

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA Title I and Wagner-Peyser Waivers
	CORRESPONDENCE SYMBOL OWI
	DATE December 19, 2018

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 8-18

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND
DIRECTORS
STATE LABOR COMMISSIONERS

FROM: MOLLY E. CONWAY /s/
Acting Assistant Secretary

SUBJECT: Workforce Innovation and Opportunity Act (WIOA) Title I and Wagner-Peyser Act Waiver Requirements and Request Process

1. **Purpose.** This guidance communicates the requirements and the process for states to request a waiver of WIOA Title I or the Wagner-Peyser Act, and to provide information regarding available resources for developing waiver requests.
2. **Action Requested.** The Department of Labor (Department) requests that states review the available resources and consult the appropriate Employment and Training Administration (ETA) Regional Office to discuss whether the state could use the Secretary’s waiver authority to increase flexibility and maximize innovation. States must submit waiver requests to ETA in accordance with this guidance.
3. **Summary and Background.**
 - a. **Summary.** WIOA establishes a broad framework for enhancing the skills of the American workforce when connecting job creators with qualified candidates in order to help businesses grow. Within this framework, the law strikes a balance of authority between state and local leaders who are well-positioned to make decisions about investing Federal employment and training funds effectively in the communities they serve. The Department recognizes that private sector-led state and local workforce development boards (WDBs), governors, and local elected officials have a deep understanding of the workforce needs in their communities, as well as a clear vision for meeting the needs of both employers and workers.

RESCISSIONS TEGL 01-15, TEGL 27-14, TEGL 26-09	EXPIRATION DATE Continuing
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- b. Background.** The Department is committed to empowering states and local workforce areas with maximum flexibility and programmatic control to further enable them to achieve their goals. Under WIOA, the Secretary may grant states additional flexibility through the Secretary's waiver authority. Waivers are a tool for reducing barriers to WIOA implementation and spurring innovative programming options. While some waiver requests may fall outside the Secretary's waiver authority, the Department is dedicated to exploring available flexibilities with states to facilitate the achievement of their goals.

4. Waiver Process and Resources.

- a. Developing a Quality Waiver Request.** Attachment I provides details on the waiver authority found in the statute and regulations, as well as the limitations of the Secretary's waiver authority as it pertains to WIOA and the Wagner-Peyser Act. We request that states review the limitations of this authority before submitting a request.

Once a state has set goals and identified barriers in the implementation of WIOA Title I or the Wagner-Peyser Act, along with corresponding regulations that may impede achievement of those goals, we encourage those states to reach out to ETA regional staff to discuss their plans for a waiver request. This allows the state an opportunity to share its goals and ideas for innovation with ETA, and provides the opportunity to fully explore waiver options and existing flexibilities. Sharing a general outline of a state's waiver request with ETA staff prior to formal submission can help ensure the waiver request responds to all the required elements listed below.

WIOA section 189(i)(3)(B) and the regulations at 20 CFR 679.620 require waiver requests to include a discussion of the following elements:

- **The statutory and/or regulatory requirements the state would like to waive.** The state must clearly cite the statute and/or regulation(s) in its request, and ensure that the citations refer to the specific elements the state wishes to waive.
- **Actions the state has undertaken to remove state or local statutory or regulatory barriers.** In some instances, a potential waiver could conflict with state or local laws and/or policies. 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.
- **State strategic goal(s).** The state must precisely articulate the goals it seeks to achieve by requesting a waiver. Understanding the problem from the state's perspective can also help the Department identify other flexibilities if a request is beyond the Secretary's waiver authority. The state must also discuss how these goals relate to its Unified or Combined State Plan.
- **Projected programmatic outcomes resulting from implementation of the waiver.** When developing a request, the state must provide an estimate of how the waiver will improve outcomes or provide other tangible benefits for jobseekers or employers. Thoughtful consideration of discrete improvements that a waiver may provide to the

public workforce system will help the state develop a stronger waiver request and position the state to better evaluate waiver impact. For example, a state requesting to increase the employer reimbursement rate for on-the-job training (OJT) could estimate the number of additional participants or number of additional businesses that would make use of WIOA-funded OJT as a result of the waiver if approved. 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.

