U.S. Department of Labor

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

May 18, 2026

The Honorable Mike Kehoe
Governor of Missouri
P.O. Box 720
Jefferson City, MO 65102

Dear Governor Kehoe:

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 March 3, 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 requests and memorializes that Missouri will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Missouri 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 Year (PY) 2026 and PY 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 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 Missouri 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 PY 2026 and PY 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. As a result of this waiver, ETA expects that the number of in-school youth (ISY) served will increase, and performance accountability outcomes for overall WIOA Youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators.

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

ETA Response: ETA approves, for PY 2026 and PY 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 employer reimbursement up to 90 percent for businesses of any size.

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 State to implement its plan to improve the workforce development system. Existing statutory authority permits the State to increase the reimbursement rate for employers' extraordinary costs of providing OJT to up to 75 percent of an OJT participant's wage rate. Under this waiver, the State may allow its local workforce development areas to reimburse businesses of any size up to 90 percent for OJT for businesses of any size. ETA expects the utilization of OJT to increase in the State as a result of this waiver.

Requested Waiver: The State is requesting a waiver of WIOA 134(d)(4) and 20 CFR 680.800(a) to allow local areas to reserve more than 20 percent of Adult and Dislocated Worker funds for incumbent worker training.

ETA Response: The State requested this waiver on March 5, 2024. ETA approved this waiver and the waiver remains in effect until June 30, 2028.

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

Henry Mack, Ed.D.
Assistant Secretary

Enclosures

cc: Julie Carter, Director, Missouri Office of Workforce Development
Pam Gerassimides, Regional Administrator, ETA
Patrick Campbell, Federal Project Officer, ETA

Missouri Waiver State Plan Waiver Requests (Submitted March 3, 2026

Waiver Request #1

1. The statutory and/or regulatory requirements the State would like to waive:

WIOA Section 129(a)(4)(A) and 20 CFR 681.410; Missouri is requesting to waive the requirement that states, and local areas expend 75 percent of all Governor's reserve and local formula youth funds on out-of-school youth based on school status. Missouri is requesting that this percentage be lowered to 50 percent for both local and statewide funded activities for PY2026 & PY2027 funds.

2. Actions the State has undertaken to remove State or local barriers:

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. The state of Missouri regulations, policy guidance and issuances are in compliance with federal law.

The waivers were part of the draft state plan that was posted for public comment from 11/25/25 – 1/14/26. The LWDBs work closely with OWD to determine what waivers to ask for they were notified during our meeting about the posting. No comments for waivers were received.

3. A discussion of how the waiver complements Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.);

The State of Missouri is a lead state in the nation for its apprenticeship programs. Missouri supports the registered apprenticeship program and continues to expand the program with statewide funds and other grants. The Department of Higher Education and Workforce Development has pledged to support opportunities for students and workers in high growth industries in the state including the healthcare, information technology, and advanced manufacturing sectors by engaging youth and providing opportunities in work-based learning, training, and other workforce services.

The Office of Workforce Development (OWD) and the Missouri Department of Elementary and Secondary Education (DESE) continue to develop apprenticeship opportunities for youth and young adults ages sixteen and older. Both pre-apprenticeships and registered apprenticeships allow high school juniors and seniors to simultaneously further education options and earn wages. Youth apprentices face a lower risk of dropping out of high school and are engaged in a transition to post-secondary education. The Missouri Research and Information Center (MERIC) has found that job openings that require education and skill level beyond high school are in high growth occupational fields and pay higher salaries.

In addition to its support of apprenticeship growth, the State of Missouri launched a program referred to as Career Opportunity Training Youth (COTY), aimed at helping high school students identify career pathways and required training to be successful in their chosen career. The program provides career planning and exploration assistance, work readiness training, access to paid work experiences, and supportive services. This program, originally piloted in the Central Workforce Development Region in partnership with the Local Workforce Development Board, has been very successful in serving in-school youth and would not have been possible without the current waiver in place.

With the approval of this waiver, the State of Missouri and Local Workforce Development Boards will have the flexibility to utilize federal funding to increase the number of youth and young adults enrolled in services, such as work experience and apprenticeship activities. Local Boards and youth staff will also have the ability to provide the comprehensive services needed and personal contact required to ensure student success.

