

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA State Plans
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 07-25

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE LABOR COMMISSIONERS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
AMERICAN JOB CENTER DIRECTORS
STATE LABOR MARKET INFORMATION DIRECTORS
STATE APPRENTICESHIP AGENCIES
STATE DIRECTORS OF THE OFFICE OF APPRENTICESHIP
STATE EDUCATIONAL AGENCIES
STATE CTE DIRECTORS
STATE EDUCATION COMMISSIONERS
STATE AND LOCAL STAKEHOLDERS IN THE WORKFORCE
INNOVATION AND OPPORTUNITY ACT

FROM: HENRY MACK /s/
Assistant Secretary

SUBJECT: Modification Requirements for Workforce Innovation and Opportunity Act (WIOA) State Plans for Program Years (PYs) 2026 and 2027

- Purpose.** This Training and Employment Guidance Letter (TEGL) outlines the priorities, modification requirements, submission process, and deadline for the required modification of the WIOA Unified and Combined State Plans (State Plans) for PY 2026 and PY 2027, in accordance with Sections 102 and 103 of WIOA.
- Action Requested.** In accordance with WIOA, its implementing regulations, and the information collection request (ICR) *Workforce Innovation and Opportunity Act (WIOA) Unified and Combined State Plan Requirements*, approved under Office of Management and Budget (OMB) control number 1205-0522, states must submit a two-year modification of their WIOA Unified or Combined State Plans (a four-year plan) to the U.S. Departments of Labor and Education (the Departments). While states should generally submit plan modifications by March 3, 2026, using the online portal described in Section 4.d. of this guidance, the Departments are offering additional flexibility to empower states to align the planning submission timeline with Perkins V and submit plan modifications until April 30, 2026. If States want to avail themselves of this additional flexibility, States must notify their relevant Employment and Training Administration (ETA) Regional Administrator in writing

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by March 3, 2026, and provide an explanation of the state's need for additional time as well as an estimated date of submission (which cannot be later than April 30, 2026). Once submitted, the Departments will review and provide a decision within 90 days for the core programs, as required by section 102(c)(2)(B) and (3)(B) of WIOA.

3. Summary and Background.

- a. Summary – This joint guidance outlines the WIOA planning requirements for the required two-year modification of the four-year State Plan and provides submission deadlines and procedures.
- b. Background – WIOA requires the Governor of each state to submit a Unified or Combined State Plan that includes a four-year strategy and operational plan for the continuing implementation of the state's workforce development system, with an update after two years. States must have federally approved State Plans to receive funding under the six core programs (Adult, Dislocated Worker, Youth, Adult Education and Family Literacy Act (AEFLA), Wagner-Peyser, and the Vocational Rehabilitation (VR) programs). All states have approved four-year WIOA State Plans for PYs 2024-2027.

WIOA requires that states review their plan every two years and update State Plan strategies to account for changes in the labor market and economic conditions or other factors affecting the implementation of the State Plan. Such factors may include: reorganization of State agencies administering WIOA programs, redesignation of local areas or establishment of new planning regions, the addition of new partner programs such as Perkins V¹ into a Combined State Plan, changes to methodology used to determine local allocation of funds, and other significant strategic or operational changes within states. States may also elect to change from a Unified to a Combined State Plan to include additional partners, such as Perkins V, during the modification process to maximize alignment between programs.

Under WIOA, the Unified and Combined State Plans communicate the State's vision for its public workforce system and broader talent development system. WIOA planning requirements seek to align federal investments in job training and education programs, improve service delivery efficiency, and match individuals' skills with high-paying job opportunities and employers. Cross-program planning promotes a shared understanding of the workforce needs and enables the public workforce system to provide a wider range of services that require coordination to meet the needs of employers, youth and adult learners, and workers, including individuals with disabilities and individuals facing barriers to entering and persisting in paid employment.

¹ Perkins V is the Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act.

4. Content.

a. **WIOA Planning Strategic Priorities.**

On April 23, 2025, President Trump issued [Executive Order 14278](#) titled “*Preparing Americans for High-Paying Skilled Trade Jobs of the Future*” that directed the U.S. Departments of Labor, Education, and Commerce to articulate a comprehensive worker investment and development strategy. Subsequently, the Departments published “[America's Talent Strategy: Building the Workforce for the Golden Age](#)” that articulates a shared vision for America’s workforce development efforts, including the public workforce system, with five strategic pillars. States are encouraged to review their currently approved State Plans and align their strategies and investments to these pillars, which are summarized below.

