

## U.S. Department of Labor

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



May 30, 2024

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

Dear Governor Evers:

Thank you for your waiver request submission to the U.S. Department of Labor 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 5, 2024, as part of your recent WIOA State Plan submission. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Wisconsin will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Wisconsin and ETA. This action is taken under the Secretary of Labor's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner-Peyser Act in WIOA Section 189(i).

Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY).

ETA Response: ETA approves for Program Year (PY) 2024 and PY 2025, which includes the entire time period for which states are authorized to spend each of those Program Year fund allotments, the State's request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed Wisconsin's waiver request and plan and has determined that the requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system. Wisconsin may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves for PY 2024 and PY 2025, which includes the entire time period for which states are authorized to spend each of those Program Year fund allotments, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Wisconsin may lower the local youth funds expenditure requirement to 50 percent for OSY. 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 2024 and 2025, the State's request to waive the requirement limiting ITAs to only OSY ages 16–24. In addition to these OSY, the State may use ITAs for ISY ages 16–21. ETA reviewed Wisconsin's waiver request and plan and has determined that the requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system. 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, 2028, the State's request to adjust the six-month employment requirement for the purposes of conducting IWT. ETA reviewed Wisconsin's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Wisconsin to implement its plan to improve the workforce development system. The following conditions apply to implementation of this waiver:

- Use IWT only to provide an employee the 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 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, 2028, for the WIOA Title I Adult, Dislocated Worker, and Youth formula funds. ETA reviewed Wisconsin's waiver request and plan and has determined that the requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system. 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)(3)(B) and 20 CFR 680.950(a)(2) that requires a dislocated worker who has ceased to qualify for unemployment compensation to be eligible to receive needs-related payments only if such worker is enrolled in training services.

ETA Response: ETA approves the State's waiver request, through June 30, 2028, to permit Wisconsin to establish state policy uniform eligibility requirements for Adult and Dislocated Worker Program participants to receive needs-related payments using only the eligibility requirements of WIOA Section 134(d)(3)(A). ETA reviewed Wisconsin's waiver request and plan and has determined that the requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system.

Requested Waiver: Waiver of WIOA Section 184(a)(4) and 20 CFR 683.410(b)(2)(i) that the State must provide on-site monitoring reviews of local areas to ensure compliance with the uniform administrative requirements referred to in WIOA Section 184(a)(3).

ETA Response: ETA does not approve this waiver request at this time. ETA acknowledges that annual onsite monitoring can be challenging with finite resources, and is interested in reducing administrative barriers for states, balanced with ensuring accountability for grants. ETA is willing to consider in the future a request with a comprehensive plan of remote and onsite oversight that includes a regular cadence of onsite monitoring, where the requesting state has been able to demonstrate strong oversight practices.

Requested Waiver: Waiver of the five percent exception on participation of youth who are not low-income in youth programs under WIOA Title I at WIOA Section 129(a)(3)(A)(ii).

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

Requested Waiver: Waiver of the limitation on the use of funds for capitalization of business at WIOA Section 181(e) to permit funds to be used to capitalize small businesses that were affected by emergencies, up to \$5,000 per affected business.

ETA Response: ETA does not approve the State's waiver request. This waiver is limited in application to active disaster-related National Dislocated Worker Grants (DWGs), which Wisconsin does not currently have. If desired, Wisconsin may submit this waiver request in the future for a specific DWG project.

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 blue ink that reads "José Javier Rodríguez". The signature is written in a cursive style with a large initial "J" and "R".

José Javier Rodríguez

Enclosure

cc: Amy Pechacek, Secretary, Wisconsin Department of Workforce Development  
Pam Gerassimides, ETA Regional Administrator – Region 5 Chicago  
Malissa Dieterle, ETA Federal Project Officer

## **Wisconsin 2024 State Plan Waivers**

The State of Wisconsin, through the Wisconsin Department of Workforce Development (DWD) seeks approval of the following 10 statutory waivers in accordance with the Workforce Innovation and Opportunity Act (WIOA) at Section 189(i)(3) and the WIOA regulations at 20 CFR 679.600 through 679.640. These waiver requests will assist Wisconsin in achieving its vision that the state's workforce development system will advance the competitiveness of workers, job seekers, and employers in the global economy by improving equity, economic opportunity, and sustainability.

### **WAIVER REQUEST #1: OUT-OF-SCHOOL-YOUTH EXPENDITURE REQUIREMENT**

#### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking to renew a waiver from WIOA Section 129(a)(4)(A) and 20 CFR Part 681.410, which require not less than 75% of funds available to local areas under subsection (c) shall be used to provide youth workforce investment activities for out-of-school youth (OSY). Wisconsin is requesting to lower the minimum OSY expenditure requirement for local formula funding to 50%.

#### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

#### **3. Waiver Goals and Expected Programmatic Outcomes**

This waiver supports Wisconsin's goal to strengthen career pathways and career exploration opportunities while students are in K-12 and provide all students with the opportunity to participate in dual enrollment, earn a certificate/credential, or participate in work-based learning prior to high school graduation. As a result of this waiver, Wisconsin expects that the number of In-School-Youth (ISY) served will increase. Additionally, Wisconsin anticipates that performance accountability outcomes for overall WIOA Youth will remain steady or increase for the majority of the WIOA Youth Performance Indicators.

#### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with USDOL priority of supporting career pathways and serving youth with barriers during secondary education. By serving youth and young adults earlier and during their education, Wisconsin's workforce system can support their engagement in education prior to disengagement, better positioning these future job seekers before they join the workforce.

## **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

Both the education and workforce system will be able to provide the benefits of this waiver to Wisconsin's youth with barriers. In particular, due to the differences in eligibility requirements for OSY and ISY, increased enrollments of ISY would increase the number of low-income youth served.

## **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.

## **WAIVER REQUEST #2: IN-SCHOOL-YOUTH USE OF INDIVIDUAL TRAINING ACCOUNTS**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking to renew a waiver from WIOA regulation 20 CFR Part 681.550, which only allows Individual Training Accounts (ITAs) funded by WIOA youth funds to be used by out-of-school youth ages 16 to 24. Wisconsin is requesting that it be allowed to use WIOA youth funds for ITAs for in-school youth ages 16 to 21.

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

This waiver supports Wisconsin's goal to strengthen career pathways and career exploration opportunities while students are in K-12 and provide all students with the opportunity to participate in dual enrollment, earn a certificate/credential, or participate in work-based learning prior to high school graduation. As a result of this waiver, Wisconsin expects that the number of in-school-youth (ISY) serviced will increase. Additionally, Wisconsin anticipates that performance accountability outcomes for overall WIOA Youth will remain steady or increase for the majority of the WIOA Youth Performance Indicators.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor priority of supporting career pathways and serving youth with barriers during secondary education. By providing flexibility and greater consumer choice for ISY interested in training, more Youth Program participants can receive training for in-demand occupations, becoming better prepared to join the workforce upon completion of their schooling.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

Wisconsin's in-school-youth who are low income and experience other barriers would benefit from this waiver, which would provide greater training opportunities during their educations.

## **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.



## **WAIVER REQUEST #3: INCUMBENT WORKER TRAINING EXPENDITURE LIMIT**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking a waiver from WIOA Section 134(d)(4)(A)(i) and WIOA regulation 20 CFR 680.800(a), which limits local boards to reserving only 20% of their combined total of adult and dislocated worker formula funds for Incumbent Worker Training. Wisconsin is requesting that local boards be allowed to use up to 50% of their combined adult and dislocated worker formula funds for the provision of Incumbent Worker Training.

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

This waiver supports Wisconsin's goal of focusing on employers in order to engage them to drive, build, and utilize the state's workforce development system. In program years (PY)21 and 22, 291 individuals received Incumbent Worker Training in Wisconsin. As a result of this waiver, Wisconsin expects that the number of workers who receive Incumbent Worker Training will increase and that the number of employers participating in Incumbent Worker Training activities will increase.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor's Yes, WIOA Can initiative by removing barriers to participation for interested businesses and connecting them with the workforce system's resources.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

The waiver would benefit both workers and employers by increasing their competitiveness in a global market and serving as a tool for layoff aversion. By providing Incumbent Worker Training as a tool to businesses that may otherwise be faced with making workforce reductions, this waiver would allow those businesses to retain workers who have been retrained in new occupational skills. A stronger, deeper talent pipeline of skilled workers benefits Wisconsin businesses, as well as the state's economy.

## **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.

## **WAIVER REQUEST #4: INCUMBENT WORKER TRAINING 6-MONTH EMPLOYMENT REQUIREMENT**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking a waiver from WIOA regulation 20 CFR Part 680.780, which requires that an incumbent worker have an established employment history with the employer for six months or more. Wisconsin is requesting that it be allowed to eliminate the six-month employment requirement in its definition of incumbent worker.