4. Quantifiable projected programmatic outcomes resulting from implementation of the waiver;

The goals and outcomes for this waiver are:

1. Increase in measurable skills gains for the In-School (IS) students based off PY2024 achieved measure of 64.90%: Year 1-1%; Year 2-2%; Year 3-3%; & Year 4-4%;
2. Increase attainment of industry recognized credentials for high school youth based off PY2024 achieved measure of 60.80%: Year 1-1%; Year 2-1%; Year 3-1%; & Year 4-1%;

5. Individuals, groups or populations benefitting from the waiver or otherwise impacted by the waiver from the waiver:

This waiver request will provide OWD and Local Workforce Development Boards (LWDBs) the flexibility to serve more youth and young adults in work-based learning and the apprenticeship model regardless of school status. It will facilitate the provision of the necessary funding and the ease of current regulations essential to designing programs that will aid youth and young adults in the preparation for long-term participation in the Missouri labor force. Economic growth in Missouri and its high-growth industries will be sustained with the infusion of skilled workers ready to fill current job openings and adequately trained for future openings.

Missouri will continue to train OSY through its WIOA funding. Local areas will not be required to utilize the waiver, however, will be required to submit a request to utilize the waiver locally, should it fall within the local area's local plan for serving both OSY and ISY.

Missouri students and eligible youth population, Missouri's employers and high-growth industries will benefit from this waiver.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:

Once it is approved, OWD will issue guidance to the local workforce development boards (LWDB) that outlines the process to request the use of the waiver, as well as the mandatory reporting process. The reporting at a minimum will require the WDBs monitor the waiver and the utilization and submit quarterly reports to the state regarding enrollments that impact the waiver; outcomes of the trainings received; and the impact it has had on enrollments and WIOA metrics. The implementation and progress of the waiver utilization will be reviewed, at a minimum, quarterly by programmatic, compliance, and fiscal staff with technical assistance being providing as needed.

In addition to the quarterly reports submitted by the WDBs, OWD units will utilize the state's electronic case management system (MoJobs) to verify customer enrollments and outcomes. OWD's financial monitoring will utilize the Financial Reporting System (FRS) to monitor expenditures and lines items applicable to the waiver.

Most recent data regarding this waiver is provided.

In-School Youth Served					
	Program Year				
	PY 2020	PY 2021	PY 2022	PY 2023	PY 2024
Number Served	314	407	476	367	422

Previous data for measurable skill gains and credentials:

Measurable Skills Gain and Credentials Attainment Performance for 2024				
	Measurable Skill Gains	Measurable Skill Gains	Credential Attainment	Credential Attainment
	PY 2024 (All)	PY 2024 (ISY)	PY 2024 (All)	PY 2024 (ISY)
Goal*	53.00%		63.50%	
Achieved	65.42%	64.90%	65.24%	60.80%

Waiver Request #2

1. The statutory and/or regulatory requirements the State would like to waive:

20 CFR 681.550: Missouri is requesting a waiver to allow local areas and the state to provide in-school youth, ages 16-21 with Individual Training Accounts (ITAs). This will allow Missouri to collaborate with education institutions to prepare students for employment through registered apprenticeship opportunities or through post-secondary education opportunities.

2. Actions the State has undertaken to remove State or local barriers:

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. The state of Missouri regulations, policy guidance and issuances are in compliance with federal law.

The waivers were part of the draft state plan that was posted for public comment from 11/25/25 – 1/14/26. The LWDBs work closely with OWD to determine what waivers to ask for they were notified during our meeting about the posting. No comments for waivers were received.

3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver:

Missouri would like to waive this requirement in order to allow ITAs for out of school youth and expand the flexibility to in-school youth, ages 16-21. This will expand training options and allow these youth to explore and consider various post-secondary career pathway options, such as registered apprenticeship programs and college.

4. Projected programmatic outcomes resulting from implementation of the waiver:

Seven of the 13 WDBs requested this waiver, however only 3 have used it. Two of the regions had one enrollment over the first two quarters of PY25 and one region had 3 enrollments over the first two quarters.

The goals and outcomes for this waiver are to:

1. Increase in measurable skills gains for the In-School (IS) students based off PY2024 achieved measure of 64.90%: Year 1-65.40%; Year 2-65.90%; Year 3-66.40%; & Year 4-66.90%;
2. Increase obtainment of industry recognized credentials for high school youth based off PY2024 achieved measure of 65.24%: Year 1-66.24%; Year 2-67.24%; Year 3-68.24%; & Year 4-69.24%;

5. Individuals, groups or populations benefitting from the waiver:

This waiver will benefit the WIOA in-school youth population, ages 16-21, which includes disadvantaged youth and youth with multiple barriers to employment.

