workforce system that is more responsive to the needs of business and individual customers and with Illinois' strategic direction, goals and priorities as outlined within its Unified State Plan, the Illinois Workforce Innovation Board's Strategic Plan, and the preliminary priorities of a new IWIB standing committee of business engagement.

Illinois seeks to address and enhance critical business and workforce needs in the state through an incentivized industry sector-based approach to workforce training. On-the-job training is a proven, reliable method to instill work-based training in an effective and efficient way that meets the immediate workforce needs of the state, especially in times of recovery from natural or other disasters. Employers need a durable and trained workforce, but when one is not readily available, quick and effective turnaround training is critical for the state's economy.

With the impact of COVID-19, Illinois needs the ability of such workforce training activities that provide immediate and effective relief to workforce shortages, especially in Illinois' industry sectors: health care and medical services; construction; manufacturing; and transportation, distribution, and logistics. While general academic knowledge is important, learning skills

through hands-on training allows for a quick ramp-up of the state's workforce. It allows employers to meet their immediate and long-term objectives, while providing jobseekers learning opportunities in an actual work environment that leads to a career pathway. For smaller businesses and employers who do not typically have a large workforce on standby, this waiver will allow them opportunities to employ individuals who are dislocated from other employment due to the disaster, while still being able to utilize their limited resources for other critical aspects of business. The waiver will provide them the necessary resources for on-the-job training that will enable them to redirect other business resources to critical business needs. On-the-job training strategies prioritized by the state match the USDOL's priority of work-based learning activities. It connects education and training and fulfills the workforce gaps in industry sector-driven demand areas.

### **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.*

The state estimates that the waiver will improve outcomes and provide other tangible benefits in the following ways:

- Increase in the number of OJT placements.
- Increase in the number of OJT placements in targeted sectors and occupations.
- Increase in the employment retention rates in the OJT-related industry 2<sup>nd</sup> and 4<sup>th</sup> quarter following exit.
- Increase in the number of unique employer work sites using OJT.

### **Alignment with Department of Labor's policy priorities**

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

- *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 WIOA Unified State Plan are examples of initiatives demonstrating the importance of work-based learning and how critical it is to meet the needs of businesses. Increasing the reimbursement rate up to 90% will encourage business participation and support the recovery as we come out of COVID-19.

**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.*

The waiver would benefit employers and individual customers. It would be especially beneficial to the small businesses including new start-ups as a cost-effective incentive to utilize the proven method of utilizing OJTs to hire and train new workers. It will allow Illinois businesses to quickly adapt to changing landscape by improving capacity and remain competitive that are designed to meet their specific goals. For individuals, such as dislocated workers transitioning to new occupations or industries, long-term unemployed attempting to return to the workforce and be introduced to new skills or entry-level workers such as youth will seek to start careers in a weak economic climate. This waiver would expand the potential training options for WIOA-eligible job seekers and workers.

**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.*

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

- State staff 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 Continuous Improvement Committee.
- Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.
- Additionally, the IWIB Continuous Improvement Committee will have the responsibility of reviewing reports and evaluations to ensure 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. Outcomes of the waiver will be reported in the WIOA Annual Report.

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 is submitting a modification to 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. As such, Illinois's waiver request posted 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 and other interested stakeholders participate in policy development. Additionally, LWIBs receive the opportunity to participate in a public comment period that includes webinars.

**Waiver outcomes for existing waivers**

*The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the state seeks renewal of a previously approved waiver.*

Illinois has seen the following as a result of this waiver:

Increase in the number of OJT placements.

- OJT placements increased from 343 in PY 19 to 355 in PY 20. PY 21 will not see an increase in number of placements. We believe this is in

large part due to uncertainty employers are facing with the COVID pandemic, particularly the manufacturing sector.

