U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210

August 26, 2026

The Honorable Sarah Huckabee Sanders
Governor of Arkansas
500 Woodlane Street
Little Rock, AR 72201

Dear Governor Sanders:

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 29, 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 Arkansas will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Arkansas 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).

<u>Requested Waiver</u>: Waiver of the requirements outlined in WIOA Section 107(b), to allow a state workforce development board to carry out the roles and responsibilities of a local board.

<u>ETA Response</u>: ETA approves, through June 30, 2028, the State's request for a waiver to allow the state board to carry out the roles of the local workforce development boards in the State. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the State's ability to implement its plan to improve the workforce development system.

The State provided a strong rationale for this waiver. Specifically, ETA acknowledges that the request:

- Demonstrates early and consistent stakeholder engagement;
- Establishes a structured 10-month transition process; and
- Provides clear, measurable programmatic outcomes, including an anticipated $6 million dollars redirected from administrative costs to direct participant services resulting in an additional 200 participants served, a centrally-directed business outreach strategy through Arkansas Industry Connect, and a more seamless integration of WIOA Title I and Wagner-Peyser Employment Services.

Under this waiver, the Governor may designate the state board to carry out the roles and responsibilities of the local boards in the state. In implementing this waiver, the State must:

- Continue to solicit local input into its activities;
- Allocate funding by formula to the local areas for which the state board is carrying out local board functions; and

- Carry out all other required local board roles and responsibilities described in WIOA Section 107(d).

The State's request indicates that Arkansas is currently in the planning phase with the chairman of the state board to establish a board transition committee and that the State intends to develop additional policies to support this waiver. Prior to implementation of the waiver, ETA requests any additional planning milestones developed by the transition committee, as well as any subsequent policies that would provide additional details on how the State intends to execute the waiver.

Arkansas also requested a waiver related to a specific local workforce development board function that it is seeking to carry out at the state level. ETA has determined that, given the approval of this waiver to allow a state workforce development board to carry out the roles and responsibilities of a local board, that the following waiver is unnecessary for each local area in which the state board is assuming the role of the local board:

- Waiver of the requirements at WIOA Section 106(c) and 20 CFR 679.510 and WIOA Section 106(a)(2) and 20 CFR 679.210 to allow the combined state plan to act as a regional planning framework.

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, Arkansas' request to waive the reallocation provisions at WIOA Sections 128(c)(3) and 133(c)(3). Arkansas may reallocate recaptured funds according to State-developed criteria. ETA reviewed the State'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, Arkansas has the discretion to consider additional factors described in its waiver plan in determining local workforce development area eligibility for reallocation of recaptured funds.

Requested Waiver: Waiver associated with the requirement at WIOA Section 121(e) and 20 CFR 678.300(c) to establish and maintain a comprehensive American Job Center (AJC) in each of the State's local workforce development areas.

ETA Response: ETA approves, through June 30, 2028, the State's request to waive the requirement that each local area maintain a comprehensive AJC. 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. As the State implements this waiver, the State must inform ETA when a comprehensive AJC is transitioned to an affiliate site.

Requested Waiver: Waiver of the requirements at 20 CFR 680.210(c), 680.230, and 680.910 to allow local workforce development boards discretion in demonstrating the availability of other resources and the sufficiency of those resources to meet a participant's needs before using WIOA funds for training and supportive services for WIOA-eligible Adults and Dislocated Workers, and to permit participants to self-attest when no additional grant assistance is accessible or sufficient.

ETA Response: ETA approves, through June 30, 2028, the State's request for the discretion to use WIOA Adult and Dislocated Worker funds before establishing that other grant assistance is not available or is insufficient to meet a participant's needs. In implementing this waiver, the State must develop a policy outlining when the WIOA-first funding approach is appropriate and must monitor to prevent the unnecessary substitution of WIOA funds when other sources such as State-funded training funds, Trade Adjustment Assistance (TAA), and Federal Pell Grants are available and sufficient. ETA reviewed the State's waiver request and plan and 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 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: The State is requesting a waiver to substitute the WIOA state board membership requirements with alternate requirements. The State affirms that this waiver will streamline board size, increase coordination between employers and state government, and improve board accountability. 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. Therefore, ETA approves this waiver through June 30, 2028, with a condition. The State must include quantifiable projected outcomes and a projected structure of which membership categories will be seated on the board.

Requested Waiver: Waiver of the requirement that local youth programs make available each of the 14 youth programs elements required under WIOA Section 129(c)(2).

ETA Response: ETA approves, for PYs 2026 and 2027, the State's request to waive the requirement that local youth programs make available each of the 14 youth program elements listed in WIOA Section 129(c)(2) and 20 CFR 681.460. Under this approval, local areas are not required to make available all 14 program elements. ETA reviewed the State's request and plan and determined that the requirements requested to be waived impede the State's ability to implement its plan to improve youth workforce development service delivery.

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,

Marek Laco
Acting Assistant Secretary

Enclosures

cc: Cody R. Waits, Executive Director, Arkansas Department of Commerce
M. Frank Stluka, Dallas Acting Regional Administrator, ETA
Monica Moguel, Federal Project Officer, ETA

Arkansas WIOA State Plan Modification (PY 2026-2027) Waiver Requests
Plan Submitted on 5/29/26

Required Elements - Waiver #1: State Board Acts as Local Board

The statutory and/or regulatory requirements the state would like to waive:
As outlined in Training and Employment Guidance Letter (TEGL) 05-25, the State of Arkansas is seeking a waiver of the requirements outlined in WIOA sec. 107(b) to allow the state board to act as the local board. This waiver would allow the Governor to designate the Arkansas Workforce Development Board to carry out the roles and responsibilities of the local boards for the purpose of operating as a single statewide planning area in accordance with 20 CFR 679.310(f).

Actions the state has undertaken to remove state or local barriers:
There are no state or local statutory or regulatory policies in Arkansas that limit the Governor's authority to allow the state to operate as a single statewide planning area with the state board fulfilling the roles of the local boards. The state board will continue to include local input into its activities through the establishing of regional business councils comprised of employers who reside and/or work in local workforce areas; maintaining the integrity of the local board structure inclusive of representatives from industry. Appointments for state board members from the business category will be reflective of Arkansas' unique geographic footprint. The state board will allocate funding to each local area in the state using current formula funding methodologies.

A description of the state's strategic goal(s):
The Arkansas Workforce Strategy is a collaborative, competency-based, customer-centric, and responsive workforce system that meets current and future needs of employers, incumbent workers, and job seekers. The strategy fosters partnerships across sectors to align workforce development with industry needs; aligns training and career pathways with real-world skills and competencies; tailors services to meet the unique needs and goals of job seekers, incumbent workers, and employers; and adapts quickly to economic changes and labor market trends for timely alignment of workforce efforts. These themes collectively aim to create a more dynamic and effective workforce ecosystem in Arkansas.

Arkansas's primary goal for this waiver is to limit annual overhead and streamline operational expenses to maximize the limited funding available for direct services, especially training and work-based learning. It is the state's intent to serve the largest number of customers possible with the available funding. Based on preliminary projections, the state anticipates more than $6 million of current funding to be redirected from operational and overhead expenses to direct participant costs (i.e., training, supportive services, etc.). The statewide structure will enhance Arkansas's ability to transform operations into a demand driven system that directly supports local community partnerships without the need for additional overhead.

This structure will also enable further integration of titles I and III operations strengthening the "no wrong door" customer-centric service delivery model outlined in the Arkansas Workforce Strategy. Uniform statewide governance and integration will help Arkansas increase labor force participation and provide consistent high-quality services in all areas.

A discussion of how the waiver complements Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.):
Approval of this waiver aligns with the following DOL strategic pillars from America's Talent Strategy: Building the Workforce for the Golden Age:

• Industry-Driven Strategies: This waiver will allow Arkansas to ensure the workforce system is aligned with economic priorities and further scale high-quality apprenticeship and work-based learning models. The Arkansas Workforce Strategy emphasizes sector strategies through employer collaboratives using the Talent Pipeline Management approach driven by industry. By maximizing the funding available for direct support activities, Arkansas will be well positioned to target investments toward initiatives designed to fill talent shortages in priority industries. Arkansas has begun establishing a state-led business services model that is aligned with the state's economic development agency and affiliates. In this model, Arkansas Industry Connect, along with regional outreach coordinators will serve as the public-facing employer experts equipped to engage businesses throughout the state and provide a myriad of services and resources in a fashion that is centralized and preferred by business leaders.

• Worker Mobility: This pillar calls for bringing more individuals into the labor force and supporting their advancement through career pathways by using innovative technology, labor market data, and valued credentials. Arkansas is leading the way in emphasizing skills-based practices to support worker mobility including the establishment of a statewide credential registry as well as digital learning and employment records (LERs). This waiver will enable Arkansas to continue connecting more individuals to the workforce and opportunities that lead to self-sufficiency.

• Integrated Systems: This waiver will allow Arkansas to fully integrate outreach, intake, eligibility determination, and case management processes across WIOA Titles I and III as well as possible future integrated expansion with other programs. This waiver transforms the fragmented system of workforce programs into a cohesive streamlined workforce ecosystem, reducing duplication of effort and unnecessary overhead expenses. As previously stated, Arkansas anticipates an estimated $6M of current overhead and operating expenses that can be redirected into direct support of job seekers and employers.

• Accountability: This waiver will allow Arkansas to ensure workforce programs deliver results that link investments to outcomes and program performance. Programs and strategic initiatives will be monitored for continuous improvement to ensure consistent delivery of strong results and measurable impact. The performance information will be publicly available for enhanced transparency across the workforce development system.

