



June 23, 2020

The Honorable Gretchen Whitmer  
Governor of Michigan  
PO Box 30013  
Lansing, MI 48909

Dear Governor Whitmer:

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. The waiver requests were received March 31, 2020, 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 Michigan will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Michigan and ETA. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner–Peyster 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 expend 75 percent of Governor's reserve youth funds on out-of-school youth (OSY).

ETA Response: ETA conditionally approves for PYs 2019 and 2020, which includes the entire time period for which states are authorized to spend PY 2019 and 2020 funds, the State's request to eliminate 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 Michigan to implement its plan to improve the workforce development system. Prior to implementation of this waiver, the State must update its waiver request to include projected quantifiable outcomes (i.e., for the core indicators under WIOA or short-term state-defined indicators) for WIOA youth served under the waiver.

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 local formula youth funds on OSY.

ETA Response: ETA conditionally approves for PYs 2019 and 2020, which includes the entire time period for which states are authorized to spend PY 19 and 20 funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Michigan may lower the local youth funds expenditure requirement to 50 percent for

OSY. Prior to implementation of this waiver, the State must update its waiver request to include projected quantifiable outcomes (i.e., for the core indicators under WIOA or short-term state-defined indicators) for WIOA youth served under the waiver. As a result of this waiver, ETA expects that the number of in-school youth served will increase and 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.

Requested Waiver: The State is requesting a waiver of the state Workforce Development Board membership requirements at WIOA Section 101(b)(1) and (c) and the corresponding regulations at 20 CFR 679.110(b)-(c).

ETA Response: Michigan is requesting a waiver to substitute the WIOA state board membership requirements with alternate requirements. The State affirms that this waiver will increase coordination between employers. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Michigan to implement its plan to improve the workforce development system. Therefore, ETA approves this waiver through June 30, 2022.

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. The Department proposed additional flexibility in its budgets for Fiscal Years 2018 through 2021 to give governors more decision-making authority to meet the workforce needs of their states. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Pallasch".

John Pallasch

cc: Stephanie Beckhorn, Director, Workforce, Michigan Department of Labor and Economic Opportunity  
Christine Quinn, Chicago Regional Administrator, ETA  
Danielle Waddell, Federal Project Officer, ETA