- Increase in the number of OJT placements in targeted sectors and occupations.
  - OJT placements have been mainly in the transportation/distribution/logistics, information technology, healthcare, and manufacturing sectors with the overwhelming majority of the OJT placements in the manufacturing sector.
- Increase in the employment retention rates in the OJT-related industry 2<sup>nd</sup> and 4<sup>th</sup> quarter following exit.
  - During the first year of the waiver authority, the state saw an increase of nearly 9% in employment retention rates in the OJT-related industry 2<sup>nd</sup> and 4<sup>th</sup> quarter following exit. Unfortunately, that was not the case for PY 20.
- Increase in the number of unique employer work sites using OJT.
  - There were a total of 172 unique work sites using OJT in PY 18 and 194 in PY 19. There was a decline in the number of unique work sites in PY 20. Again, the state feels this is due to the uncertainty employers are facing with the COVID pandemic

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**WAIVER REQUEST – INCREASE IN TRANSITIONAL JOBS EXPENDITURE THRESHOLD**

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) so that local areas may use up to 20 percent of WIOA Title 1 Adult and Dislocated Worker formula funds for the provision of transitional jobs for program years

2022 and 2023, which includes the entire time period for which states are authorized to spend those funds:

WIOA 134 (d)(5) which allows Local Boards to reserve up to 10% funds allocated to the local area involved, under section 133 (b), to provide transitional jobs.

- 20 CFR § 680.195 states “The local area may use up to 10 percent of their combined total of adult and dislocated worker allocations for transitional jobs as described in § 680.190. Transitional jobs must be combined with comprehensive career services (see § 680.150) and supportive services (see § 680.900).”

Across the nation governors are issuing Executive Orders to combat the COVID-19 crisis. Illinois is no exception and has taken an aggressive approach to curbing the progression of the virus across the state to lessen health impacts and deaths across the state. However, the unfortunate repercussion caused business closures and employment loss statewide.

Illinois must prioritize services to individuals most impacted by the crisis, including low wage and traditionally lower skilled individuals who have been let go or furloughed from their current employers.

Every tool to provide services must be available and additionally, the state will need maximum flexibility to provide those services. Transitional Jobs are an important employment strategy best used when there is higher than normal unemployment or during an economic shock, such as COVID-19, especially for hardest-hit chronically unemployed individuals. Transitional Jobs can provide employment, earned income, and connections to future unsubsidized employment to help stabilize individuals and families. Increasing the allowable amount local areas can allocate toward transitional jobs will support these efforts and offer maximum local flexibility to meet locally determined demand for using transitional jobs as an employment strategy. Transitional Jobs have proven to be successful in Illinois with WIOA required partners to serve TANF and SNAP participants under previous initiatives including Illinois *EPIC Program* and the American Recovery and Reinvestment Act. The *EPIC Program* was part of a larger national study to develop and test methods for employment & training programs and services that will increase the number of SNAP work registrants who obtain unsubsidized employment, increase the earned income of work registrants, and reduce the reliance of work registrants on public assistance. This waiver would provide additional flexibility to leverage funding locally for the most vulnerable individuals, including recently

released incarcerated individuals. Furthermore, Illinois is concerned that there may be severe undercounting and transitional jobs could be an important strategy in the reemployment toolbox.

Using a transitional job strategy will also help employers as they recover from the negative economic impact experienced because of the virus in two important ways. First, Transitional Jobs programs have been shown to stimulate the local economy as participants tend to spend their earned income in the communities in which they live. Second, these programs have shown that they provide employers with candidates who are work ready, with in-demand skill sets, and help reduce turnover costs.

Approval of this waiver would contribute to the economic recovery and provide an essential avenue for participants that are traditionally long-term unemployed or underemployed with the support they need to secure employment.

**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. In the past in Illinois, Transitional Jobs has not been fully utilized under WIOA; however, using lessons from sister agencies coupled with robust technical assistance, Illinois feels this is an employment strategy to offer local areas during this crisis. Illinois will support local areas' assessments of demand for transitional jobs. Illinois will provide robust technical assistance and professional development to local areas through existing infrastructure. For instance, Illinois already has a WIOA Wednesday webinar series and several slots could be dedicated to best practices for implementing a transitional jobs program, including performance measurement.

This is a ready-made vehicle for offering rapid and high-quality technical assistance.