PILLAR I: Industry-Driven Strategies: The skill demands and hiring needs of industry must drive how workforce development programs train and prepare the participants they serve. Local employers should play a central role in defining in-demand skills, validating training models, and steering investments toward the roles and credentials that propel workers into secure, well-paying, and high-need American jobs. The public workforce system can support this pillar by prioritizing Registered Apprenticeships, Integrated Education and Training programs, and other high-quality work-based learning models; organizing employers into industry sector partnerships to identify high-wage, high-skill, or in-demand industry sectors and occupations and design workforce strategies to address their needs; aligning eligible training programs to career pathways within the State or regional economy; and targeting investments towards employer-led upskilling initiatives designed to fill talent shortages in priority industries.

PILLAR II: Worker Mobility: Individuals returning to the workforce or seeking better career opportunities should be able to take tangible steps that lead to upward mobility and long-term economic independence. Next-generation workforce and labor market intelligence tools should help participants identify their skills, understand skills-aligned career options, and take intentional steps toward better-paying jobs. The public workforce system can support this pillar through several targeted strategies such as: clearly identifying credentials that are valued in the labor market to support informed decision making and support jobseekers to earn such credentials; developing informed customer choice policies designed to mitigate benefits cliffs; advancing innovative use of technology and labor market data, including employing competency-based assessments and benefits cliff navigation tools during intake into the public workforce system; and integrating Artificial Intelligence (AI)-powered tools including comprehensive talent marketplaces composed of comprehensive learner records or learning and employment records solutions, credential registries, and skills-based job description generators, that allow workers to advance based on demonstrated competencies. The public workforce system can also help connect disconnected workers to training opportunities that lead to self-sufficiency.

PILLAR III: Integrated Systems: The public workforce system must be unified, navigable, and built around the needs of its users. Job seekers should be able to access training and employment opportunities without getting lost in a maze of government agencies, and employers should be able to engage with the system just as easily to find talent and grow their workforce. The public workforce system can support this pillar by integrating disparate funding streams and improving service delivery through adopting shared eligibility standards across programs; implementing and scaling virtual service delivery practices to reduce overhead expenses; and advancing education and workforce alignment, streamlining intake processes, and implementing digital tools that help frontline staff guide individuals to the right services.

PILLAR IV: Accountability: Taxpayer funded workforce development programs must deliver measurable and transparent results for job seekers and employers. Ineffective training providers should be removed from public funding lists. Grantees' funding models should tie resources to outcomes, including through the expanded use of pay-for-performance contracts to ensure public investments generate measurable returns in employment, earnings, and credential attainment. The public workforce system can support this pillar by identifying and eliminating ineffective activities, adopting state-driven measures of program performance, establishing state and local area postsecondary attainment and labor force participation goals, redirecting funding to programs and providers that demonstrate success in connecting Americans with high-wage jobs, and enhancing data linkages, including by exploring enhanced wage records, and publishing education and training programs in structured, open, linked, and interoperable data formats, to produce valid and transparent data that assesses the return on investment and the impact on closing talent gaps.

PILLAR V: Flexibility and Innovation: The public workforce system must be adaptable and designed for continuous iteration, with exponentially faster feedback loops between employers, educators, and training providers to ensure that programs can evolve in step with economic shifts, particularly those driven by AI. States and local communities need more control to tailor solutions to their regional economies without being constrained by outdated program rules or processes. The public workforce system can support this pillar by leveraging existing statutory authorities to promote flexibility and innovation within the system, braiding federal and state funding streams from multiple sources to support integrated career pathways, creating new models of workforce innovation built to match the speed and scale of AI-driven economic transformation, prioritizing AI literacy and skills development across the public workforce system, and developing pilot projects to drive rapid reskilling and fuel other AI-era innovations.

