



August 13, 2020

The Honorable Timothy Walz
Governor of Minnesota
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Governor Walz:

Thank you for your waiver request submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (enclosed). The waiver request was received on April 15, 2020. This letter provides the Employment and Training Administration's (ETA) official response to your request. 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 of the requirements outlined in WIOA Section 121(d)(2)(A) and 20 CFR Part 678.605, which require selection of a one-stop operator (OSO) through a competitive process every four years.

ETA Response: ETA does not approve the State's request. ETA views competition as an important WIOA reform to ensure effective and efficient use of resources. ETA encourages the State to continue to collect information regarding the impact of OSO competitive selection to inform future decisions regarding the value of the requirement as it relates to customer outcomes.

The ETA Chicago Regional Office will provide technical assistance regarding cost-effective approaches local areas may use to conduct competitive selection of an OSO. In addition, some local areas may benefit from recent changes to the dollar thresholds impacting procurements using the micro-purchase and simplified acquisition methods, as outlined in the June 20, 2018, Office of Management and Budget (OMB), Memorandum (M-18-18).¹ Grant recipients and awardees of federal financial assistance from ETA may apply these new thresholds to any procurement action initiated on or after October 1, 2018.

¹ The OMB memorandum increases the threshold for micro-purchases under federal financial assistance awards from \$3,500 to \$10,000, and the threshold for simplified acquisitions under federal financial assistance awards from \$100,000 to \$250,000. Accessible at https://www.dol.gov/sites/dolgov/files/ETA/grants/pdfs/Grantee_Letter-Micropurchase_and_Simplified_Acquisition.pdf.

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
Assistant Secretary for Employment and Training

Enclosure

cc: Steve Grove, Commissioner, Minnesota Department of Employment and Economic Development
Rose Zibert, Chicago Deputy Regional Administrator, ETA
Pamela A. Jones, Federal Project Officer, ETA