## **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 January 2019, two days after his inauguration, Governor Pritzker issued Executive Order #3 (EO 3) and directed the State to prioritize revitalizing economic growth and creating economic opportunity in communities across the state using a data-informed, demand-driven framework for improving the quality of the State's workforce. Building upon that direction, the Illinois Workforce Innovation Board (IWIB) guided the development of the WIOA Unified State Plan.

One of the tenants of the Governor's Executive Order is serving underrepresented persons in disenfranchised communities. Often these individuals face multiple challenges to self-sustaining employment. Ramping up transitional job programs will support the Governor's goals and will assist Illinois in achieving the following goals related to the Unified State Plan:

- Prepare Illinois' workers for a career, not just their next job: Regardless of background, life circumstances, or education level, Illinois workers can be prepared for high-demand careers by developing core academic, technical, and essential employability skills throughout their lifetimes.
- Connect job seekers with employers: Assist Illinois businesses to find the productive workers they need, through more efficient training and better services for job seekers and employers.

## **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.*

The state estimates that the waiver will improve outcomes and provide other tangible benefits for jobseekers and employers in the following ways:

Increase in the number of employers that use transitional jobs as a tool to find skilled workers.

- Increase in the number of participants using transitional jobs programs as tools to gain employment and address barriers to employment.
- Increase in the number of local workforce innovation boards using transitional jobs as a strategy to serve Adults with barriers to employment.
- Increase in reported costs for transitional jobs.

### **Alignment with Department of Labor's policy priorities**

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

- *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 Unified State Plan are examples of initiatives proving the importance of addressing employment barriers of our hardest to serve populations, while addressing the need for a pipeline of skilled workers for businesses. Specifically, increasing the funding toward transitional jobs supports DOL's priority for work-based learning and employer engagement strategies. Transitional jobs are a career service/work-based learning opportunity that can increase business usage of the workforce system by providing incentives to hire and train new workers. In addition, Illinois' use of transitional jobs will support improved job and career results by providing individuals with work experience as well as the opportunity to develop essential workplace skills within the context of an employee-employer relationship.

### **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.*

The waiver will positively impact both employers and jobseekers. For employers this waiver will provide an incentive to hire and train new workers, who have recently proven their hard and soft skills through the transitional job. Jobseekers who experience chronic unemployment will have greater access to employment opportunities and have the supports needed to stay employed after successfully completing a transitional job

### **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.*

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

- State staff who administer WIOA 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 Continuous Improvement Committee.
- Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.
- Additionally, the IWIB Continuous Improvement Committee will have the responsibility of reviewing reports and evaluations to ensure 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. Outcomes of the waiver will be reported in the WIOA Annual Report.

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.

### **Waiver outcomes for existing waivers.**

*The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the state seeks renewal of a previously approved waiver.*

Illinois has seen the following as a result of this waiver:

Increase in number of employers that use transitional jobs as a tool to find skilled workers.

- The first year of the waiver authority saw two employers provide transitional jobs whereas, PY 20 only had one employer.
- Increase in number of participants using transitional jobs program as tool to gain employment and address barriers to employment.
- The initial year of implementation only two participants were placed into transitional jobs. As it has grown, there were 23 in PY 19.
- Increase in the number of local workforce innovation boards using transitional jobs as a strategy to serve Adults with barriers to employment.
- Two of the state's workforce innovation boards which cover two of the largest metropolitan areas in the state (LWIAs 3 which includes Rockford and 7 which is the entirety of Cook County) have begun to use transitional jobs as a strategy to serve their customers.
- Increase in reported costs for transitional jobs.

- As a state approximately \$15,500 was spent on transitional jobs the first year of implementation, whereas as in PY 19 a little over \$12,600 was expended.

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## **WAIVER REQUEST – USE OF STATEWIDE FUNDS FOR QUALIFYING EVENTS**

### **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.*

Specifically, the State of Illinois is requesting from Employment and Training Administration (ETA) a waiver of to allow flexibility in the use of the funds reserved by the Governor for use to provide statewide rapid response activities (i.e. WIOA section 134(a)(2)(A)), and for use to provide statewide employment and training activities (i.e. WIOA section 134(a)(2)(B) and (3)) in order to provide comprehensive Disaster Recovery assistance to affected areas as described in WIOA 170(d) and 20 CFR 687.100(b) for program years 2022 and 2023, which includes the entire time period for which states are authorized to spend those funds. The state may continue to apply for applicable grants as they may be made available.