• Flexibility and Innovation: This waiver will allow Arkansas to maintain an agile and adaptable workforce system, capable of evolving in step with economic shifts. As state economic priorities change, so will the prioritization of industry investments. Streamlined operations and effective governance structure statewide allow these shifts to occur more quickly and efficiently.
Quantifiable projected programmatic outcomes resulting from implementation of the waiver:
Based on the $6M savings projected as detailed above, Arkansas anticipates increasing Title I program enrollments significantly. Also, in the spirit of WIOA's intent, Arkansas will be able to emphasize spending program funds towards those individuals most in need who can benefit from intensive intervention and direct training and support, all of which positively impacts the achievement of performance goals.

Individuals, groups, or populations benefitting, or otherwise impacted by the waiver from the waiver:
Streamlined operations and reduced operating/overhead costs will provide the opportunity for additional resources to meet the needs of employers, job seekers, and incumbent workers. Additionally, the waiver will allow Arkansas to continue to promote the cost benefits of improved administrative efficiencies, encouraging the increased leveraging of resources within the workforce ecosystem. As a result, Arkansas will increase services such as enhanced education, employment, and training opportunities for disadvantaged populations and individuals with multiple barriers to employment.

How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information:
Upon DOL's approval of this waiver request, Arkansas will communicate the waiver allowance to stakeholders within the workforce ecosystem. Arkansas will monitor progress under this waiver by reviewing monthly performance and expenditure reports compared to historical performance and expenditure levels. Arkansas will also monitor the quality of services provided statewide to ensure continuous improvement. Arkansas will report waiver outcomes in the state's WIOA Annual Report. If the state requests renewal of this waiver, then Arkansas will provide the most recent outcomes data available.

Required Elements - Waiver #2: Flexibility to Reallocate Funds Across Local Workforce Areas
The statutory and/or regulatory requirements the state would like to waive:
The State of Arkansas is seeking a waiver from the provisions of WIOA 128(c)(3) and 133(c)(3), regarding reallocation among local areas. This waiver would provide flexibility to Arkansas in redistributing funds among workforce areas.

Actions the state has undertaken to remove state or local barriers:
There are no state or local statutory or regulatory barriers to implementing the requested waiver

A description of the state's strategic goal(s):
Approval of this waiver request would allow Arkansas to meet the following strategic goals:
• Redistribution of recaptured funds to workforce areas based on factors established to ensure that funds are redistributed to workforce areas with the greatest need. These factors may include the following:
o Requested amount.
o Demonstrated need for and ability to use additional funds to serve low-income individuals, public assistance recipients, dislocated workers, and unemployment insurance claimants;
o Demonstrated capacity to expend the formula funds;
o Alignment with the state's economic priorities through investment by industry (i.e., advanced manufacturing, construction, healthcare, energy, information technology etc.); and
o Performance in the current and previous program years.
• Maximize the impact of recaptured federal funds. Arkansas seeks to redistribute workforce funds to workforce areas that have achieved not only targeted expenditure levels but also established performance targets. Redistributing funds based solely on whether a workforce area achieves its expenditure target does not address performance issues, such as whether the workforce area met employer needs for a highly skilled and job-ready workforce. Improvement of Administrative Efficiencies. Approval of this waiver will serve to minimize administrative processes and costs of contracting by using similar redistribution procedures that support workforce system integration.

A discussion of how the waiver complements Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.):
Approval of this waiver aligns with the following DOL strategic pillars from America's Talent Strategy: Building the Workforce for the Golden Age:
• Industry-Driven Strategies. This waiver will allow Arkansas to ensure the workforce system is aligned with economic priorities. Reallocation consideration factors will provide incentives to ensure training investments are aligned with the needs of employers, especially manufacturing and other industries that serve as the foundation for the state and national economy.
• Accountability. This waiver will allow Arkansas to ensure workforce programs deliver results that link investments to outcomes and program performance. Programs that consistently deliver strong results would be expanded with reallocated funds, while those that fail to show measurable impact would not be awarded with reallocated funds. The performance information will be publicly available for enhanced transparency across the workforce development system.
• Flexibility and Innovation. This waiver will allow Arkansas to maintain an agile and adaptable workforce system, capable of evolving in step with economic shifts. As state economic priorities change, so too would the prioritization of industry investments for fund reallocation consideration. An example of this flexibility would include a scenario where expiring grant funds in one area were recaptured and reallocated to address a mass layoff in another area. This flexibility would allow Arkansas with the provisions to shift funds to where they are most needed

driven by market demand.

Quantifiable projected programmatic outcomes resulting from implementation of the waiver: The statutory reallocation requirements can be fulfilled; however, the amount of funds available for reallocation may also be so small that it is cost prohibitive. By using this waiver for the redistribution of funds, Arkansas can ensure that federal funds will be more effectively and efficiently managed for maximum service provision and program performance. Approval of this waiver will provide the opportunity for recaptured funds to be redistributed to workforce areas where the greatest potential impact may be realized. This waiver will streamline administrative practices, allowing for greater efficiency in meeting the workforce development needs of employers and job seekers. Furthermore, it will enhance the quality of services in those workforce areas that have demonstrated consistent performance outcomes. Approval of this waiver will result in a reduction of unnecessary administrative processes.

Individuals, groups, or populations benefitting, or otherwise impacted by the waiver: Workforce areas that provide quality services will have access to additional resources to meet the employer's needs, job seekers, and incumbent workers. Additionally, the waiver will allow Arkansas to continue to promote the cost benefits of improved administrative efficiencies, encouraging the increased leveraging of resources within the workforce areas. As a result, Arkansas will increase services such as enhanced education, employment, and training opportunities for disadvantaged populations and individuals with multiple barriers to employment.

How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information:
Upon DOL's approval of this waiver request, Arkansas will communicate the waiver allowance to local boards and workforce system partner programs. Arkansas will monitor progress under this waiver by reviewing monthly performance and expenditure reports submitted by the boards, through regularly scheduled conference calls with board directors, and through its monitoring and performance accountability system. Arkansas will report waiver outcomes in the state's WIOA Annual Report.

If the state requests renewal of this waiver, then Arkansas will provide the most recent outcomes data available.

Required Elements - Waiver #3: Network of Affiliate Sites in lieu of Comprehensive Centers
The statutory and/or regulatory requirements the state would like to waive:
As outlined in Training and Employment Guidance Letter (TEGL) 05-25, the State of Arkansas is seeking a waiver of the requirement to establish and maintain at least one physical comprehensive center in each of the state's local workforce development areas (20 CFR

678.300(c)). This waiver would allow Arkansas to leverage virtual and remote services as well as utilize a robust network of affiliated sites that leverage strategic co-location with partners to minimize infrastructure costs while maximizing reach.

Actions the state has undertaken to remove state or local barriers:
There are no state or local statutory or regulatory policies in Arkansas that would create a barrier for implementation of this waiver. The state board will continue to include local input into its activities and allocate funding to each local area in the state to ensure quality and balanced service delivery statewide.

A description of the state's strategic goal(s):
The Arkansas Workforce Strategy is a collaborative, competency-based, customer-centric, and responsive workforce system that meets current and future needs of employers, incumbent workers, and job seekers. The strategy fosters partnerships across sectors to align workforce development with industry needs; aligns training and career pathways with real-world skills and competencies; tailors services to meet the unique needs and goals of job seekers, incumbent workers, and employers; and adapts quickly to economic changes and labor market trends for timely alignment of workforce efforts. These themes collectively aim to create a more dynamic and effective workforce ecosystem in Arkansas.

Arkansas's primary goal for this waiver is to reduce the financial and administrative burden on the partners required to support the infrastructure costs of a comprehensive center. This waiver does not eliminate access to comprehensive services; it allows the state to:
• Deliver comprehensive services through mobile units, partner-embedded sites, and virtual platforms.
• Maintain comprehensive functionality without requiring a fixed physical location in every local area.
• Allocate resources based on customer need and geography, not building and overhead requirements.
• Shift inflated infrastructure costs to direct participant activities, state initiatives, tools, and personnel necessary to deliver services in a hybrid customer-centric model.
• Eliminate the barrier of identifying available real estate and staffing requirements to accommodate a comprehensive center in rural areas of Arkansas.
The flexibility provided under this waiver will allow Arkansas to transform the workforce ecosystem in a manner that aligns directly with both State and Federal priorities. Requiring a fixed comprehensive center in every local area reflects an earlier service model based on geographic presence rather than customer need. This waiver enables Arkansas to modernize service delivery to better reflect how individuals access services today. By shifting from a facility-based requirement to a function-based model, Arkansas can ensure that comprehensive

services are delivered wherever customers are – at community partner sites, through mobile units, and via digital platforms – thereby advancing priorities for access while maintaining efficiency. Established partner sites across the state including adult education centers, AR Department of Human Services (DHS) county offices, and vocational rehabilitation offices will be utilized as access points for workforce services, specifically in rural areas.

A discussion of how the waiver complements Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.):
Approval of this waiver aligns with the following DOL strategic pillars from America's Talent Strategy: Building the Workforce for the Golden Age:
• Industry-Driven Strategies. Requiring fixed comprehensive centers can limit the system's ability to meet employers where they operate. This waiver enables Arkansas to deploy workforce services directly into employer settings through on-site hiring events, sector-based pop-up service delivery, mobile recruitment and screening units, and rapid response to employer expansion needs. By allowing services to move to employers rather than requiring employers to engage with fixed centers, the waiver strengthens demand-driven strategies and improves the speed and effectiveness of matching talent.