Missouri will continue to provide ITA for OSY through its WIOA funding. Local areas will not be required to utilize the waiver request, however, will be required to submit a request to utilize the waiver locally, should it fall within the local area's local plan for the delivery of training services for ISY. Through this waiver, the state will provide ITAs for ISY ages 18-24.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:

Once it is approved, OWD will issue guidance on the waiver which will include a mandatory reporting process for the Workforce Development Boards (WDBs) that request and utilize the specific waiver. The reporting at a minimum will require the WDBs monitor the waiver and the utilization and submit quarterly reports to the state regarding enrollments that impact the waiver; outcomes of the trainings received; and the impact it has had on enrollments and WIOA metrics. The implementation and progress of the waiver utilization will be reviewed at a minimum, quarterly by programmatic, compliance, and fiscal staff with technical assistance being providing if needed.

In addition to the quarterly reports submitted by the Workforce Development Boards, OWD units will utilize the state's electronic case management system (MoJobs) to verify customer enrollments and outcomes. OWD's financial monitoring will utilize the Financial Reporting System (FRS) to monitor expenditures and lines items applicable to the waiver.

Waiver Request #3

1. The statutory and/or regulatory requirements the State would like to waive:

WIOA 134(c)(3)(H)(i) and 20 CFR 680.720(b); Waiver to increase on-the-job training employer reimbursement up to 90 percent for businesses.

2. Actions the State has undertaken to remove State or local barriers:

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. The state of Missouri regulations, policy guidance and issuances are in compliance with federal law.

3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver:

The State of Missouri will utilize this waiver to offer businesses with work-based learning opportunities to re-establish their workforce and provide job seekers the opportunity to connect with the workforce and learn skills to establish self-sufficiency. This waiver is intended to improve employer engagement and allow for more businesses to be supported through WIOA funding.

4. Projected programmatic outcomes resulting from implementation of the waiver:

This waiver request will assist Missouri to further enhance its existing efforts designed to establish a talent pipeline that will address the labor market needs of local Missouri businesses.

PY 2024 data indicates a steady increase in the number of OJTs since PY 2022. In 2023, OWD hired an apprenticeship and work-based learning program coordinator; this staff member has been crucial in increasing awareness of OJT and waivers available and providing local workforce areas with program guidance, materials, and other technical assistance identified. Staffing support is expected to yield an increase in OJT enrollments. Meanwhile, staff continue to market OJT as WIOA programmatic support for apprenticeship and will offer a valuable resource to local workforce development areas looking to expand business service offerings.

The goal is to increase the number of OJTs being utilized by 5% each year, using PY2024 data (36) as the baseline.

5. Individuals, groups or populations benefitting from the waiver:

This waiver request will provide Local Workforce Development Boards (LWDBs) the flexibility to work with businesses in their community, following the targeted businesses outlined in local policy, and assist job seekers with barriers to employment and in need of additional training to secure employment.

Local areas have had difficulty using OJT at the rate allowed by law due to the decrease in local business outreach staff. The state has a statewide OJT policy in place which requires every local board to establish OJT policy that establishes factors used to determine when increasing the OJT wage reimbursement rates above 50% to 75%, as required under 20 CFR 680.730, which includes employers qualified as small businesses. In following WIOA regulations, the intent is not for the reimbursement to go only to large businesses. However, with staff turnover and being a large business, it is costly and time consuming to train individuals.

Additionally, the statewide policy mandates that every employer must undergo a pre-award review. The pre-award review assesses the employer’s previous OJT history, among other requirements. Policy states: OJTs must not be entered into with employers that consistently fail to retain OJT participants.

The State Workforce Development Board and the Governor both have reviewed and approved Missouri’s state plan.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:

Once it is approved, OWD will issue guidance on the waiver which will include a mandatory reporting process for the Workforce Development Boards (WDBs) that request and utilize the specific waiver. The reporting at a minimum will require the WDBs monitor the waiver and the utilization and submit quarterly reports to the state regarding enrollments that impact the waiver; outcomes of the trainings received; and the impact it has had on enrollments and WIOA metrics. The implementation and progress of the waiver utilization will be reviewed at a minimum, quarterly by programmatic, compliance, and fiscal staff with technical assistance being providing if needed.

In addition to the quarterly reports submitted by the WDBs, OWD units will utilize the state's electronic case management system (MoJobs) to verify customer enrollments and outcomes. OWD's Regulatory Compliance team will monitor expenditures to ensure WDBs are following established written policies to allow for the use of the increase reimbursement rate.

Most recent data regarding current waiver request provided.

OJTs by Region, Per Program Year				
Region	PY 2021	PY 2022	PY 2023	PY 2024
Central	9	16	7	3
East Jackson County	2	0	1	1
Jefferson/Franklin Consortium	9	3	3	2
Kansas City & Vicinity	10	2	2	2
North Region	0	0	2	3
Ozark Region	3	1	5	9
South Central Region	9	0	4	2
Southeast Region	3	2	5	8
Southwest Region	4	0	0	2
St. Charles County	1	1	1	0
St. Louis County	5	1	1	1
West Central Region	3	3	2	3
TOTAL	64	29	33	36

Waiver Request #4

1. The statutory and/or regulatory requirements the State would like to waive:

WIOA 134(d)(4) and 20 CFR 680.800(a)

Missouri requests to waive the ability of the local areas to reserve more than 20% of Adult and Dislocated Worker funds for incumbent worker training for PY2026 and PY2027.