The State is also requesting to waive WIOA Section 194(10) which bans public service employment for program years 2022 and 2023, which includes the entire time period for which states are authorized to spend those funds. Additionally, this waiver requests approval to exclude individuals from the calculation of state and local performance measures found in WIOA §§ 116(b) and (c). Specifically, the exclusion request is for participants who receive only disaster relief employment and no other allowable career and training services through the grant or through co-enrollment in another WIOA core or partner program. This request is consistent with the performance allowance in TEGL 12-19. The state understands that it must include these participants in various

reports and the state's annual Participant Individual Record Layout (PIRL) submissions, using the "Special Project ID field. In addition, Illinois will segregate the *Disaster Recovery* projects from other Statewide Rapid Response grants. The services to the participants will be limited to the time that this needed to respond and recover from the disaster. (add the time frame – governor declared emergency and recovery period)

Under this waiver allowance, permitted WIOA statewide fund use includes, but is not limited to:

- Expeditious allocation of funds to a local workforce innovation board, or local board, so they may respond quickly to a disaster, emergency, or other qualifying event as described at 20 CFR 687.100(b). Only those events, and cascading events caused by a qualifying event, that have been declared as an emergency or disaster by the Federal Emergency Management Agency (FEMA), by the chief official of a Federal Agency with jurisdiction over the Federal response to a disaster with potential significant loss of employment, or the Governor of Illinois qualify for the use of WIOA statewide funds.
- To alleviate the effects that a qualifying event causes within affected local area(s), and/or planning regions, WIOA statewide funds will allow comprehensive disaster relief employment and employment and training activities, and the provision of needed humanitarian resources and services, including other services or resources deemed necessary as described at 20 CFR 687.180(b)(1).
- An individual's disaster relief employment is limited to 12 months or 2080 hours for work related to recovery from a single emergency or disaster. OET may extend an individual's disaster relief employment for up to an additional 12 months or 2080 hours if requested and sufficiently justified by the local board.
- Supportive services may be provided to enable individuals to participate in disaster relief employment and employment and training activities, including such costs as transportation, childcare, and personal safety equipment and clothing consistent with local policies.
- Individuals shall be eligible to be offered disaster relief employment and employment and training services if such individual is a dislocated worker; is a long-term unemployed individual as defined by the State; is temporarily or permanently laid off as a consequence of the emergency or disaster; or in the case of an individual who is self-employed, becomes unemployed or significantly underemployed as a result of the emergency or disaster.

## **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.

The state established the Illinois Emergency Management Agency (IEMA) to act as the lead agency in the event of an emergency and/or disaster when a county is declared a disaster area by the Governor. Within all Illinois local workforce innovation areas, or local areas, there are responsible entities marshalled by local government, or its agents, should a qualifying event occur. The state works in concert with these entities to provide resources and expertise.

Illinois's WIOA Unified State Plan articulates many of the WIOA-related statewide activities it does, or can do, when facing a qualifying event. For example, the Office of Employment and Training is responsible for applying and administering applicable National Dislocated Worker Grants (NDWG), consistent with WIOA Sec. 170 and its corresponding regulatory requirements. These grants are helpful once allocated, but in the time between the event and allocation, aid is urgently needed and there is much work to be done. If months pass before the NDWG allocation occurs, damage can be exacerbated, and work is not completed. The state is mindful of this time gap and strives to apply as soon as the state is eligible for NDWG funding assistance, as appropriate. The efficient use of time right after a qualifying event occurs is a critical variable in how well recovery is measured. This is a serious barrier the state wants to reduce.