Additional Planning Priorities: It is particularly critical, for purposes of developing and submitting the State Plan modification for PYs 2026 and 2027, that states reassess economic and labor market information (LMI) and adjust strategies for what may now be a different set of growing and declining industries, occupations, and skills, thereby ensuring the State Plan modification reflects changes in the labor market and economic conditions and other factors affecting implementation of the State Plan as required by section 102(c)(3)(A) of WIOA. Additionally, state plans must not only include the in-

demand sectors and occupations, but also the employment needs of employers and the associated competencies required in those industries and occupations, and align training provided through the workforce system with the hiring needs. LMI informs the public workforce system by offering data insights to keep up with a rapidly changing economic environment driven by AI, advanced industries, and new national priorities. State planners must work closely with the LMI directors within their states to understand the current and growing needs of their economy. The State Plan modification must reflect any such strategic re-focusing. The Departments encourage states to widely share State LMI, including the State LMI used in State plans across State agencies, regardless of inclusion in the WIOA State Plan, to support data-informed decisions. For example, such data analysis could support Perkins V subrecipients in carrying out comprehensive local needs assessments in tandem with public workforce system stakeholder engagement at the state and local area levels.²

Moreover, states are encouraged to reassess how their public education and workforce systems capture, verify, and communicate the competencies (knowledge, skills, and abilities) individuals acquire. Talent marketplaces solutions *enable* student and worker employment and mobility more effectively—mapping skills to occupational and employer needs in real time. Talent marketplaces also allow for individuals to own and make portable their skills and learning assertions—controlling what, where, when, and with whom verified skills and credentials are shared.

States are particularly encouraged to prepare for implementation of Workforce Pell Grants connecting jobseekers and students with high-quality short-term training authorized under Section 83002 of the One Big Beautiful Bill Act (Public Law 119-21). Workforce Pell Grants will provide access to federal financial aid for students enrolled in high-quality, short-term workforce programs that are defined as at least 150 clock hours of instruction and less than 600 clock hours (or the equivalent in credit hours) and at least 8 weeks, but less than 15 weeks, in duration, among other criteria. Steps to prepare for Workforce Pell might include using the latest labor market information to refresh the state's identification of in-demand industry sectors and occupations, deepening system integration across education and workforce systems, and enhancing data collection, i.e., by enhancing unemployment insurance wage records that allow states to establish program-to-occupational linkages and to crosswalk education and training programs to competency-based, industry-recognized qualifications frameworks, and data sharing.

As states develop their plan modifications for PYs 2026 and 2027, grantees must not use federal funds in any manner that violates the United States Constitution, Title VI or Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq. or 42 U.S.C. § 2000e et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.), section 504 of the Rehabilitation Act (29 U.S.C. § 794), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12131 et seq.), the Boy Scouts of America Equal Access Act of 2001 (20 U.S.C. § 7905),

² Section 135(c) of Perkins V requires comprehensive local needs assessments.

section 117 of the Higher Education Act of 1965, as amended (20 U.S.C. § 1011f), or other applicable federal law.

It is important to note the provisions of Executive Orders 14151, 14168, 14173, and 14190 as well as the U.S. Department of Justice’s July 29, 2025, non-regulatory “Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination.” States and subgrantees that have implemented diversity, equity, and inclusion (DEI) activities, and any other initiatives that discriminate on the basis of race, color, religion, sex, or national origin may risk violating federal civil rights laws referenced above and jeopardizing federal funding. This includes any discriminatory equity ideology in violation of a Federal anti-discrimination law. The definition of “discriminatory equity ideology” is in Section 2(b) of Executive Order 14190. To the extent that a U.S. Department of Education (the Department) grantee uses grant funds for unallowable activities, the Department reserves the right to take appropriate enforcement action including under section 451 of the General Education Provisions Act (GEPA), which may include the recovery of funds under section 452 of GEPA.

- b. **Planning Requirements.** States must use the ICR *Workforce Innovation and Opportunity Act (WIOA) Unified and Combined State Plan Requirements* (OMB control # 1205-0522) to develop and submit both the WIOA Unified or Combined State Plan and the two-year modification. A copy of the ICR, which complies with statutory requirements set forth in, as appropriate, sections 102 and 103 of WIOA, is available at <https://www.dol.gov/agencies/eta/wioa/resources>. A copy of these requirements is also available through the State Plan portal (<https://wioaplans.dol.gov>), developed specifically for the required electronic submission.