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

This waiver supports Wisconsin's goal of focusing on employers in order to engage them to drive, build, and utilize the state's workforce development system. In PYs 21 and 22, 291 individuals received incumbent worker training in Wisconsin. As a result of this waiver, Wisconsin expects that the number of workers who receive Incumbent Worker Training will increase and that the number of employers participating in incumbent worker training activities will increase.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor's Yes, WIOA Can initiative by removing barriers to participation for interested businesses and connecting them with the workforce system's resources.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

The waiver would benefit both workers and employers by increasing their competitiveness in a global market and serving as a tool for layoff aversion. The waiver would benefit both workers and employers by increasing their competitiveness in a global market and serving as a tool for layoff aversion. By providing incumbent worker training as a tool to businesses that may otherwise be faced with making workforce reductions, this waiver would allow those businesses to retain workers who have been retrained in new occupational skills. A stronger, deeper talent pipeline of skilled workers benefits Wisconsin businesses, as well as the state's economy. By eliminating the need for a worker already employed by a business to wait six months before being able to

participate in Incumbent worker training, this waiver would increase access for employed workers to learn new skills at their place of employment.

## **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.

## **WAIVER REQUEST #5: ON-THE-JOB TRAINING EMPLOYER REIMBURSEMENT RATE LIMIT**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking a waiver from WIOA Section 134(c)(3)(H)(i) and WIOA regulation 20 CFR 680.720(b), which allows reimbursement rates of up to 75% to employers of on-the-job training. Wisconsin is requesting to increase on-the-job training (OJT) employer reimbursement up to 90% for business with 50 or fewer employees.

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

This waiver supports Wisconsin's goal of focusing on employers in order to engage them to drive, build, and utilize the state's workforce development system. In PYs 21 and 22, 100 Adult Program participants, 17 Dislocated Worker Program participants, and 23 Youth Program participants in Wisconsin received on-the-job training. As a result of this waiver, Wisconsin expects that the number of Adult, Dislocated Worker, and Youth Program participants who receive on-the-job training will increase and that the number of employers participating in on-the-job training services will increase. This waiver would expand opportunities for adults from all populations to participate in on-the-job training, whether as a standalone service or as part of an apprenticeship, in order to access to meaningful, family-sustaining employment.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor's Yes, WIOA Can initiative by removing barriers to participation for interested businesses and connecting them with the workforce system's resources.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

The waiver would benefit both job seekers and employers. Job seekers starting in new occupations or industries would have greater training opportunities. The waiver would be especially beneficial to 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. Participants of Wisconsin's Title I-B programs would benefit from increased access to

Registered Apprenticeships, as this waiver would allow more small businesses to take advantage of the opportunity to sponsor a Registered Apprenticeship program.

## **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.

## **WAIVER REQUEST #6: TRANSITIONAL JOBS EXPENDITURE LIMIT**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking a waiver from WIOA Section 134(d)(5) and WIOA regulation 20 CFR Part 680.195, which limits local boards to reserving only 10% of their combined total of adult and dislocated worker formula funds for transitional jobs. Wisconsin is requesting that local boards be allowed to use up to 30% of their combined adult and dislocated worker formula funds for the provision of transitional jobs.

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

This waiver supports Wisconsin's goal of focusing on employers in order to engage them to drive, build, and utilize the state's workforce development system. As a result of this waiver, Wisconsin expects that the number of Adult and Dislocated Worker Program participants who receive transitional job services will increase. In PYs 21 and 22, no Adult or Dislocated Worker Program participants in Wisconsin received a transitional job service.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor's Yes, WIOA Can initiative; in particular, the stated commitment to measuring success not just by if a worker gets a job, but whether the most vulnerable workers get connected to good jobs.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

The waiver would benefit both job seekers and employers including job seekers with significant barriers to employment and are chronically unemployed or have an inconsistent work history. Employers needing workers may find the use of transitional jobs to be an incentive for hiring individuals with an inconsistent work history or who are chronically unemployed. The waiver also supports Wisconsin's increased efforts to deepen the partnerships between the WIOA Title I-B programs and other workforce system partners, such as TANF, FoodShare Employment and Training programs, and Community Action Programs, by allowing more WIOA funding to be leveraged to provide transitional job services to common customers, many of whom are experiencing multiple barriers to employment.

## **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.



## **WAIVER REQUEST #7: ADDITIONAL ELIGIBILITY REQUIREMENTS FOR DISLOCATED WORKERS RECEIVING NEEDS-RELATED PAYMENTS**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking a waiver from WIOA Section 134(d)(3)(B) and WIOA regulation 20 CFR 680.950(a)(2), which place additional eligibility requirements for needs-related payments for a dislocated worker who is unemployed and does not qualify for (or has ceased to qualify for) unemployment and is receiving training services. Wisconsin is requesting that it be allowed to establish via state policy uniform eligibility requirements for Adult and Dislocated Worker Program participants to receive needs-related payments using only the eligibility requirements of WIOA Section 134(d)(3)(A).