The State of Illinois' waiver request to allow flexibility in the use of the funds reserved by the Governor for use to provide statewide rapid response activities (i.e. WIOA section 134(a)(2)(A)), and for use to provide statewide employment and training activities (i.e. WIOA section 134(a)(2)(B) and (3)) in order to provide comprehensive Disaster Recovery assistance to affected areas as described in WIOA 170(d) and 20 CFR 687.100(b) was approved in 2019; however, the approval did not address the State's request regarding the performance requirements for individuals that are only provided with disaster recovery employment.

## **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.

This waiver will allow the State of Illinois' to efficiently and effectively respond to disasters by aligning the program requirements of a disaster recovery project regardless if they are funded with WIOA Statewide Rapid Response funds or the National Dislocated Worker Grant Program.

The objective of improved outcomes, varied as they may be, is best served when available funding is put to quick and effective use for all parties involved. Illinois' WIOA Unified State Plan articulates that the Governor's WIOA statewide funds will generally be used to promote a vision of jobs that pay, schools that teach, and government that works. To that end, in the case of a qualifying event, the state intends to use WIOA statewide funds so that relevant workforce development responses are provided in a timely manner. WIOA statewide funds may be provided to local areas deemed in need of financial resources as a result of being affected by a qualifying event.

The use of WIOA statewide funds associated with this waiver supports the state's goal of local WIOA-based programs and activities that better serve targeted groups of workforce development system customers. The use of WIOA statewide funds offers greater flexibility so that the state and local governing entities can expand their ability to coordinate resources, services and activities for individuals, workers and employers affected by the qualifying emergency and/or disaster event. The state will use WIOA statewide funds to ensure that critical, time-sensitive work can be performed, and the potential participant pool is widened. The waiver flexibility permits local areas the latitude to marshal available labor, conduct appropriate training, enable required resources to be requisitioned quickly, and provide immediate and comprehensive disaster recovery assistance, including efforts to minimize further disaster impacts.

### **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.

The state estimates that the waiver will improve outcomes and provide other tangible benefits in the following ways:

- Increase statewide and local area workforce development response times to a qualifying event;
- Increase public safety and help support humanitarian activities;
- Availability of disaster relief employment will provide grant participants with access to employment and training activities;
- Increasing of eligible grant participant's employment and training activities will lead towards a higher probability of securing unsubsidized employment; and
- Alleviation of some of the time-sensitive variables arising from a qualifying event affecting an employer and lessening the severity of possible layoffs or business closings.

### **Alignment with Department of Labor's policy priorities**

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

- *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. This will allow the state to temporarily expand service capacity at the local level through time-limited funding assistance in response to significant disasters.

Expanding the ability for the state to provide disaster related employment opportunities through statewide funding allows participants to develop skills that will better prepare them to obtain permanent employment.

### **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.*

The waiver will positively impact:

- All eligible participants as identified at WIOA section 170 and 20 CFR 687.170 which include dislocated workers, long-term unemployed individuals as defined by the State, temporarily or permanently laid off workers as a consequence of the emergency or disaster, or in the case of an individual who is self-employed, becomes unemployed or significantly underemployed as a result of the emergency or disaster; and
- Non-WIOA eligible recipients include affected businesses and employers, residents and other individuals that benefit from the qualifying event clean-up, restoration and humanitarian activities, and resources provided.

**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.*

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

OET workforce development leadership will determine if the qualifying event requires the use of WIOA statewide funds and will approve parameters for the project, be the operational lead, and be tasked with WIOA fund administration and project management or activities. Applicable federal, state and local laws, regulations, policies and procedures will be used to ensure fiscal accountability. Unless otherwise authorized in this waiver, the financial and administrative rules contained in Workforce Innovation and Opportunity Act; Final Rule (i.e., 20 CFR 683) will apply.

At a minimum, the funding recipient will supply the OET with the following information for review:

- Completed Request for Funds form with local board signatory authorizing request;
- Official declaration documenting the emergency and/or disaster event;
- Narrative will include, at a minimum, summary of the event, preliminary assessment of the cleanup, humanitarian needs of the affected areas,

and will demonstrate whether there is a sufficient population of eligible individuals to conduct the planned work;

- Budget and budget justification; and
- Completed worksite summary.