- **Alignment with Department policy priorities.** The state must articulate 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, and improving job and career results.
- **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. For example, a waiver request to decrease the 75 percent out-of-school youth expenditure requirement should include a discussion of how the state will continue to serve out-of-school youth as it increases spending for in-school youth projects. It should also discuss the potential benefits for in-school youth.
- **State plans for monitoring waiver implementation, including collection of waiver outcome information.** Just as states monitor the regular fiscal and programmatic implementation of WIOA at the local level, they must also consider how they will monitor a waiver that changes standard procedures. States must describe how they intend to oversee effective waiver implementation and any unique protocols that may be used in their waiver requests. For example, a state approved for a waiver to increase the OJT employer reimbursement rate would need to demonstrate fiscal adherence to the waiver-approved rate, and assess whether the waiver is allowing businesses to expand the use of OJT as a tool to increase the skills of workers.
- **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. The state must also provide affected local boards with notice and opportunity to comment on the proposed waiver. The Department cannot approve waiver requests that have not completed the public comment process.

- b. Submission and Decision Process.** States may submit waiver requests as part of their State Plan or as a separate waiver plan; ultimately, a waiver constitutes a modification of the State Plan regardless of how it is submitted. States may submit waiver requests to WIOA.Plan@dol.gov and should send a copy to the appropriate ETA Regional Office contact. While e-mail is preferred to expedite the review of waivers, the Department will also accept hard copy submissions mailed to the following address:

WIOA Waiver Coordinator
200 Constitution Ave, NW Room S-4203
Washington, DC 20210

By law, the Department has 90 days from receipt to respond to a waiver request. However, the Department makes every effort to expedite waiver review when possible, particularly for requests that have a precedent for decision. The review includes a legal assessment to determine whether the request is within the Secretary's waiver authority under statute, addresses the requirements at 20 CFR 679.620, as outlined in Section 4 of this guidance, and aligns with the Department's policy considerations.

ETA communicates the Department's decision(s) on state waiver requests via letter to the governor of the submitting state. WIOA Section 189(i)(3)(C)(ii) requires states to "execute a memorandum of understanding with the Secretary requiring the state to meet, or ensure that the local area for which the waiver is requested meets agreed upon outcomes and to implement other appropriate measures to ensure accountability as a condition for waiver approval." The Department considers the signed waiver decision letter from ETA to the state to be the aforementioned memorandum of understanding between the Secretary and the state, with the measures and outcomes agreed upon as those described in the state's waiver request. The approval letter will identify the duration of the waiver.

Part of the waiver lifecycle requires states to estimate and then regularly assess whether the waiver is successfully achieving state goals. As the goal of waivers is to provide opportunities to innovate and experiment with new approaches to service delivery, states with approved waivers must report specifically on waiver impact and outcomes in the WIOA Annual Report. The Department will consider outcome information as part of the criteria for granting renewal of a waiver, if requested.

- c. **WIOA Waiver Webpage.** The Department's WIOA web page at www.doleta.gov/wioa/WIOA_Waivers.cfm offers several helpful resources including a list of all approved waivers so that states may share ideas and identify what the Department approved for other states. The webpage also includes a summary of the Secretary's waiver authority and limitations and a waiver request tool to help states develop a quality request. The Department also posts all waiver requests and decision letters to the web page.

5. **Inquiries.** Please direct inquiries to the appropriate ETA Regional Office.

6. **References.**

- WIOA (Pub. L. 113-128) Title I Sec. 189(i)
- 20 CFR 679.600 – 620; and
- WIOA Waiver Webpage. https://www.doleta.gov/wioa/WIOA_Waivers.cfm

7. **Attachments.**

- Attachment I: Waiver Authority and Limitations
- Attachment II: Waivers Approved as of October 16, 2018.