Studies show that up to 80 percent of all new jobs are created by existing companies. A successful business retention and expansion strategy serves the key purposes of demonstrating to existing firms that the community appreciates their contribution to the local economy, encourages expansion that leads to sustainable job growth, helps businesses solve their problems and challenges and assists local businesses in gaining awareness of available resources. Regional Outreach Coordinators will be positioned to help implement effective business retention and expansion tools and strategies and ensure communities are familiar with the variety of resources available to help existing companies stay strong and grow. Worker Mobility. Worker mobility is hindered when access to services is tied to transportation, geography, or office hours. This waiver improves mobility by delivery services in trusted community locations, providing virtual access options, reducing travel barriers for rural and low-income individuals, and enabling services to reach individuals during key life transitions. Data from program operations (number of office visits) reflect a greater need and preference by customers, to access services virtually in lieu of visiting a physical center. By removing geographic constraints, the waiver ensures that workers can engage with the workforce ecosystem regardless of location, thereby improving participation and advancement opportunities.
• Integrated Systems. A facility-based requirement reinforces program silos by tying services to specific locations. This waiver supports a "no wrong door" integrated service delivery model by enabling partner-embedded access points, co-location with human services and education providers, unified intake and shared customer profiles, and coordinated service delivery without requiring multiple office visits. Customers will experience a seamless system where

comprehensive services are delivered through a network of access points rather than a single building, directly advancing DOL's vision of an integrated workforce ecosystem.

• Accountability. This waiver strengthens accountability by shifting resources from facility maintenance to direct services and measurable outcomes. Arkansas will maintain full compliance with federal performance requirements while improving time to service, engagement rates, rural access metrics, and employment and retention outcomes. Data from mobile, partner-embedded, and virtual services will be integrated into the statewide system, ensuring transparency and enabling continuous improvement.

• Flexibility and Innovation. This waiver directly supports flexibility and innovation by allowing Arkansas to pilot and scale modern service delivery models, including expanded utilization of the existing mobile workforce units, virtual career navigation, behavioral design strategies, and comprehensive services delivered through a network of affiliate partner sites. By removing structural barriers tied to fixed facilities, Arkansas can test and implement innovative approaches that better serve customers and employers, positioning the state as a national leader in workforce modernization.

Quantifiable projected programmatic outcomes resulting from implementation of the waiver:
Arkansas anticipates increased customer reach statewide through this service delivery model resulting in increased program enrollments and improved engagement with rural communities. Arkansas also projects a reduced "time to first service" for customers with transportation barriers. Improved access to services will result in improved employment and retention outcomes for job seekers and employers. Reduced facility-related tasks may also result in a reduction of administrative burden for staff. Over a series of years, Wagner Peyser funds have been stretched thin due to rising infrastructure costs resulting in a reduction of qualified workforce specialists available to provide direct services to residents. This jeopardizes the standard of a high-performing and quality job center by compromising staff availability in ratio to customers need. Arkansas anticipates an overall increase in customer satisfaction and additional cost savings statewide.

Individuals, groups, or populations benefitting, or otherwise impacted by the waiver:
Arkansas will increase services such as enhanced education, employment, and training opportunities for disadvantaged populations and individuals with multiple barriers to employment, especially those with barriers that prevent them from accessing the current physical workforce centers (i.e., transportation, childcare, etc.).

How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information:
Upon DOL's approval of this waiver request, Arkansas will communicate the waiver allowance to stakeholders within the workforce ecosystem. Arkansas will monitor the quality of services

provided statewide in order to ensure continuous improvement. Arkansas will report waiver outcomes in the state's WIOA Annual Report. If the state requests renewal of this waiver, then Arkansas will provide the most recent outcomes data available.

Required Elements - Waiver #4: WIOA Training Dollars & Supportive Services- Funding Flexibility

The statutory and/or regulatory requirements the state would like to waive:
As outlined in Training and Employment Guidance Letter (TEGL) 05-25, the State of Arkansas is requesting flexibility in the implementation of WIOA sec. 134 (c)(3)(B) as well as 20 CFR 680.210 (c), 20 CFR 680.230, 20 CFR 680.900, and WIOA sec. 129 (c)(3)(A). Specifically, Arkansas is seeking a waiver of the requirement to determine inability to obtain other grant assistance prior to funding training and supportive services for adult, dislocated workers, and youth. Arkansas also seeks the allowance of self-attestation for lack of other available funding options.

Actions the state has undertaken to remove state or local barriers:
There are no state or local statutory or regulatory policies in Arkansas that would create a barrier for implementation of this waiver. Arkansas will still encourage participants to apply for other funding sources including Pell grants and will coordinate the braiding of funding when feasible. Arkansas will ensure that there is no duplication of payment among multiple programs providing funding and will document the reasonableness of all costs allocated to WIOA funds.

A description of the state's strategic goal(s):
The Arkansas Workforce Strategy is a collaborative, competency-based, customer-centric, and responsive workforce system that meets current and future needs of employers, incumbent workers, and job seekers. The strategy fosters partnerships across sectors to align workforce development with industry needs; aligns training and career pathways with real-world skills and competencies; tailors services to meet the unique needs and goals of job seekers, incumbent workers, and employers; and adapts quickly to economic changes and labor market trends for timely alignment of workforce efforts. These themes collectively aim to create a more dynamic, inclusive, and effective workforce ecosystem in Arkansas.

Arkansas's primary goal for this waiver is to eliminate delays of training enrollment, reduce administrative burden for workforce boards and title I-B service providers, remove barriers for low-income participants, and reduce complexity of funding provisions.

A discussion of how the waiver complements Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.):
Approval of this waiver aligns with the following DOL strategic pillars from America's Talent Strategy: Building the Workforce for the Golden Age:
• Industry-Driven Strategies. The requested flexibility advances this pillar by enabling timely access to training aligned with in-demand occupations, ensuring workers can obtain skills when opportunities arise rather than after administrative delays. The reduced time to training will enable rapid enrollment and eliminate delays caused by Pell verification and other aid coordination. When training start dates are missed due to aid verification delays, employer-driven cohorts may lose candidates. A streamlined approach lets the system respond more timely to employer demand. This waiver also strengthens sector strategies by reducing administrative friction, which helps to build reliable pipelines for employers.
• Worker Mobility. This waiver removes procedural barriers that prevent individuals from advancing through rapid upskilling/reskilling. This flexibility also expands practical access for low-income and rural participants. Streamlining recognizes real-world barriers such as FAFSA processing delays, documentation hurdles, and program start timing which can impede an individual's access to other funding sources. Data from customer service surveys and feedback from service providers reflect a dissatisfaction with the current “"last dollar” rule; with workforce boards attributing the decrease in enrollments is due to the complexities of funding eligibility and the processes connected to receiving grant assistance. “
• Integrated Systems. This waiver allows for standardization of a single, cross-program resource coordination workflow that improves co-enrollment operations and simplifies the customer's experience. The no wrong door approach is supported by reducing the number of handoffs for referrals and verification loops.
• Accountability. The requested flexibility shifts the system from process compliance to results accountability. Instead of measuring success by how thoroughly staff document a funding sequencing rule, the waiver emphasizes measurable outcomes, completion, credential attainment, employment, and wage gains. This enables cleaner cost/outcome analysis and preserves fiscal integrity through targeted safeguards.
• Flexibility and Innovation. This waiver allows rapid reskilling pilots when layoffs happen or when new tech adoption accelerates. As the system needs to enroll people quickly, the front-end paperwork reduction supports more timely access to training and supportive services for affected individuals. This waiver also supports innovative funding models and short-cycle credentials. Many high-value credentials are short, modular, and cohort-based; strict sequencing can be disproportionate to the training duration. Streamlining enables more experimentation with accelerated pathways.

Quantifiable projected programmatic outcomes resulting from implementation of the waiver:
Arkansas anticipates this waiver will accelerate enrollment into training, reduce administrative burden, improve access for underserved populations, increase credential attainment, and support employer demand.

Individuals, groups, or populations benefitting, or otherwise impacted by the waiver:
Arkansas will increase services such as enhanced education, employment, and training opportunities for disadvantaged populations and individuals with multiple barriers to employment, including those with lower educational levels and those who are underskilled and underemployed.

How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information:
Upon DOL's approval of this waiver request, Arkansas will communicate the waiver allowance to stakeholders within the workforce ecosystem. Arkansas will monitor the quality of services provided statewide in order to ensure continuous improvement.

Arkansas will report waiver outcomes in the state's WIOA Annual Report. If the state requests renewal of this waiver, then Arkansas will provide the most recent outcomes data available.

Required Elements - Waiver #5: State Plan Acts as Regional Plan
The statutory and/or regulatory requirements the state would like to waive:
The State of Arkansas is seeking a waiver of the requirements outlined in 20 CFR 679.510 through 20 CFR 679.540 to allow the state plan to act as the regional plan in accordance with the overall vision of operating as a single-area state.

Actions the state has undertaken to remove state or local barriers:
There are no state or local statutory or regulatory policies in Arkansas that would create a barrier for implementation of this waiver.

A description of the state's strategic goal(s):
The Arkansas Workforce Strategy is a collaborative, competency-based, customer-centric, and responsive workforce system that meets current and future needs of employers, incumbent workers, and job seekers. The strategy fosters partnerships across sectors to align workforce development with industry needs; aligns training and career pathways with real-world skills and competencies; tailors services to meet the unique needs and goals of job seekers, incumbent workers, and employers; and adapts quickly to economic changes and labor market trends for timely alignment of workforce efforts. These themes collectively aim to create a more dynamic, inclusive, and effective workforce ecosystem in Arkansas.

Arkansas's primary goal for this waiver is to support the state's strategic vision of operating the workforce system with the efficiency and coordination of a single statewide service delivery network. Specifically, the waiver will enable Arkansas to streamline planning processes, align sector strategies across the entire state economy, reduce administrative burden, accelerate implementation of statewide workforce initiatives, and improve statewide employer engagement and sector partnership development.