The OET will receive monthly project status reports and will host teleconferences with project stakeholders as necessary to monitor project status. At a minimum, funding recipients will provide the OET with the following information for review:

- Revised narrative and associated attachments when a modification is required;
- Monthly Financial Status Reports;
- Monthly project status report of project activities; and
- Data entry for all participant service in Illinois Workforce Development System (IWDS).

Only local boards will be the recipient of WIOA statewide funding for qualifying events. If a qualifying event occurs in a local area, the state requires the respective local board to collaborate with local governments and other recognized entities to determine whether workforce development-oriented services and activities are warranted. Local boards may work with their respective local area fiscal agents to complete and submit the funding request to OET. Local boards will work with one-stop operator(s) to communicate the funding parameters to workforce development system partners and other service providers. Participant activity is to be recorded in the state system of record, the IWDS. All funds obligated will be accounted for in the financial management system, the GRS. Case management and related source documentation associated with the emergency and/or disaster must include the qualifying event as a point of reference.

State staff who administer 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 Illinois Workforce Innovation Board (IWIB) Continuous Improvement Committee.

Annual WIOA on-site programmatic reviews will include an evaluation of the impact the waivers have on programmatic goals and outcomes.

Additionally, the IWIB Continuous Improvement Committee will have the responsibility of reviewing reports and evaluations to ensure 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.

### **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 is submitting a modification to 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. As such, Illinois's waiver request posted 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 and other interested stakeholders participate in policy development. Additionally, LWIBs receive the opportunity to participate in a public comment period that includes webinars.

### **Waiver outcomes for existing waivers.**

*The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the state seeks renewal of a previously approved waiver.*

Illinois has seen the following as a result of this waiver:

The Rapid Response disaster and emergency waiver has allowed the State and local areas to respond to disasters using readily available State Rapid Response funds and assist laid off workers with obtaining temporary disaster recovery employment as well as permanent employment. To date, three local workforce innovation boards have received an award under this waiver and provided disaster recovery employment to 21 participants at five disaster worksites.

## Comments

**Arlene Charbonneau** Mar. 22, 2022, 3:30 pm

- Compliance issue

### Compliance issue

Comment

Panel Consensus:

The following additional information is required for Illinois' waiver requests.

#### 75 Percent OSY (State and local with statewide rollup):

- The State must clarify for which funding year the waiver is requested.
- The State is asking for a waiver of the 75 percent OSY expenditure requirement to:
  - Reduce the local minimum expenditure to 50 percent;
  - Eliminate the statewide expenditure requirement; and
  - Calculate the 50 percent local expenditure at the state-level.
- The State's additional OSY requests are redundant and unnecessary. The State does not need to request a waiver of the limitation of only 25 percent of funding to support in-school youth or a waiver to use funding over the 25 percent limitation in WIOA to provide pre-apprenticeship programs services to this population.
- The state must provide projected outcomes that are discrete and measurable. How much of an impact does the state anticipate the waiver having on ISY enrollment? How much of an impact does the state predict the waiver will have on youth performance across the board?

#### Youth ITAs

- The State must clarify for which funding year the waiver is requested.
- The State must provide projected outcomes that are measurable and discrete. While arguably measurable, the State must estimate the impact of the waiver on the following items:
  - Increase in the number of local workforce innovation areas that offer ITAs to in-school youth.
  - Increase in the number of youth that utilize an ITA to receive an industry recognized and/or some other post-secondary credential.
  - Increase in performance accountability measures for youth as found in section 116(b)(2)(A)(ii) of WIOA (e.g., increases in credential attainment and measurable skills gains).
- Under the monitoring and waiver implementation section, the State must describe how the IWIB Continuous Improvement Committee will ensure the specific goals and outcomes achieved by the waiver are realized.

### Six-month employment requirement for IWT

- The State must clarify for which funding year the waiver is requested.
- The State must provide discrete and measurable projected outcomes.
- Under the monitoring and waiver implementation section, the State must describe how the IWIB Continuous Improvement Committee will ensure the specific goals and outcomes achieved by the waiver are realized.