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

As a result of this waiver, Wisconsin expects that the number of Dislocated Worker Program participants who receive needs-related payments will increase. In PYs 21 and 22, no Dislocated Worker Program participants in Wisconsin received needs-related payments. Wisconsin also anticipates that, if increased use of needs-related payments is achieved, performance accountability outcomes for WIOA Dislocated Workers will increase.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor's Yes, WIOA Can initiative; in particular, the stated commitment to providing access to supportive services to enhance workers' opportunities for growth and success.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

This waiver would simplify eligibility requirements and processes for needs-related payments for dislocated workers – those who are experiencing multiple barriers to re-employment and/or who are facing economic crises would especially benefit from this waiver.

## **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.

## **WAIVER REQUEST #8: REQUIREMENT THAT ANNUAL STATE FISCAL MONITORING BE ONSITE**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking a waiver from the requirement within WIOA Section 184(a)(4) and WIOA regulation 20 CFR 683.410(b)(2)(i) that specifies annual monitoring of each local area to ensure compliance with the uniform administrative requirements referred to in WIOA Section 184(a)(3) be onsite. Wisconsin is requesting that it be allowed to conduct its annual monitoring of each local area for compliance with the uniform administrative requirements virtually.

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

This waiver would promote cost-effectiveness and efficiency in state government operations by allowing fiscal monitors to conduct annual monitoring virtually. Wisconsin has determined that there are no elements of the annual monitoring that require onsite presence. Secured data-sharing practices have been established for pre-monitoring desk reviews and would serve as a means to facilitate complete and thorough transmission of required documents needed for monitoring. In addition, this waiver would provide cost-effectiveness and efficiency for local area staff who travel to a different office location within the workforce development area to meet with monitoring staff by allowing them to engage in monitoring virtually.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor's interest in streamlining administrative processes to promote effective government activities.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

This waiver is intended to assist state government and local area staff by allowing for more streamlined monitoring practices. Cost savings would allow the state greater administrative funds to use innovatively.

### **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.

## **WAIVER REQUEST #9: ISY LOW-INCOME LIMITATION**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking a waiver from WIOA Section 129(a)(3)(A)(ii) and 20 CFR 681.250(c), which limits local areas to serving only 5% in-school-youth (ISY) who are not low income. Wisconsin is requesting to raise the limit of ISY participants who do not have to be low-income to 10%.

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

Wisconsin's intent in seeking this waiver is to increase flexibility for local boards to serve ISY who might otherwise be eligible for the program due to their barriers to employment but are determined ineligible due to their income. This waiver supports Wisconsin's goal to strengthen career pathways and career exploration opportunities while students are in K-12 and provide all students with the opportunity to participate in dual enrollment, earn a certificate/credential, or participant in work-based learning prior to high school graduation. As a result of this waiver, Wisconsin expects an increase in the number of in-school-youth (ISY) who are enrolled.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor's priority of advancing equity by ensuring youth have equal access to services and supports to achieve positive outcomes in high quality education and training. By serving more ISY who have barriers but are not low income, Wisconsin's local boards can provide greater accessibility to those in-school youth in their local areas.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

In-school youth who are not low income but who have any of the eight barriers required for eligibility (basic skills deficient; English Language Learner; offender or ex-offender; homeless/runaway; foster care; pregnant or parenting; has a disability; and requires additional assistance) would benefit from this waiver, as it would allow more than the current 5% to enroll into the program.

## **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.

## **WAIVER REQUEST #10: BUSINESS CAPITALIZATION**

### **1. Statutory or Regulatory Requirement(s) for which a Waiver is Requested**

Wisconsin is seeking a waiver of the limitation on the use of funds for capitalization of business under WIOA Section 181(e) to allow funds to be used to capitalize small business, up to \$10,000 per affected business.

Using the lessons learned from the COVID-19, in which marginalized businesses were disproportionately impacted by the disaster, the Wisconsin Department of Workforce Development (DWD) requests a WIOA waiver of the limitation on the use of funds for capitalization of business under WIOA Section 181(e) to allow Governor's Reserve, Adult and Dislocated Worker, and National Dislocated Worker Grants funds to be used to capitalize small business that are affected by qualifying disasters, up to \$10,000 per affected business. This waiver will allow the state to assist disaster-affected business and create new employment opportunities. Under the waiver, individuals benefiting from the capitalization must complete entrepreneurial or microenterprise training.