A discussion of how the waiver complements Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.):
Approval of this waiver aligns with the following DOL strategic pillars from America's Talent Strategy: Building the Workforce for the Golden Age:
• Industry-Driven Strategies. This waiver will allow Arkansas to ensure the workforce system is aligned with economic priorities. This structure allows the state to coordinate programs across the entire labor market rather than fragmented regional planning structures. Consistent sector strategies across the state will allow employers operating in multiple areas to engage with a unified workforce system.
• Worker Mobility. This pillar calls for bringing more individuals into the labor force and supporting their advancement through career pathways by using innovative technology, labor market data, and valued credentials. Through statewide coordination of workforce strategies, the ability of participants to access training and employment opportunities across local workforce development areas will be improved. This will enhance career pathway alignment, portability of services, and access to high-quality training providers statewide.
• Integrated Systems. This waiver will strengthen Arkansas's use of integrated data systems to evaluate workforce outcomes and ensure continuous improvement across the system.
• Flexibility and Innovation. This waiver will allow Arkansas to maintain an agile and adaptable workforce system, capable of evolving in step with economic shifts. As state economic priorities change, so too would the prioritization of industry investments. Streamlined operations and effective planning strategies statewide allow these shifts to occur more quickly and efficiently.
Quantifiable projected programmatic outcomes resulting from implementation of the waiver:
Expected outcomes include improved alignment of workforce strategies statewide and increased administrative efficiency through reduced duplicative planning processes as well as improved employer engagement and service delivery consistency. This waiver will enable employers to interact with a coordinated statewide system rather than fragmented regional strategies.

Individuals, groups, or populations benefitting, or otherwise impacted by the waiver from the waiver:
This waiver will benefit multiple stakeholders within the workforce system including job seekers and program participants, employers and industry partners, and education and training providers. Participants will benefit from more consistent service delivery and expanded access to statewide initiatives. Employers will benefit from improved coordination of workforce services and sector partnerships. As a result, Arkansas will increase services such as enhanced education, employment, and training opportunities for disadvantaged populations and individuals with multiple barriers to employment.

How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information: Upon DOL's approval of this waiver request, Arkansas will communicate the waiver allowance to stakeholders within the workforce ecosystem. Arkansas will monitor progress under this waiver by reviewing implementation of statewide strategies, performance outcomes, and employer engagement analysis. Arkansas will also monitor the quality of services provided statewide in order to ensure continuous improvement.

Arkansas will report waiver outcomes in the state's WIOA Annual Report. If the state requests renewal of this waiver, then Arkansas will provide the most recent outcomes data available.

Required Elements - Waiver #6: State Board Composition Flexibility
The statutory and/or regulatory requirements the state would like to waive:
As outlined in Training and Employment Guidance Letter (TEGL) 05-25, the State of Arkansas is seeking a waiver of the requirements outlined in WIOA Section 101(b)(1), (b)(3) and (c) as well as the corresponding regulations at 20 CFR 679.110(b)-(c), which specify board membership and category/subcategory representation requirements. This would allow the state to change the structure and operation of the state board to streamline overall state board membership and better address the employment and skills needs of the state. This would also allow the state to document dual representation for members who fall under multiple categories.

Actions the state has undertaken to remove state or local barriers:
The Arkansas Workforce Cabinet was created via Governor's Executive Order in February 2023, to enable a single entity to coordinate workforce development and career education services statewide. This same order created the position of Chief Workforce Officer to coordinate, manage, and direct the workforce policies and career education strategy for the State of Arkansas. As a result, Arkansas's Workforce Strategy was released in February 2024, detailing ways to grow and develop Arkansas's workforce.

A description of the state's strategic goal(s):
The Arkansas Workforce Strategy is a collaborative, competency-based, customer-centric, and responsive workforce system that meets current and future needs of employers, incumbent workers, and job seekers. The strategy fosters partnerships across sectors to align workforce development with industry needs; aligns training and career pathways with real-world skills and competencies; tailors services to meet the unique needs and goals of job seekers, incumbent workers, and employers; and adapts quickly to economic changes and labor market trends for timely alignment of workforce efforts. These themes collectively aim to create a more dynamic, inclusive, and effective workforce ecosystem in Arkansas.

Arkansas's primary goal for this waiver is to create a more agile board poised to innovate and strengthen alignment among programs. By incorporating the Arkansas Workforce Cabinet and the Arkansas Career Education Workforce Development Board into a single statewide board, the result will eliminate the administrative maze and inefficiency of multiple entities working independently. Local representation will remain through fewer newly created regional workforce business councils designed to improve service delivery for regional employer talent needs. Consolidation of workforce governance structures will enable the state to streamline decision-making, improve cross-system coordination, and align workforce strategies across programs.

A discussion of how the waiver complements Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.):
Approval of this waiver aligns with the following DOL strategic pillars from America's Talent Strategy: Building the Workforce for the Golden Age:
• Industry-Driven Strategies. This waiver will allow the State Board to more effectively integrate expertise from key economic sectors, workforce partners, and education systems. The current structure of multiple workforce-related entities may result in fragmented strategic planning, duplicative governance processes, and inconsistent policy direction. By consolidating these structures, the state will be better positioned to coordinate workforce policies across workforce programs, economic development initiatives, education and training systems, and industry sector partnerships. This integrated governance model will enable the state to more effectively align workforce investments with high-growth industries and emerging economic opportunities, ensuring that workforce strategies support the broader economic competitiveness of the state.
• Worker Mobility. This waiver will improve coordination among workforce programs that serve job seekers, including programs that support individuals facing barriers to employment. Consolidation of workforce-related boards will allow the state to implement more integrated strategies that address workforce participation, training access, and employment outcomes. Improved governance alignment will also support stronger coordination among partners, ensuring that workforce investments support labor market mobility and access to opportunities statewide.
• Integrated Systems. This waiver will strengthen Arkansas's use of integrated data systems to evaluate workforce outcomes and ensure continuous improvement across the system. An integrated governance structure will enable a stronger, more unified emphasis on the importance of using data to drive performance across programs.
• Accountability. Consolidating workforce governance bodies will allow Arkansas to establish clearer accountability structures for workforce system performance. A unified governance framework will facilitate improved oversight of workforce programs, better coordination of performance measurement strategies, and more effective use of workforce data to inform policy decisions. This approach will support the state's ability to evaluate outcomes, identify areas for improvement, and ensure that workforce investments deliver measurable results for job seekers, employers, and communities.
• Flexibility and Innovation. This waiver will allow Arkansas to maintain an agile and adaptable workforce system, capable of evolving in step with economic shifts. As state economic priorities

change, so too would the prioritization of industry investments. Streamlined operations and unified planning strategies statewide allow these shifts to occur more quickly and efficiently.

Quantifiable projected programmatic outcomes resulting from implementation of the waiver:
This waiver will allow greater flexibility, speed, and focus on the customer. A unified governance structure will facilitate stronger collaboration among programs responsible for career pathways, credential attainment, work-based learning, and skills-based learning. This alignment will improve the ability of the workforce system to scale training strategies that lead to high-quality employment opportunities. Expected outcomes include improved alignment of workforce strategies statewide and increased administrative efficiency through reduced duplicative planning processes as well as improved service delivery consistency.

Individuals, groups, or populations benefitting, or otherwise impacted by the waiver from the waiver:
This waiver will benefit multiple stakeholders within the workforce system including job seekers and program participants, employers and industry partners, and education and training providers. Participants will benefit from more consistent service delivery and expanded access to statewide initiatives. Employers will benefit from improved coordination of workforce services and sector partnerships. As a result, Arkansas will increase services such as enhanced education, employment, and training opportunities for disadvantaged populations and individuals with multiple barriers to employment.

How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information:
Upon DOL's approval of this waiver request, Arkansas will communicate the waiver allowance to stakeholders within the workforce ecosystem. Arkansas will monitor progress under this waiver by reviewing implementation of statewide strategies, performance outcomes, and employer engagement analysis. Arkansas will also monitor the quality of services provided statewide in order to ensure continuous improvement.

Arkansas will report waiver outcomes in the state's WIOA Annual Report. If the state requests renewal of this waiver, then Arkansas will provide the most recent outcomes data available.

Required Elements - Waiver #7: Youth Program Elements Flexibility
The statutory and/or regulatory requirements the state would like to waive:
As outlined in Training and Employment Guidance Letter (TEGL) 05-25, the State of Arkansas is seeking a waiver of the requirements outlined in WIOA Section 129 (c)(2) regarding the 14 youth program elements. This waiver would enable increased flexibility in providing the services most needed. This will allow Arkansas to focus on work-based learning and occupational skills

training opportunities in demand statewide while remaining agile and responsive to emerging needs.

Actions the state has undertaken to remove state or local barriers:
There are no state or local statutory or regulatory policies in Arkansas that would create a barrier for implementation of this waiver. The current four-year plan includes two approved youth waivers designed to address previously identified barriers. The two-year modification includes evidenced collaboration from CTE programs by embedding the Perkins V plan. This action strengthens support for youth as well as clearly defines the state's plan to deliver services to ISY and OSY.

A description of the state's strategic goal(s):
The Arkansas Workforce Strategy is a collaborative, competency-based, customer-centric, and responsive workforce system that meets current and future needs of employers, incumbent workers, and job seekers. The strategy fosters partnerships across sectors to align workforce development with industry needs; aligns training and career pathways with real-world skills and competencies; tailors services to meet the unique needs and goals of job seekers, incumbent workers, and employers; and adapts quickly to economic changes and labor market trends for timely alignment of workforce efforts. These themes collectively aim to create a more dynamic, inclusive, and effective workforce ecosystem in Arkansas.

Arkansas's primary goal for this waiver is to prioritize the youth program elements most responsive to labor market needs in order to enable the workforce system to deploy resources more strategically. The state's workforce network is robust and inclusive of multiple required and additional partners who collaborate to provide an array of services through the use of technology on shared platforms and referral systems; this ensures that necessary and suitable services to youth will not lack because of this waiver.

