

U.S. Department of Labor

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



July 20, 2026

The Honorable Kay Ivey
Governor of Alabama
600 Dexter Avenue
Montgomery, AL 36130

Dear Governor Ivey:

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 requests were received on April 22, 2026, as part of your recent WIOA State Plan modification submission. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Alabama will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Alabama 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 of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (ISY).

ETA Response: ETA approves, for Program Years (PYs) 2026 and 2027, the State's request to waive the requirement limiting ITAs to only out-of-school youth (OSY), ages 16–24. In addition to these OSY, the State may use ITAs for ISY, ages 16–21. ETA reviewed the State'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 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 Alabama's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Alabama to implement its plan to improve the workforce development system.

Requested Waiver: Waiver of the reallocation provisions at WIOA Sections 128(c)(3) and 133(c)(3) to allow the state workforce development board to develop different criteria than required by statute for the reallocation of recaptured funds among local workforce areas.

ETA Response: ETA approves, through June 30, 2028, Alabama's request to waive the reallocation provisions at WIOA Sections 128(c)(3) and 133(c)(3). Alabama may reallocate recaptured funds according to State-developed criteria. ETA reviewed Alabama's waiver request and plan and has determined that the requirements requested to be waived impede its ability to implement its plan to improve the workforce development system. Under this waiver, Alabama has the discretion to consider additional factors described in its waiver plan in determining local workforce development area eligibility for reallocation of recaptured funds.

Alabama must make public its reallocation procedure and policy, as well as any future changes to the policy. Please note that the approved waiver only applies to reallocation and not recapture.

Requested Waiver: Waiver of WIOA Section 134(d)(2) and 20 CFR 680.910 to allow the use of supportive services for participants within 12 months of exit for employment retention.

ETA Response: ETA approves, through June 30, 2028, the State's request to waive the requirement that prohibits the use of Adult and Dislocated Worker funds for provision of supportive services during the 12- months following participant exit and entry into employment. With this waiver, the State can provide targeted supportive services to participants who have exited from the program and entered employment, including recipients of public assistance, to ease temporary barriers that may impede job retention.

Requested Waiver: Waiver of the requirements at WIOA Section 121(c)(1) to allow the Governor to determine infrastructure funding for one-stop centers.

ETA Response: This request falls outside of the Secretary's waiver authority and, therefore, cannot be approved. WIOA Section 189(i)(3)(A)(i) prohibits the Secretary from waiving requirements related to the funding of infrastructure costs for one-stop centers, including the requirements that govern the sharing and allocation of infrastructure costs among one-stop partners. Workforce Flexibility (WorkFlex) authority at WIOA Section 190 allows the State to provide waivers to local areas related to infrastructure funding. ETA is available for technical assistance if the State wishes to explore potential flexibilities associated with WorkFlex.

The State is reminded that WIOA Title I waivers may not be used for any discriminatory purposes. All activities and waiver plan provisions must comply with Section 188 of WIOA, the implementing regulations at 29 CFR Part 38, and all applicable federal nondiscrimination laws.

The State must report its waiver outcomes and implementation of the approved waivers 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 "Henry Mack". The signature is written in a cursive, flowing style.

Henry Mack, Ed.D.
Assistant Secretary

Enclosures

cc:

Tammy Wilkinson, Director, Workforce Development, Alabama Department of
Workforce

Renata Adjibodou, Atlanta Regional Administrator, ETA

Michelle McKinney, Federal Project Officer, ETA