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