A discussion of how the waiver complements Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.):
Approval of this waiver aligns with the following DOL strategic pillars from America's Talent Strategy: Building the Workforce for the Golden Age:
• Industry-Driven Strategies. This waiver will allow the state to prioritize services that most directly connect youth to in-demand occupations. Waiving this requirement will allow Arkansas to strategically emphasize program elements that support industry-driven strategies such as work-based learning opportunities, occupational skills training aligned with high-demand sectors, internships and apprenticeships, and career exploration linked to sector partnerships. This flexibility will allow the state to focus resources on services that lead directly to

employment in industries critical to Arkansas's economic growth.
• Worker Mobility. This waiver will enable the state to design service delivery strategies that more effectively support youth in achieving long-term economic mobility. The state will be able to emphasize services that support career pathway development, including occupational skills training, industry-recognized credential attainment, career coaching and navigation, and paid work experiences that connect youth to long-term employment opportunities. This approach strengthens the system's ability to help youth transition into high-quality employment and build sustainable careers.
• Integrated Systems. This waiver will ensure that existing community and partner resources are leveraged to support a broad range of services without requiring the state to independently administer or secure every program element. This approach supports coordinated service delivery across agencies rather than duplicated across programs.
• Accountability. This waiver will not hamper the state's responsibility to meet expected performance measures for the youth program. The state will remain fully accountable for achieving performance outcomes under WIOA and will continue to monitor service delivery to ensure youth participants receive the services necessary to achieve successful employment and education outcomes. This waiver will allow the state to focus resources on services that most directly contribute to measurable performance outcomes while maintaining oversight through the existing monitoring framework.
• Flexibility and Innovation. This waiver will enable the state to design innovative service strategies tailored to the needs of youth participants and employers. This flexibility will support the development of new program models that incorporate employer-led training programs, sector-based youth initiatives, innovative work-based learning models, and partnerships with community organizations. By removing rigid program design requirements, this waiver will enable the workforce system to pilot new approaches that improve youth engagement and employment outcomes.

Quantifiable projected programmatic outcomes resulting from implementation of the waiver:
Expected outcomes include increased youth participation in work-based learning experiences, improved employment and education outcomes, and increased attainment of industry-recognized credentials, as well as reduced administrative burden, improved cross-program partnerships, and greater program innovation.

Individuals, groups, or populations benefitting, or otherwise impacted by the waiver from the waiver:
This waiver will primarily benefit youth program participants. However, employers and industry partners will also benefit from increased alignment with economic priorities and workforce development needs.

How the state plans to monitor waiver implementation, including collection of measurable waiver outcome information:
Upon DOL's approval of this waiver request, Arkansas will communicate the waiver allowance to stakeholders within the workforce ecosystem. Arkansas will monitor progress under this waiver through the existing monitoring framework including analysis of WIOA performance measures and program enrollments. Arkansas will also monitor the quality of services provided statewide in order to ensure continuous improvement.

Arkansas will report waiver outcomes in the state's WIOA Annual Report. If the state requests renewal of this waiver, then Arkansas will provide the most recent outcomes data available.

<u>**Responses for Clarification to DOL – Due July 14, 2026**</u>

- **Waiver #1: Waiver of the requirements outlined in WIOA Section 107(b) to allow a state workforce development board to carry out the roles and responsibilities of a local board.**
  - **Provide documentation of the State's consultation process with all existing local workforce boards.**
    - The Arkansas Workforce Development Board (AWDB) began formal discussions surrounding waiver flexibility on January 7, 2026 at an Executive Committee meeting held at Southeast Arkansas college. The committee met publicly to discuss USDOL TEGL 05-25, which led to discussions surrounding submitting multiple waivers as a part of the PY 26-27 WIOA combined state plan modification packet. The committee reported out to the full board of directors at a meeting later that day, expressing its intent to draft waivers including an overarching waiver to allow the state board to act as the local board.

      AWDB Executive Committee Meeting Agenda- January 7, 2026

      AWDB Full Board Meeting Agenda- January 7, 2026

      AWDB Full Board Meeting Minutes- January 7, 2026 (pg. 8)

    - The introductory presentation of all waiver proposals to the Arkansas Workforce Development Board was held on March 26, 2026, with representation from the majority of the local workforce development boards (lwdbs) in attendance. A follow-up engagement meeting was held with local board directors on April 8, 2026 for an in-depth discussion of the proposed waivers. The meeting consisted of the state reviewing all waivers with lwdbs and answering pre-submitted questions from the locals. *Agenda- please see attachment 2.*

      The state asked each LWDA to schedule joint stakeholder consultation follow-up meetings with chief elected officials and lwdb members, inviting the state to facilitate discussions surrounding the waivers and the state plan modification. Many areas have not responded to this request despite multiple attempts from the state. Lwdbs were also encouraged to submit public comments during the WIOA combined state plan modification thirty-day public comment period.

    - Additional stakeholder engagement meetings and discussions were held with:

- Southeast Arkansas Workforce Development Board, CEOs, and Southeast Arkansas Economic Development District staff on May 6, 2026 and July 21, 2026.
- Little Rock Workforce Development Board on April 23, 2026.
- City of Little Rock CEO (Mayor Frank Scott) on June 17, 2026.
- Workforce Development Board of Eastern Arkansas on June 2, 2026.
- Eastern Arkansas Workforce Development Area CEOs on June 4, 2026.
- Central Arkansas Workforce Development Area on July 30, 2026.
- Southwest Arkansas Workforce Development Area- date pending.
- Various business and industry associations and regional councils
- Arkansas Community Action Agencies Association
- State and Local Chamber of Commerce organizations
- Arkansas Community Colleges association
- Various training providers

- **Describe the timeline for implementation of the requested waiver if approved. Include goals and milestones, quantifiable projections of programmatic outcomes, and discussion of how goals will be achieved and policies that will be established to support waiver implementation.**
  - The state is currently in planning phases with the chairman of the AWDB to establish a transition/implementation committee of the state board. The group will work closely with state staff to map out timelines and activities necessary to fully implement all waivers by July 1, 2027 or sooner.
  - State policies are currently being reviewed for proposed revisions in anticipation of the approval of the waivers. As soon as approval is received from DOL, the policies will be presented to the Arkansas Workforce Development Board for review and approval. Example policy revisions include items such as definitions of terms previously defined by local workforce development boards (i.e., “requires additional assistance”, “unemployed as a result of general economic conditions in the community

to which an individual resides or because of natural disasters", etc.) as well as policies for supportive services, referrals, and ITA limitations. Anticipated completion date is October 31, 2026.

- Training for state board members will be provided outlining the additional responsibilities being assumed on behalf of the local workforce development boards. Training may include topics such as budget approval, convening local workforce system stakeholders, promising service delivery strategies for both jobseekers and employers, oversight responsibilities, MOU/IFA negotiations, center certification, etc. Anticipated completion date is December 31, 2026.

- State legislation is also currently being drafted to ensure there are no state statutes that would challenge the implementation of this waiver regarding the designation and duties of the state and local workforce development boards. The next session of the Arkansas State Legislature begins in January 2027. Proposed legislation will be available for consideration upon commencement of the session. Arkansas Workforce Connections (AWC) will also seek approval for hiring additional staff required to provide adequate service delivery coverage in all local areas statewide. Anticipated completion date is March 31, 2027. May include emergency clause to take effect immediately.

- Simultaneously, the AWC monitoring unit will commence in-depth closeout monitoring engagements that will include, at a minimum, a programmatic review of all active participant case files and all work experience work sites as well as a financial review of a sample of expenditures and reconciliation of financial reports for every local workforce development area. Anticipated resolution completion date is March 31, 2027.

- Assuming all milestones listed above are successfully completed, additional local staff will be hired and trained by Arkansas Workforce Connections to ensure adequate coverage and a seamless transition with no gap in service delivery. Anticipated completion date is June 30, 2027, followed by statewide implementation on July 1, 2027. The goal of AWC will be to recruit a portion of existing staff from local workforce boards well qualified to provide case management services in their respective regions.

- Subaward closeout will be initiated with a 45-day period for the local workforce development areas to liquidate outstanding obligations. Upon completion of the closeout process, all remaining funds will be recaptured. Anticipated completion date is August 31, 2027.

- As reflected in the waiver proposal, AWC expects to provide occupational skills training and supportive services for more than 200 additional participants the first year of implementation due to cost savings from this waiver while maintaining agreed-upon performance levels. An increase of total number of participants served in each WIOA funding stream is expected. Anticipated completion date of this quantifiable programmatic outcome is June 30, 2028.

- **Detail the State's proactive solicitation of public comments on the proposed waiver.**
  - Arkansas posted the waivers along with the Combined State Plan Modification on the state WIOA webpage (https://dws.arkansas.gov/workforce-services/wioa/wioa-plans/) for public comment from April 17, 2026, through May 18, 2026. An online submission form for public comments was provided on the website. This information along with links to the public posting were distributed to all local workforce development board directors as well as other workforce stakeholders via email upon commencement of the public comment period.
  - More than 60 public comments were received during the review period for the Arkansas WIOA State Plan modification, reflecting strong engagement across the workforce system. Feedback included several letters of opposition and a number of letters expressing support, alongside input gathered through extensive stakeholder outreach with local workforce development boards, chief elected officials, industry associations, community-based partners, and chambers of commerce. After reviewing all comments and considering the full range of perspectives, the Arkansas Workforce Development Board voted to approve the proposed plan and all draft waiver requests on 5-21-26, which are now being submitted to the U.S. Department of Labor for formal review.
- **Discuss the projected savings that the State's administration and oversight is expected to yield.**
  - By integrating the processes and staffing of Titles I and III by function, AWC will reduce duplication of effort and increase statewide capacity. This provides the ability to redistribute the workload across staff to increase efficiency and fully utilize available resources.

