

## U.S. Department of Labor

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



June 23, 2026

The Honorable Josh Green  
Governor of Hawaii  
Executive Chambers  
State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Governor Green:

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 4, 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 Hawaii will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Hawaii and ETA. This action is taken under the Secretary of Labor's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner-Peyser Act in WIOA Section 189(i).

Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that the State and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on out-of-school youth (OSY).

ETA Response: ETA approves, for Program Years (PYs) 2026 and 2027, which includes the entire time period for which states are authorized to spend each of those PY fund allotments, the State's request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of State to implement its plan to improve the workforce development system. The State may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves, for PYs 2026 and 2027, which includes the entire time period for which states are authorized to spend each of those PY fund allotments, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. The State may lower the local youth funds expenditure requirement to 50 percent for OSY.

Requested Waiver: Waiver of 20 CFR 681.550 to allow WIOA individual training accounts (ITAs) for in-school youth (ISY).

ETA Response: ETA approves, for PYs 2026 and 2027, the State's request to waive the requirement limiting ITAs to only OSY, ages 16–24. In addition to these OSY, the State may

use ITAs for ISY, ages 16–21. ETA reviewed the State’s waiver request and plan and has determined that the requirements requested to be waived impede the ability of the State to implement its plan to improve the workforce development system.

Requested Waiver: The State is requesting a waiver of WIOA Section 134(c)(3)(H)(i) and 20 CFR 680.720(b) in order to increase on-the-job training (OJT) employer reimbursement up to 90 percent for businesses with 50 or fewer employees.

ETA Response: ETA approves the State’s waiver request, through June 30, 2028, for the WIOA Title I Adult, Dislocated Worker, and Youth formula funds. 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. Existing statutory authority permits the State and its local workforce areas to increase the reimbursement rate for OJT contracts up to 75 percent. The State may also reimburse up to 90 percent for OJT for businesses with 50 or fewer employees. ETA expects the utilization of OJT to increase in the State as a result of this waiver.

Requested Waiver: 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.

ETA Response: 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 Kauai workforce development board. 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. Given the support for this waiver request by the local elected officials in the local area and the challenges the State and local area have in mounting a fully compliant local-led board at this time, ETA agrees that the state board is in a better position to ensure effective service delivery in the local area in Hawaii. Under this waiver, the Governor may designate the state board to carry out the roles and responsibilities of the local board in the State. In implementing this waiver, the State must:

- Continue to include local input into its activities; and
- Allocate funding to the local area for which the State Board is carrying out Local Board functions.

Requested Waiver: Waiver of the Wagner-Peyser merit staffing regulation to provide greater flexibility in staffing methods.

ETA Response: ETA does not approve or disapprove this waiver because it is unnecessary. On January 21, 2026, ETA published a rule, [\*Wagner-Peyser Act Staffing, Delay in Merit Staffing Compliance Date\*](#), which delayed by one year the state merit staff requirements set by the 2023 *Wagner-Peyser Act Staffing Final Rule*. States have until January 21, 2027, to comply with the staffing requirements set by the 2023 *Wagner-Peyser Act Staffing Final Rule*.

Requested Waiver: Waiver for Wagner-Peyser regulation at 20 CFR 653.107(a)(4), which requires that there must be full-time outreach staff during periods of the highest migrant and

seasonal farmworker (MSFW) activity and that all outreach staff must be multilingual, if warranted by the characteristics of the MSFW population in the State, and spend a majority of their time in the field. Additionally, the State seeks to waive the requirements at 20 CFR 653.108(e) which states that the State Monitor Advocate (SMA) must not perform work such as outreach, complaint processing, and processing services under the Agricultural Recruitment System (ARS) and that the SMA must devote full-time staffing to SMA functions.

ETA Response: ETA does not approve this waiver. The request relates to requirements for administering a system of clearing labor, a function of the ES office as set forth under Section 3 of the Wagner-Peyser Act. Section 189(i) of WIOA gives the Secretary authority to waive certain provisions of the Wagner-Peyser Act, but the authority is limited to statutory and regulatory requirements related to Sections 8 through 10 of the Wagner-Peyser Act. Accordingly, the State's request is outside of the Department's waiver authority. The Department supports state flexibility and is ready to work with the State to explore other flexibilities that may be helpful to improve outcomes for jobseekers and employers. While the request exceeds the Department's waiver authority, please note that the Department recently published [TEN No. 09-25: Exercise of Enforcement Discretion Regarding Certain Wagner-Peyser Act Employment Service Regulations](#), which notifies States that ETA will temporarily not enforce certain ES regulatory requirements identified in the TEN, including 20 CFR 653.107(a)(4). Additionally, the ES regulations at 20 CFR 653.108(e) explain that Regional Administrators may approve State requests for part-time SMA staffing, and the parameters for doing so. Please contact your Regional Monitor Advocate with any questions.

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,



Henry Mack, Ed.D.  
Assistant Secretary

Enclosures

cc: Maricar Pilotin-Freitas, Administrator, Workforce Development Division, Hawaii  
Department of Labor & Industrial Relations  
Dr. Tamika Ledbetter, San Francisco Regional Administrator, ETA  
Anthony Crouch, Federal Project Officer, ETA