The use of funds that will be allocated under this waiver is limited to emergency, disaster-related needs only. For example, businesses may use the funds to purchase a computer for contacting customers and reestablishing payroll records, lease a building for operations, buy supplies and materials, or for fees and tuition payments for operating licenses or staff certification and training.

The following conditions would apply to the use of funds for small business capitalization if this new waiver request were approved:

1. Wisconsin DWD will develop a Business Capitalization waiver policy that outlines eligibility requirements for WDBs to follow when allow for use of Business Capitalization funds for participants/small businesses.
2. Grant assistance must be limited to no more than \$10,000 per individual/business.
3. Use of funds to cover salaries is not permitted.
4. Use of funds for business capitalization revolving loans is not permitted.
5. Businesses must retain receipts after the item/service(s) is/are provided, to ensure accountability for costs incurred.
6. DET financial systems in place to track funds approved under this Business Capitalization waiver, as well as the responsibility to recapture funds that were not used by eligible businesses in instances where the final receipt is less than the original estimate.
7. The DET Program, Governance, and EO Compliance Unit is required to monitor the implementation of this waiver.

### **2. Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Wisconsin regulations and policy statements follow current federal law and regulations.

### **3. Waiver Goals and Expected Programmatic Outcomes**

This waiver supports Wisconsin's goal of focusing on employers in order to engage them to drive, build, and utilize the state's workforce development system. The expected outcomes from this waiver are as follow:

- Support Wisconsin's small business and entrepreneurial start-up economy;
- Accelerate the economy and the labor market restoration;
- Achieve the restart or maintain operation in 90% of the businesses impacted by the capitalization funds;
- Avoid layoff of employees of small and medium business affected by emergencies; and
- Increase supports for participants with entrepreneurial goals.

### **4. Alignment with U.S. Department of Labor (USDOL) Policy Priorities**

This waiver aligns with U.S. Department of Labor's Yes, WIOA Can initiative by removing barriers to participation for interested businesses and connecting them with the workforce system's resources. In particular, this waiver aims to:

- Increase business usage of the workforce system flexibilities and thereby achieve greater access to employment opportunities; and
- Create additional opportunities for new workers, and for unemployed and underemployed workers to speed their return to full-time employment.

### **5. Individuals Affected by the Waiver and Service Impacts for Disadvantaged Populations or Individuals with Multiple Barriers to Employment**

- Businesses, particularly small and medium-sized businesses needing to retain current workers, and/or hire additional workers to sustain or expand their productivity, but do not have immediate resources to do so;
- Small business employees who will be able to retain their jobs; and
- Unemployed and underemployed workers.

### **6. Processes Used to:**

- 1. Monitor Waiver Implementation Progress**
- 2. Provide Notice to Local Boards**
- 3. Provide Local Boards Comment Opportunity**
- 4. Ensure Meaningful Public Comment**
- 5. Collecting and Report Waiver Outcome Information in Annual Report**



Wisconsin has a robust data collection, data validation, and monitoring system in place that will be employed to collect necessary information and monitor the implementation of this waiver. Waiver-related information will be collected in the following ways:

- Programmatic, participant-specific data will be entered in Wisconsin's Automated System Support for Employment and Training (ASSET) system by program staff in real time.
- Financial information will be maintained by the local WDBs and provided to the state on a monthly basis via submission in Wisconsin's Contract Management and Expenditure Tracking (COMET) system.

Both programmatic and financial information are monitored on a monthly basis to track expenditure rates, gauge progress toward achieving negotiated levels of performance, and ensure data integrity. Programmatic and financial information are monitored more thoroughly on an annual basis through on-site reviews at each for the 11 workforce development areas.

If approved, DWD's Bureau of Workforce Training in the Division of Employment and Training (DET) will take the responsibility of monitoring the waiver's implementation through quarterly desk reviews and inclusion during annual monitoring. Annual waiver outcome information will be collected from each affected local Workforce Development Board (WDB) within 60 days of the conclusion of each program year.

In accordance with WIOA Section 102(c)(3) and the WIOA regulations at 20 CFR 676.135, the Wisconsin Department of Workforce Development is submitting this waiver request as part of its PY 24 – PY 27 WIOA Combined State Plan, which is subject to the requirements outlined in the WIOA regulations at 20 CFR 676.130(d) regarding public review and comment. As such, these waiver requests were posted on DWD's website for review and comment by required parties and system stakeholders, including all local Workforce Development Boards and their association, the Wisconsin Workforce Development Association, business, organized labor, and the general public, from Jan. 17, 2024, through Feb. 16, 2024.