- By reducing the number of entities the funds pass through, the entity-level costs such as single audits, accounting software, human resources, finance, and I.T. will have a corresponding reduction.
- The estimates used for calculating potential cost savings under the waiver model were as follows:

<u>Estimated Expenses:</u>

Job Title	Average Salary/Benefits	Estimated New Positions	Total Cost
Intake Specialists	$ 70,000.00	5	$ 350,000.00
Case Managers	80,000.00	25	2,000,000.00
Regional Managers	90,000.00	5	450,000.00
Subtotal			$ 2,800,000.00
Indirect Costs			896,000.00
Other Operating Costs			1,000,000.00
Total			**$ 4,696,000.00**

<u>Projected Increase to Direct Participant Support:</u>

Title I Allotment for Local Operations	$ 12,795,255.00
Cost Estimates Above	(4,696,000.00)
Available for Direct Participant Support	**$ 8,099,255.00**
Historical Direct Participant Support	$ 1,992,377.00
Resulting Increase to Direct Participant Support	**$ 6,106,878.00**

****306% Increase in Available Funds for Direct Participant Services****

- **Waiver #2: Waiver of the requirements of WIOA 128(c)(3) and 133(c)(3) to allow the Flexibility to Reallocate Funds Across Local Workforce Areas.**
  - **Discuss how the requested waiver will help AR achieve its goals.**

    - This waiver will allow Arkansas to redistribute recaptured funds to workforce areas based on factors established to maximize the impact to workforce areas with the greatest need. For example, when recaptured funds are redistributed based solely on the original allotment formula, often the amounts are so minimal to some of the areas that the redistribution is not cost-effective for the amount of administrative time and effort it takes. Also, not every local area needs or can spend the additional funding. These additional strategic criteria will allow Arkansas to streamline the redistribution only to those local areas with demonstrated need and capacity.
    - If waiver #1 is not approved and local boards continue to provide services statewide, this funding redistribution waiver will also allow Arkansas to ensure that local area investments are aligned with state economic priorities.
  - **Provide quantifiable projections for programmatic outcomes.**
    - In the waiver proposal, Arkansas estimated that approx. $120,000 of funding could be subject to recapture and subsequent redistribution in the current year. By focusing this reallocation on areas with demonstrated need and capacity to expend the additional funds, Arkansas anticipates an additional 15-25 participants could be funded for training and/or supportive services in high-performing, economically-aligned local areas.
  - **Describe the policies AR will establish to support waiver implementation.**
    - Arkansas will revise its existing guidance on recaptured funds to include the additional redistribution criteria. Criteria will be amended to include demonstrated need, capacity to expend additional funds, alignment with state economic priorities, and performance in the current and previous program years.
  - **Document how local boards affected by the waiver were notified and describe AR's proactive solicitation of public comments.**
    - Local board directors were initially introduced to this waiver proposal during the Arkansas Workforce Development Board meeting held on March 26, 2026. A follow-up engagement meeting was held with local board directors on April 8, 2026 for an in-depth discussion of the proposed waivers.
  - **Describe how AR assesses the local areas' ability to expend formula funds including if criteria include a minimum obligation rate.**

        - In accordance with Arkansas Division of Workforce Services Issuance PY 22-07, the amount that may be recaptured for reallocation from a local area will be based on the amount by which the prior year's unobligated balance of allocated funds exceeds 20% of that year's allocation for the program, less any amount reserved (up to 10%) for the costs of administration. The amount to be recaptured, if any, must be separately determined for each funding stream, and the unobligated balances must be determined based on allocations adjusted for any allowable transfer between funding streams.
        - Previously, to be eligible to receive reallocated funds under the reallocation procedures, a local area must have obligated at least 80% of the prior program year's allocation, less any amount reserved (up to 10%) for the costs of administration, also separately determined by funding stream. Under this waiver, the local areas would also be required to provide documentation of demonstrated need and capacity to expend the additional reallocated funding as well as a line item budget for the funds. AWC staff would review the documentation submitted and assess the justification provided. The assessment would also include a review of the local area's history of spending capacity and current economic conditions (i.e., upcoming mass layoffs, etc.).
    - **Detail plans to monitor waiver implementation, describe when AR will determine that reallocated funds are not being expended in a timely manner, and what steps AR will take if reallocated funds are still not expended timely.**
        - Upon approval of this waiver, any funds reallocated to local areas will be subject to the additional redistribution criteria. Arkansas will monitor the redistributed funds quarterly to ensure the local area is on track to fully expend the redistributed funds. If the local area is not on track to fully expend the redistributed funds, Arkansas will request an action plan for the additional funding and provide technical assistance as needed. Any funding not expended by the affected local areas in the second (redistribution) year of the award will be recaptured back to statewide funds and expended by the state in the third year of the award.
- **Waiver #3: Waiver of the requirements in Section 121(e)(1) and 20 CFR 678.300(c) to establish and maintain a comprehensive AJC in each of a state's local workforce areas.**
    - **State which local areas will be using this waiver and explain the reasoning for and benefits of the proposed alternative model.**

        - Any/all local area(s) would be eligible to utilize this waiver, if approved. Since the pandemic, Arkansas has seen a substantial decrease in foot traffic through the physical workforce center locations. Arkansas has successfully implemented virtual employment services statewide to supplement and support the lack of physical center engagement. In addition to the virtual services offered, Arkansas has employed mobile units for years. These mobile workforce centers can be deployed to rural areas for increased access for individuals with transportation barriers, which is one of the most common challenges in rural Arkansas. Rising property prices and lack of affordable options for properties that can accommodate all required one-stop partners in a single location are some of the driving factors supporting this waiver. Arkansas's goal with this waiver is to expand access to services and meet individuals where they are instead of requiring travel to a fixed brick-and-mortar location, which will in turn reduce the financial and administrative burden of supporting fixed infrastructure costs. Scheduling periodic intake and case management staff to partner and public locations that currently receive visits from potential WIOA participants will allow WIOA staff outreach and follow-up opportunities to meet participants where they are. This will also reduce the burden for those with transportation, child care, and other barriers. Arkansas will ensure that all partner services are accessible throughout the network of affiliate locations leveraged statewide through the no-wrong door strategy.

    - **Discuss why employers must currently engage with fixed one-stop centers now.**

        - When staff are tied to fixed one-stop centers, there is less flexibility to meet employers off-site due to budget and staffing constraints. This waiver would allow more flexibility for staff to deploy sector-based pop-up services as well as mobile recruitment and screening units to better meet employer demand.

    - **Provide quantifiable projections for programmatic outcomes**

        - Arkansas anticipates increased customer reach statewide through this service delivery model resulting in increased program enrollments and improved engagement with rural communities. Arkansas estimates an increase of 10-20% in program enrollments during the first year and additional increases of 5% per year thereafter. Arkansas also expects improved customer satisfaction through the expanded service accessibility.

Customer satisfaction surveys will be collected on an ongoing basis for feedback and continuous improvement.

- **Specify how the State will achieve the goals described in the waiver request including how partnerships will be maintained.**
    - Arkansas will continue to facilitate partner/stakeholder engagement meetings at the state and regional levels to ensure ongoing collaboration and strengthening of partnerships Currently, WIOA referrals to partner programs are more significant than referrals into WIOA. We expect that allowing staff to periodically work from partner sites will increase the number of referrals to the WIOA program.
- **Detail plans to implement the waiver including monitoring outcomes.**
    - Arkansas does not have plans to close any existing comprehensive workforce centers. However, as partners change throughout the various local areas, this waiver would remove the administrative burden of having to secure alternate provision of services in every comprehensive center for every required program. As partners move out, the remaining partners could form an affiliate center in lieu of a comprehensive center. Additionally, existing adult education centers and vocational rehabilitation centers throughout the state, who currently operate outside of the WIOA one-stop American Job Centr network, will be considered for affiliate center certifications to provide more access to workforce services in rural areas.
    - Arkansas will monitor program enrollments, participant characteristics, infrastructure costs, and stakeholder engagement to ensure that program enrollments continue to improve, specifically for rural individuals, while maintaining an affordable level of infrastructure costs statewide. Arkansas will periodically assess the need for fixed locations on a case-by-case basis, ensuring responsiveness to economic workforce demands.
- **Document how local boards affected by the waiver were notified and describe AR's proactive solicitation of public comments.**
    - Local board directors were initially introduced to this waiver proposal during the Arkansas Workforce Development Board meeting held on March 26, 2026. A follow-up engagement meeting was held with local board directors on April 8, 2026 for an in-depth discussion of the proposed waivers.

- **Waiver #4: Waiver of the requirements at WIOA Section WIOA sec. 134 (c)(3)(B), 20 CFR 680.210 (c), 20 CFR 680.230, 20 CFR 680.900, and WIOA sec. 129 (c)(3)(A) to allow WIOA Training Dollars & Supportive Services- Funding Flexibility.**
    - **Note that the following references in the State's request are not relevant to funding flexibility and clarify if Arkansas is seeking to waive them. WIOA Section 129(c)(3)(A) concerns making appropriate service referrals for Youth Program participants.**
        - Noted.
    - **Discuss how the proposed waiver would result in "a single, cross-program resource coordination workflow."**
        - Today, training enrollment may be delayed while documentation is collected to reflect whether the customer could receive assistance from other sources. This may involve multiple handoffs, duplicate assessments, and a longer time to enroll in training as well as increased administrative burden and customer frustration. With this waiver, the focus shifts from proving that no other funding exists to determining what combination of resources best meets the customer's employment goals. The workflow becomes a single intake across programs, a common assessment of barriers, skills, and career goals, followed by an integrated service plan and resource coordination across all available programs. Instead of asking "can we prove there is no other money available", staff ask "what combination of resources gets the customer employed the fastest". The waiver allows a more in-depth level of integration across programs by process instead of focusing on documenting burdensome funding limitation requirements. Rather than requiring sequential funding determinations, staff will implement a single cross-program resource workflow that identifies the most effective combination of workforce, education and partner resources to support the customer's employment goals. This approach reinforces the no wrong door customer experience consistent with Arkansas's vision of an integrated workforce system.
    - **Provide quantifiable projected outcomes with a baseline and a target that will result from the waiver.**
        - As a result of the waiver, customers experience faster access to training, quicker supportive service decisions, fewer appointments, and better employment outcomes. The average time from program enrollment to training start date in Arkansas is currently around 46 days. Arkansas anticipates this waiver will allow at least a 20% reduction in that time,

while acknowledging that there still may be other delays caused by factors outside of our control (i.e., training program start date availability, need for other career services prior to enrolling in training, etc.).