### OJT Sliding Scale

- The State must clarify for which funding year the waiver is requested.
- The goals provided are overly broad. The State must indicate how the waiver will help achieve an identified strategic goal.
- The State needs to provide discrete and measurable targets. Can the state estimate the increases proposed?
- The State should provide an account of local board involvement in the development of the waiver and/or how the State shared information about the proposed waiver to the boards.
- Under the monitoring and waiver implementation section, the State must describe how the IWIB Continuous Improvement Committee will ensure the specific goals and outcomes achieved by the waiver are realized.

### Waiver to Use Up to 20 Percent of Local Funds for Transitional Jobs

- The State must clarify for which funding year the waiver is requested.
- The State needs to provide discrete and measurable targets/projected outcomes beyond offering increasing the number of transitional jobs.
- Under the monitoring and waiver implementation section, the State must describe how the IWIB Continuous Improvement Committee will ensure the specific goals and outcomes achieved by the waiver are realized.

### Waiver to allow statewide funds for disaster-relief employment

- The State must also request to waive WIOA Section 194(10) which bans public service employment.
- The state The State needs to provide discrete and measurable targets/projected outcomes.
- The State must indicate how the local boards affected were notified of the waiver.

- [Reply](#)

[Sean Fox](#) Apr. 10, 2022, 3:03 pm

- Compliance issue

### Compliance issue

Comment

The following additional information is required for Illinois' waiver requests.

#### 75 Percent OSY (State and local with statewide rollup):

- The State must clarify for which funding year the waiver is requested.
- The State is asking for a waiver of the 75 percent OSY expenditure requirement to:
  - Reduce the local minimum expenditure to 50 percent;
  - Eliminate the statewide expenditure requirement; and
  - Calculate the 50 percent local expenditure at the state-level.
- The State's additional OSY requests are redundant and unnecessary. The State does not need to request a waiver of the limitation of only 25 percent of funding to support in-school youth or a waiver to use funding over the 25 percent limitation in WIOA to provide pre-apprenticeship programs services to this population.
- The state must provide projected outcomes that are discrete and measurable. How much of an impact does the state anticipate the waiver having on ISY enrollment? How much of an impact does the state predict the waiver will have on youth performance across the board?

#### Youth ITAs

- The State must clarify for which funding year the waiver is requested.
- The State must provide projected outcomes that are measurable and discrete. While arguably measurable, the State must estimate the impact of the waiver on the following items:
  - Increase in the number of local workforce innovation areas that offer ITAs to in-school youth.
  - Increase in the number of youth that utilize an ITA to receive an industry recognized and/or some other post-secondary credential.
  - Increase in performance accountability measures for youth as found in section 116(b)(2)(A)(ii) of WIOA (e.g., increases in credential attainment and measurable skills gains).
- Under the monitoring and waiver implementation section, the State must describe how the IWIB Continuous Improvement Committee will ensure the specific goals and outcomes achieved by the waiver are realized.

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- The State must clarify for which funding year the waiver is requested.
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- The State must clarify for which funding year the waiver is requested.

- The goals provided are overly broad. The State must indicate how the waiver will help achieve an identified strategic goal.
- The State needs to provide discrete and measurable targets. Can the state estimate the increases proposed?
- The State should provide an account of local board involvement in the development of the waiver and/or how the State shared information about the proposed waiver to the boards.
- Under the monitoring and waiver implementation section, the State must describe how the IWIB Continuous Improvement Committee will ensure the specific goals and outcomes achieved by the waiver are realized.

#### Waiver to Use Up to 20 Percent of Local Funds for Transitional Jobs

- The State must clarify for which funding year the waiver is requested.
- The State needs to provide discrete and measurable targets/projected outcomes beyond offering increasing the number of transitional jobs.
- Under the monitoring and waiver implementation section, the State must describe how the IWIB Continuous Improvement Committee will ensure the specific goals and outcomes achieved by the waiver are realized.

#### Waiver to allow statewide funds for disaster-relief employment

- The State must also request to waive WIOA Section 194(10) which bans public service employment.
- The state The State needs to provide discrete and measurable targets/projected outcomes.
- The State must indicate how the local boards affected were notified of the waiver.