Note that the ICR includes a requirement for states to describe how they will use State merit staff for the provision of Wagner-Peyser Employment Services. The Department of Labor will notify states of any changes to this planning requirement because of ongoing rulemaking related to proposed flexibility in Employment Service staffing, as described in the notice of proposed rulemaking entitled “Wagner-Peyser Act Employment Service Staffing,” published on July 1, 2025 (90 FR 28239).

- c. **Stakeholder Collaboration and Comment.** The State Workforce Development Board (State Board) assists the Governor in the development, implementation, and modification of the State Plan and convenes all relevant programs, required partners, and stakeholders. The Departments encourage inclusion of the state LMI, chief information officers, state higher education executive officers, education and articulation offices, Career and Technical Education agencies, and workforce and education evaluation offices (or their equivalent) during plan development and modification to obtain labor market data and related evidence and analysis.

States are also encouraged to engage the Perkins V eligible agency and stakeholders in the modification processes, even if the Perkins V program is not already included in the State Plan. The Departments have received feedback from states and recognize that some states may need additional time to conduct planning activities as they align WIOA and Perkins V programs prior to the submission of their plan modifications. As such, as noted

above, the Departments will accept plan modifications through April 30, 2026, to accommodate cross-program planning for this cycle (see Section 2 of this guidance). States are encouraged to hold concurrent public engagement sessions with Perkins V stakeholders from other core and partner programs to the public workforce system. These stakeholders may include state and local educational agencies, community and technical colleges, state workforce agencies, business and industry partners, and others. A combination of virtual and in-person stakeholder engagement sessions are encouraged at both the state and local area levels. The State Plan must be developed with the assistance of the State Board, as required by Section 101(d) of WIOA, and in coordination with administrators that have optimal policymaking authority for the core programs and required one-stop partner programs. For Combined State Plans, the portions of the plan that cover partner programs other than the core programs are subject to any public comment requirements applicable to those partner programs.³ States must provide the opportunity for public comment and input which allows interested stakeholders to participate actively, effectively, and transparently in the development of the plan and the modification, including via accessible means for individuals with disabilities. The Governor must ensure that the State Plan modification is developed with an opportunity for public comment from representatives of:

- Local Workforce Development Boards and chief elected officials;
- businesses;
- labor organizations;
- community-based organizations;
- state educational agencies;
- adult education providers;
- faith-based organizations;
- institutions of higher education;
- other stakeholders with an interest in the services provided by the six core programs; and
- the general public, including individuals with disabilities.

The State Board also must make information regarding the modification of the State Plan and planning process available to the public through electronic and accessible means and by holding regularly occurring open meetings in accordance with state law prior to the submission of the State Plan.⁴

- d. **Instructions for State Plan Modification Submission.** States must submit their modification of their State Plan via the State Plan Portal which has been developed for the purpose of cross-program collaboration in states and to facilitate the simultaneous receipt and review of plans across multiple federal agencies. While multiple individuals in states may enter content into the portal, only one individual from each state may submit to the Departments the entire plan on behalf of the Governor for all included programs. The Office of the Governor for each state must notify the Departments of the

³ See 20 CFR § 676.143(c)(3) and 34 CFR §§ 361.143(c)(3) and 463.143(c)(3).

⁴ See WIOA Section 101(g) and 20 CFR § 676.130(d) and 34 CFR §§ 361.130(d) and 463.130(d).

individual designated to submit the plan modification on behalf of the Governor for all programs included in the State Plan, even if that designee has not changed since the PY 2024 submission. By February 02, 2026, the Governor's office must submit a letter or email with the name of the designee to WIOA.Plan@dol.gov with a copy to the appropriate ETA Regional Office.

To request a State Plan portal user account or to update existing account login information, visit <https://wioaplans.dol.gov>. Previously approved WIOA State Plans are available within the portal; content from currently approved four-year plans will be available in the data entry fields for editing or updating, so State editors can either delete entire sections or update specific portions of the plan.