- **Describe the steps AR will take to implement the waiver including any policies it would establish and if the State and or locals will continue to partner with other funding sources to assist eligible participants.**

  - Arkansas will develop statewide policies and procedures regarding coordination of resources and referrals as appropriate. Arkansas will train all staff, both new and existing, on the updated processes. Regional staff will maintain asset maps for their respective areas as well as nurture collaborative partnerships with available resources.

- **Document how local boards affected by the waiver were notified and describe AR's proactive solicitation of public comments.**

  - Local board directors were initially introduced to this waiver proposal during the Arkansas Workforce Development Board meeting held on March 26, 2026. A follow-up engagement meeting was held with local board directors on April 8, 2026 for an in-depth discussion of the proposed waivers.

- **Waiver #5: Waiver of the requirements at 20 CFR 679.510 through 20 CFR 679.540 to allow the State Plan to Act as the Regional Plan.**

  - **Provide data on the economic regions and laborsheds in the State.**

    Arkansas will use existing tools and resources aligned with economic development regions established through the eight planning and development districts. An example is the CEDS tool. A Comprehensive Economic Development Strategy or CEDS is a document designed to engage cooperation between the public and private sectors in the resiliency and health of the local economy. A CEDS analyzes the target region's economic and social well-being and serves as a guide to establishing regional goals, strategies, investment priorities, and resources to benefit the region. A CEDS seeks to maximize the target region's unique advantages and minimize its disadvantages. Finally, a CEDS provides a benchmark for regional economic success. The CEDS is a mandated document by the Economic Development Administration (EDA) to define Planning and Development Districts throughout the nation. Data from each region's CEDS will be incorporated into the state plan and used to make informed decisions on workforce development activities funded through WIOA.

    Factors including population centers, commuting patterns, land ownership, industrial composition, location quotients, labor force conditions, and geographic boundaries will be used to define commonalties among each area. State plan strategies will leverage these commonalities, yet labor market information specific to each lwda and regional strategies will also be included to not abandon the unique characteristics of each region.

  - Arkansas will use Out of the Labor Force (OOLF) and Unemployed by County data to target outreach across the state. Heavy outreach will be conducted in counties with high civilian non-institutionalized residents aged 18-64 that are not employed. The state will focus on Partner offices in the areas, local chamber events and job fairs/events to offer resources as well as employers in the areas to seek job opportunities for employment.

- **Describe policies the State has established or will establish to support waiver implementation.**
  - Arkansas will develop common forms to use statewide as well as updated processes and policies for case management protocol, quality assurance and monitoring standards, etc. This will also streamline the multiple formats currently in use.
- **Provide quantifiable projected outcomes with a baseline and a target that will result from the waiver.**

  This waiver supports the ability to implement waiver #1 above. Ultimately, the state's overall intent of this waiver is not to exclude specific data by region, but to reduce the administrative burden of multiple regional plans; specific and relevant data from each lwda will be included in the state plan.

- **Describe the steps AR will take to implement the waiver including implementation milestones, timeline, and any policies it would establish.**
  - This waiver will be implemented in conjunction with the timeline anticipated in waiver #1.
- **Document how local boards affected by the waiver were notified and describe AR's proactive solicitation of public comments.**
  - Local board directors were initially introduced to this waiver proposal during the Arkansas Workforce Development Board meeting held on March 26, 2026. A follow-up engagement meeting was held with local board directors on April 8, 2026 for an in-depth discussion of the proposed waivers.

- **Waiver #6: 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), which specify board membership and category/subcategory representations requirements.

- **Identify specifically which required state board members the State seeks to not have on the board and how those interests will otherwise be given a voice.**

  - Two (2) members who are representatives of labor organizations to be nominated by the Arkansas Labor Federation;

    Explanation: Historically, Arkansas has not been a labor union heavy-utilized state. The Department of Commerce has struggled to fill these seats due to a lack of interest by state organizations. Alternative forms of worker representation are included on the state board composition through multiple channels: registered apprenticeship sponsors, Perkins stakeholder groups, adult education advisory councils, sector partnerships and employer collaboratives. Required public comment processes also ensure that the voice of these groups are heard and factor into policies and decision making.

    The board's mission focuses on system strategy rather than collective bargaining.

  - At least one (1) member who is a representative of a community-based organization that has demonstrated experience and expertise in addressing the employment, training, or education needs of individuals with barriers to employment, including community-based organizations that serve veterans or that provide or support competitive, integrated employment for individuals with disabilities;

    Explanation: The aforementioned populations are represented by the business community who are avid citizens and supporters of workforce and social services programs. Arkansas business representatives have a keen focus on serving and hiring individuals with barriers to employment. Business involvement in work-based learning activities including registered apprenticeships, work experiences, and OJT provides the first-hand experience and expertise needed to fulfill this function, which reduces the number of required seats on the overall board without inflating the overall composition. Additionally, representatives from the vocational rehabilitation (WIOA Title IV) serve as ambassadors for the disability population, without the duplication of an extra required member of the board.

- At least one (1) member who is a representative of community-based organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including community-based organizations that serve out-of-school youth;

  Explanation: The aforementioned populations are represented by the adult education representative on the board, without the duplication of an extra required member of the board.

- The Director of the Adult Education Section;
- The Commissioner of Arkansas Rehabilitation Services;
- The Director of the Division of State Services for the Blind;

Explanation: Under the Arkansas Department of Commerce organizational chart, the Executive Director of Arkansas Workforce Connections oversees and serves as chief executive officer for WIOA titles I-IV programs. The state directors for each program reports directly to the AWC executive director who has been appointed to speak affirmatively and provide representation on behalf of all programs. The approval of this waiver will help to reduce the number of required seats on the board, placing a heavier emphasis on business representation to support an industry-driven governance model.

- **Explain why the State seeks to waive the requirement that the Governor select a chairperson from the Board's business representatives (20 CFR 679.110(c)).**
  - N/A- Arkansas does not seek the waive this requirement.
- **Explain how exactly the requested waiver would contribute to the use of integrated data systems and improved accountability.**
  - Improved accountability will be enforced through a more balanced, lean and more efficient board. A smaller, strategically focused board improves decision-making speed, cross-agency coordination, compliance with federal and state timelines and aligns with all five pillars included in America's talent strategy.
- **Describe the steps AR will take to implement the waiver including implementation milestones, timeline, and any policies it would establish.**
  - The state is currently in planning phases with the chairman of the AWDB to establish a transition/implementation committee of the state board. The

group will work closely with state staff to map out timelines and activities necessary to fully implement all waivers by July 1, 2027 or sooner.

  - State board bylaws are currently being reviewed for proposed revisions in anticipation of the approval of the waivers. As soon as approval is received from DOL, bylaws and policies will be presented to the Arkansas Workforce Development Board for review and approval.
  - Training for state board members will be provided outlining the additional responsibilities being assumed on behalf of the local workforce development boards. Training may include topics such as budget approval, convening local workforce system stakeholders, promising service delivery strategies for both jobseekers and employers, oversight responsibilities, MOU/IFA negotiations, center certification, etc. Anticipated completion date is December 31, 2026.
  - State legislation is also currently being drafted to ensure there are no state statutes that would challenge the implementation of this waiver regarding the designation and duties of the state and local workforce development boards. The next session of the Arkansas State Legislature begins in January 2027. Proposed legislation will be available for consideration upon commencement of the session.

- **Provide quantifiable projected outcomes with a baseline and a target that will result from the waiver.**
  - Arkansas is exploring the merger of two workforce development focused boards: Arkansas Workforce Development board and the Arkansas Career and Education Workforce Board. Both boards are business led and serve similar roles. The consolidation of the boards will create a governance structure that aligns strategic goals in a manner that supports all goals and targets included in the waiver packet and the WIOA combined state plan modification. Another benefit is the reduced administrative burden of state staff by streamlining time, resources, and costs associated with duplicative meetings. The reorganization flexibility allows the state an opportunity to maximize innovation in a way that is less rigid than the current structure.
- **Document how local boards affected by the waiver were notified and describe AR's proactive solicitation of public comments.**
  - Local board directors were initially introduced to this waiver proposal during the Arkansas Workforce Development Board meeting held on March 26, 2026. A follow-up engagement meeting was held with local

board directors on April 8, 2026 for an in-depth discussion of the proposed waivers.

- **Waiver #7: Waiver of the requirements at WIOA Section 129 (c)(2) to allow Youth Program Elements Flexibility**
  - **Specify the specific components of WIOA Section 129 (c) (2) that the State wishes to waive.**
    - Arkansas specifically wishes to waive the requirement related to that section as cited in 20 CFR 681.470 regarding having agreements in place with partner organizations for every program element not funded with Title I funds. While Arkansas intends to offer the program elements as appropriate to youth participants, the requirement to have written agreements for every element in every local area across the state can be administratively burdensome.
  - **Provide additional justification for the waiver including details on how the State plans to use the waiver to forward the State's goals, information on whether pre-apprenticeship or Registered Apprenticeship activities will be a focus, and specifics on how the State will "details on how the State will "[remain] agile and responsive to emerging needs" given the "focus on work-based learning and occupational skills training opportunities in demand statewide."**
    - Arkansas does not plan to use this waiver to reduce access to required elements; however, it will provide greater flexibility in how those elements are coordinated and delivered. This waiver would advance Arkansas's strategic vision by enabling youth services to be delivered through a more responsive, demand-driven service model that emphasizes employment, work-based learning, and attainment of industry-recognized credentials in high-demand occupations. Eliminating the requirement to maintain separate written agreements for each of the 14 youth program elements would allow the state to shift staff time and resources from contract administration to direct service delivery and employer engagement. This increased administrative flexibility supports the state's goals of improving customer service, strengthening employer partnerships, and addressing workforce shortages in key industries.
    - Arkansas's labor market continues to evolve as employers experience changing workforce needs across priority sectors. Requiring written agreements for every program element can delay implementation of innovative service strategies and limit the ability to respond quickly to

emerging opportunities. This waiver would enable Arkansas to rapidly develop new work-based learning opportunities in response to employer demand, expand paid work experiences and other work-based learning pathways for youth, and pilot innovative service delivery strategies without first negotiating multiple formal agreements for every element. This flexibility also allows service delivery to be adjusted throughout the program year as employer demand and participant needs evolve.