2. Actions the State has undertaken to remove State or local barriers:

There are currently no state or local statutory or regulatory barriers to implementing the requested waiver. The state of Missouri regulations, policy guidance and issuances are in compliance with federal law.

3. State strategic goal(s) and Department of Labor priorities (i.e. expansion of apprenticeship, improved employer engagement, etc.) supported by the waiver:

In an effort to assist employers with upskilling current employers to remain marketable and competitive, the State of Missouri is requesting this waiver to allow the local areas the flexibility to offer additional incumbent worker training opportunities within their service area. This waiver will assist local workforce development areas support in improving employer engagement efforts.

4. Projected programmatic outcomes resulting from implementation of the waiver:

The use of these strategies will increase skills for underemployed workers in an effort to advance these workers to more skilled positions with the same employer or industry sector leading to an increase in earnings through more work hours or an increase in pay.

During the last program year, two regions used Incumbent Worker Training. IWT training for last year (PY24) served a total of 55 participants throughout Missouri; however, collectively served more participants than PY2023. OWD’s Apprenticeship and Work-Based Learning Team has implemented a series of monthly Office Hours aimed at equipping workforce staff with awareness of the available WIOA work-based learning services available, including information on IWT. Additionally, the unit is in the process of updating its WIOA guidance materials, making it easier to implement IWT statewide. The goal of this waiver will be to increase participants served by 5% each year and employers served by 5%. To support this growth, growing the use of IWT to additional Local Workforce Development Boards will be a focus of this waiver, as well.

5. Individuals, groups or populations benefitting from the waiver:

This waiver request will provide Local Workforce Development Boards (LWDBs) the flexibility to work with businesses in their community to re-build their workforce and possibly alleviate business closures and lay-off. It will also provide an opportunity for incumbent workers to retain employment and upgrade skills.

Missouri would like to request a threshold of up to 50%. The 20 percent threshold limits local areas who are actively providing incumbent worker training services. By allowing an increase in this area, local areas can provide services to employers, increase skill levels of Missouri’s workers, and overall lead to better economic growth and higher wages.

6. How the State plans to monitor waiver implementation, including collection of waiver outcome information:

Once it is approved, OWD will issue guidance on the waiver which will include a mandatory reporting process for the Workforce Development Boards (WDBs) that request and utilize the specific waiver. The reporting at a minimum will require the WDBs monitor the waiver and the utilization and submit quarterly reports to the state regarding enrollments that impact the waiver; outcomes of the trainings received; and the impact it has had on enrollments and WIOA metrics. The implementation and progress of the waiver utilization will be reviewed at a minimum, quarterly by programmatic, compliance, and fiscal staff with technical assistance being providing if needed.

In addition to the quarterly reports submitted by the Workforce Development Boards, OWD units will utilize the state’s electronic case management system (MoJobs) to verify customer enrollments and outcomes. OWD’s financial monitoring will utilize the Financial Reporting System (FRS) to monitor expenditures and lines items applicable to the waiver.

Most recent data regarding current waiver request provided.

Incumbent Worker Training				
	Participants Served			
Region	PY 2021	PY 2022	PY 2023	PY 2024
Central Region	89	12	10	0
East Jackson	0	0	0	0
Jefferson/Franklin Consortium	20	32	21	43
Kansas City & Vicinity	0	0	0	0
North Region	8	1	0	0
Ozark Region	0	0	0	0
South Central Region	6	0	0	0
Southeast Region	0	0	0	0
Southwest Region	0	0	0	0
St. Charles County	0	0	0	0
St. Louis County	46	25	19	12
West Central Region	2	7	2	0
Total	171	77	52	55

Incumbent Worker Training				
	Employers Served			
Region	PY 2021	PY 2022	PY 2023	PY 2024
Central Region	16	2	3	0
East Jackson	0	0	0	0
Jefferson/Franklin Consortium	10	11	5	6
Kansas City & Vicinity	0	0	0	0
North Region	1	1	0	0
Ozark Region	0	0	0	0
South Central Region	2	0	0	0
Southeast Region	0	0	0	0
Southwest Region	0	0	0	0
St. Charles County	0	0	0	0
St. Louis County	3	2	2	1
West Central Region	2	1	0	0
Total	34	17	10	7