

U.S. Department of Labor

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



June 23, 2026

The Honorable Gregory Gianforte
Governor of Montana
P.O. Box 200801
Helena, MT 59620

Dear Governor Gianforte:

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

Requested Waiver: Waiver of 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 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 ability of the State to implement its plan to improve the workforce development system. Given the challenges the State and local areas have in mounting fully compliant local-led boards at this time, the U.S. Department of Labor agrees that the state board is in a better position to ensure effective service delivery in the local workforce areas in the State. 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 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 requirement at WIOA Section 121(e)(1) 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, Montana's request for a waiver of the requirement to establish and maintain a comprehensive AJC in each of the State's local areas. Under this waiver, Montana must ensure that job seekers and employer customers in both local areas can access the programs, services, and activities provided by all required one-stop partners.

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 the 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.

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: Sarah Swanson, Commissioner, Montana Department of Labor and Industry
M. Frank Stluka, Dallas Acting Regional Administrator, ETA
Coreena Miller, Federal Project Officer, ETA