    - Rather than emphasizing compliance with multiple provider agreements, the waiver allows Arkansas to focus on building stronger relationships with employers and industry partners. The flexibility supports employer-designed work experiences, sector partnership initiatives, and career pathway development.
    - This waiver also supports a more individualized approach for youth participants. Rather than structuring services around contractual program elements, case managers can develop customized service strategies based on each participant's career goals, barriers, interests, and local labor market opportunities. Youth continue to have access to appropriate program elements through coordinated partnerships and referrals, but services are delivered based on participant need rather than administrative structure.

- Provide quantifiable projected outcomes with a baseline and a target that will result from the waiver.
    - This waiver simply reduces the administrative burden of one agency having to secure multiple agreements across the state. Outcomes include more devoted time to focus on strategy, operations, and serving more participants based on the projection of an 306% Increase in Available Funds for Direct Participant Services.

WIOA Waiver Implementation Timeline

Consolidating local board functions under the Arkansas Workforce Development Board

ARKANSAS WORKFORCE CONNECTIONS | Arkansas Department of Commerce

PREPARED FOR

Arkansas Legislative Council

Contingent on U.S. Department of Labor approval
Issued August 20, 2026

JULY 1, 2027 **Statewide go-live** Full implementation of all approved waivers, or sooner	**9 MILESTONES** **Across four workstreams** Policy, training, legislation, monitoring and closeout	**~10 MONTHS** **Preparation runway** From planning underway now to go-live readiness	**AUG 31, 2027** **Closeout complete** 45-day liquidation period, then funds recaptured

IMPLEMENTATION SEQUENCE

KEY: UNDERWAY | PLANNED | LEGISLATIVE / EXTERNAL GATE | GO-LIVE & CLOSEOUT

NOW
Aug 2026

GOVERNANCE UNDERWAY — AWDB chairman | AWC state staff

Transition and implementation committee stood up

Arkansas Workforce Connections is in planning phases with the chairman of the Arkansas Workforce Development Board to seat a transition and implementation committee of the state board. The committee will work with state staff to map the timelines and activities needed to implement all waivers by July 1, 2027 or sooner.

OCT 31
2026

POLICY PLANNED — AWC policy unit | AWDB

State policy revisions adopted by the Arkansas Workforce Development Board

State policies are under review now for proposed revision in anticipation of approval. Once the Department of Labor acts, revisions go to the state board for review and approval. Scope includes terms previously defined by local boards.

DEC 31
2026

TRAINING PLANNED — AWC | AWDB members

State board members trained on assumed local board duties

Training outlines the added responsibilities the state board assumes acting in the capacity of local workforce development boards. Topics may include budget approval, convening local workforce system stakeholders, promising service delivery strategies for both jobseekers and employers, oversight responsibilities, MOU and IFA negotiations, and center certification.

JAN
2027

LEGISLATIVE GATE — AWC | General Assembly

Legislative session convenes; proposed legislation available

Legislation is being drafted now to confirm that no state statute would challenge implementation of the waiver as it concerns the designation and duties of the state workforce development board. The next session of the Arkansas General Assembly begins in January 2027, and the proposal is available for consideration upon commencement.

MAR 31
2027

LEGISLATIVE GATE — General Assembly | AWC

Statutory conformity secured and staffing authority approved

Target completion for the legislation, which may include an emergency clause to take effect immediately. In parallel, Arkansas Workforce Connections will seek approval to hire the additional staff required for adequate service delivery coverage in all local areas statewide.

MAR 31
2027

MONITORING PLANNED, CONCURRENT

AWC monitoring unit

Closeout monitoring engagements resolved for every local area

Running simultaneously with the tracks above, the AWC monitoring unit conducts in-depth closeout monitoring of every local workforce development area. Each engagement covers, at minimum, a programmatic review of all active participant case files and all work experience work sites, a financial review of a sample of expenditures, and reconciliation of financial reports.

JUN 30
2027

STAFFING PLANNED

AWC human resources | regional teams

Local staff hired and trained for a no-gap transition

Assuming the milestones above are met, Arkansas Workforce Connections hires and trains additional local staff to ensure adequate coverage and a seamless transition with no gap in service delivery. AWC aims to recruit a portion of existing local board staff who are well qualified to provide case management services in their respective regions.

JUL 1
2027

GO-LIVE GO-LIVE

Statewide | AWDB and AWC

Statewide implementation of all approved waivers

The consolidated service delivery model takes effect statewide, with the Arkansas Workforce Development Board carrying the functions previously held by local workforce development boards.

AUG 31
2027

CLOSEOUT CLOSEOUT

AWC grants management

Subaward closeout completed and residual funds recaptured

Subaward closeout is initiated with a 45-day period for local workforce development areas to liquidate outstanding obligations. On completion of the closeout process, all remaining funds are recaptured.

GOALS, SUPPORTING POLICIES AND OPEN DEPENDENCIES

Goals the waiver is intended to achieve

- Implement all approved waivers statewide by July 1, 2027 or sooner.
- Transition service delivery with no gap in coverage for jobseekers or employers.
- Maintain adequate service delivery coverage in every local area statewide.
- Retain regional expertise by recruiting qualified existing local board staff into AWC case management roles.
- Close out every local area cleanly, with obligations liquidated and residual funds recaptured.

Policies and instruments to be established

- State definitions replacing local board definitions, including “requires additional assistance.”
- Supportive services, referral and ITA limitation policies.
- State board procedures for budget approval and oversight.
- MOU and infrastructure funding agreement negotiation practice.
- One-stop center certification process.
- Stakeholder convening model for local workforce systems.

Dependencies and items still to be supplied

- DOL approval is the gate: policy adoption begins only once approval is received.
- Enactment during the session that convenes January 2027, possibly with an emergency clause.
- Approval of additional AWC staff positions.

Proposed Roster: Arkansas Workforce Development Board

New state workforce board composition under the PY 26-27 WIOA combined state plan modification addressing waiver requests #1 and #6 (17 seats)

Summary

Business members continue to hold the majority percentage of all seats and will include employer champions representative of workforce development areas and prominent industry sectors across the state. Workforce and government representatives remain key stakeholders and decision makers.

GOVERNMENT Representatives (3)	
1	Governor
2	Elected Official- County Judge
3	Elected Official- Mayor
BUSINESS Representatives (9)- *Industry sector seats*	
4	Business representative, agriculture sector
5	Business representative, construction sector
6	Business representative, energy sector
7	Business representative, healthcare sector
8	Business representative, information technology sector
9	Business representative, manufacturing sector
10	Business representative, transportation and logistics sector
Business (at-large) Small business and discretionary industry seats	
11	Small business representative
12	Business representative or organization that represents businesses (*ex. State Chamber; industry association*)

WORKFORCE Representatives (4)	
13	Executive Director, Arkansas Workforce Connections- *representing WIOA Titles I-IV*
14	Commissioner, Arkansas Department of Higher Education- representing post-secondary and Perkins/CTE *(youth)*
15	Executive Director, Arkansas Economic Development Commission
16	Apprenticeship representative, Labor organization or Training Director of RAP

<u>COMMUNITY</u> Representative (1)	
17	Community based organization serving individuals with barriers to employment *(veterans, disabilities, low-income, etc)*

Composition tests

Category	Seats	Share	Threshold test
Business representatives	9	53%	Majority required. Satisfied.
Workforce representatives	4	24%	Not less than 20% required. Satisfied.
Government representatives	3	18%	
At-Large	1	5%	
Total	**17**	**100%**	

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Governance under Waiver #6 and #1: four tiers

Tier	Role	Authority
Arkansas Workforce Development Board (19 members)	All state board functions plus all local board functions for the single statewide planning region.	Full policy and budget authority. Sets policy, approves the plan, selects providers, certifies centers.
Standing committees	Carry the delegated detail of the 29 combined functions and report recommendations to the full board.	Recommending authority. Final action rests with the board unless the bylaws delegate expressly.
Arkansas Department of Commerce- Workforce Connections	WIOA Title I service provider. Operate service delivery, convene area employers, and administer the one-stop centers throughout the state.	Fiscal agent, board staff and service provider role designated by the Governor and state workforce development board.
Regional business councils	Advisory arm making recommendations regarding local workforce development area. Report in-demand occupations, skill gaps, hiring needs, and work-based learning capacity to the Industry Alignment Committee.	N/A

Committees the restructure requires

Carrying out state board and local board functions

Committee	Charge
Executive Committee	Acts between quarterly meetings; sets the agenda; recommends the four-year combined plan and the single-area local plan; approves the board's own budget.
One-Stop System Committee	Certifies the comprehensive and affiliate centers, assesses each center annually for physical and programmatic accessibility, negotiates and administers infrastructure funding, and oversees the one-stop delivery system statewide. Competitively selects and, where warranted, terminates providers.
Targeted Populations Committee	Advises on youth service design. Addresses services to individuals with disabilities, WIOA § 188 and ADA compliance, and staff training on accommodations and placement. Advises on all services impacting individuals with barriers to employment.
Performance, Data and Accountability Committee	Negotiates state performance levels, oversees fund use and performance outcomes, prepares the annual reports, and directs labor market research and the workforce information system. Also oversees the allocation formulas that ensure local area funds are distributed and tracked for proportionate service delivery resources across the state.
Industry Alignment and Career Pathways Committee	Convenes sector partnerships, builds employer linkages, develops career pathways with secondary and postsecondary partners and receives the regional business council reports.

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