- e. **Performance Negotiations for Core Programs.** To outline the requirements for reaching agreement on the negotiated levels of performance for the states outlined in WIOA section 116, the Departments issued joint guidance titled, *Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act (WIOA) Core Programs*, [ETA TEGL 11-19 \(Change 2\)](#), [OCTAE Program Memorandum 20-2](#) (revised January 2025), and [RSA TAC-20-02](#) (revised January 2025). The Departments will continue to negotiate program specific levels of performance. The Unified and Combined State Plan ICR Appendix 1, also discussed in Attachment I of this guidance, reflect which indicators the Departments will negotiate for which programs for PYs 2026 and 2027. See Attachment I of this guidance for more instructions on submitting expected levels of performance and establishing negotiated levels of performance.
- f. **Waivers.** As articulated in ETA [TEGL 05-25: Maximizing Innovation in Workforce Innovation and Opportunity Act Programs](#), states are encouraged to request waivers of existing WIOA statutory or regulatory requirements that can help overcome specific barriers to innovation and align with the [Five Strategic Pillars](#) for workforce investment. Waivers are a tool for reducing barriers to WIOA implementation and spurring innovative programming options. The Secretary of Labor's waiver authority is outlined in WIOA sec. 189(i)(3)(A); the Secretary may waive certain provisions of WIOA Title I subtitles A, B, and E and provisions found in Sections 8 – 10 of the Wagner-Peyser Act. States may submit WIOA Title I and III waiver requests as part of their State Plan or as a separate waiver plan. For more information on the process for states to request waivers, see ETA [TEGL 08-18: Workforce Innovation and Opportunity Act \(WIOA\) Title I and Wagner-Peyser Act Waiver Requirements and Request Process](#). States are encouraged to involve the Perkins eligible agency and stakeholders in the development of innovation and flexibility waivers.

States are encouraged to review all currently approved waivers, along with their respective expiration dates, to consider renewing or resubmitting new waivers.⁵ Therefore, states should submit new waiver requests as part of the State Plan modification submission for re-consideration if they wish to continue implementing particular waivers that had been approved previously but are expiring. As articulated in

⁵ For waivers related to the 75% out-of-school youth expenditure requirement, waivers are in effect for the full amount of time that states have to spend program year funds.

waiver approval letters, states agreed to meet certain performance or other program measures resulting from the waiver. States requesting a waiver must provide the most recent data available about the outcomes of the waiver in the renewal request.⁶ The Department of Labor will consider this information as part of its thorough consideration on whether to approve the requested waiver. Find waiver-related resources at <https://www.dol.gov/agencies/eta/wioa/waivers>.

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

6. References.

- Workforce Innovation and Opportunity Act (WIOA) ([Pub. L. 113-128](#)) (July 22, 2014);
- Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (WIOA Joint Final Rule) published at [81 FR 55792](#) (Aug. 19, 2016);
- Employment and Training Administration, Workforce Innovation and Opportunity Act; Final Rule (WIOA DOL Final Rule) published at [81 FR 56072](#) (Aug. 19, 2016);
- State Vocational Rehabilitation Services Program; State Supported Employment Services Program; Limitations on Use of Subminimum Wage—Final Rule (Office of Special Education and Rehabilitative Services (OSERS) Final Rule) published at [81 FR 55630](#) (August 19, 2016);
- Workforce Innovation and Opportunity Act: Miscellaneous Program Changes—Final Rule (WIOA OSERS Final Rule) published at [81 FR 55562](#) (August 19, 2016);
- Programs and Activities Authorized by the Adult Education and Family Literacy Act (Title II of WIOA)—Final Rule (WIOA OCTAE Final Rule) published at [81 FR 55526](#) (August 19, 2016);
- Information Collection Request, [*Required Elements for Submission of the Unified or Combined State Plan and Plan Modifications Under the Workforce Innovation and Opportunity Act*](#), approved under Office of Management and Budget (OMB) control number 1205-0522; and
- ETA [TEGL 08-18](#): *Workforce Innovation and Opportunity Act (WIOA) Title I and Wagner-Peyser Act Waiver Requirements and Request Process*, dated December 19, 2018.

7. Attachment.

- Attachment I: Performance Goals and Instructions for the Core Programs

⁶ See 20 CFR § 679.620(d)(7).