

U.S. Department of Labor

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



July 27, 2026

The Honorable Greg Abbott
Governor of Texas
P.O. Box 12428
Austin, TX 78711

Dear Governor Abbott:

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 request was received on April 30, 2026. This letter provides the Employment and Training Administration's (ETA) official response to your request and memorializes that Texas will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Texas 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 WIOA Section 134(c)(2) and section 134(d) to allow local workforce development boards to document training activities under WIOA program codes and to use WIOA Adult and Dislocated Worker funds to provide supportive services for WIOA eligible individuals who are enrolled in training activities fully funded by sources other than a WIOA core program.

ETA Response: ETA approves, through June 30, 2028, a waiver of 20 CFR680.910(b), which states that "[s]upportive services only may be provided when they are necessary to enable individuals to participate in career service or training activities." Under this waiver, the State may use WIOA Adult and Dislocated Worker funds to provide supportive services for WIOA participants who are enrolled in WIOA career services and are enrolled in training activities fully funded by sources other than WIOA. Texas has raised an important issue regarding reporting, and ETA looks forward to collaborating with Texas and other states on options to consider. However, so that performance accountability metrics are standard across states, the State must continue to adhere to reporting guidelines in sub-regulatory guidance, which dictate that only training funded by WIOA or WIOA partner programs can be reported in the Type of Training elements that result in inclusion in the Credential Attainment primary indicator of performance. In implementing this waiver, the State must do the following:

- Document all non-WIOA training activities in the Individual Employment Plan, and
- Demonstrate that supportive services are tied to an employment or training goal.

Requested Waiver: Waiver of the requirement at 20 CFR 680.210(c) to allow local workforce development boards to exercise discretion in using WIOA Adult and Dislocated Worker funds to pay for training and associated costs for WIOA participants prior to Pell grants.

ETA Response: ETA approves, through June 30, 2028, the State's request to allow local boards the discretion to use WIOA Adult and Dislocated Worker funds before Pell grants. 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. In implementing this waiver, the State must develop a policy outlining when WIOA funding is more appropriate and monitor to prevent unnecessary substitution of WIOA for Pell. In addition to having this flexibility through this waiver, ETA reminds the State that 20 CFR 680.230(c) also allows programs to enroll a WIOA participant in WIOA-funded training without delay while a Pell application is pending, provided the one-stop center and training provider have arranged for reimbursement of WIOA funds if the Pell grant is subsequently awarded.

Requested Waiver: Waiver of the requirement at 20 CFR 681.640, to allow local workforce development boards to expand the use of youth incentives to recognize and reward a broader range of behaviors and milestone achievements that are critical for long-term success but may not be directly tied to specific work experience or training components.

ETA Response: ETA approves, through June 30, 2028, the State's request to allow local boards to expand the use of incentives to recognize and reward youth participants that are not directly tied to specific work experience or training components. 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. In implementing this waiver, the State must ensure that there is a state or local policy in place governing the parameters of the expanded use of incentives.

Requested Waivers: Waiver of the requirement at 20 CFR 653.107(a) requirements to conduct Migrant and Seasonal Farmworker (MSFW) outreach activities in every area of the state and to have full-time outreach staff.

ETA Response: ETA does not approve these waivers. The requests relate to requirements for administering a system of clearing labor, a function of the Employment Service (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 [Training and Employment Notice \(TEN\) 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).

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,

A handwritten signature in blue ink, appearing to read 'Marek Laco', with a stylized, flowing script.

Marek Laco
Acting Assistant Secretary

Enclosures

cc: Steve Pier, Executive Director, Texas Workforce Commission
Mary York, Workforce Development Division Director, Texas Workforce Commission
M. Frank Stluka, Acting Dallas Regional Administrator, ETA
Eva Mejia, Federal Project Officer, ETA

WIOA Waiver Request

Non-WIOA Training Services

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

The Texas Workforce Commission (TWC) is seeking a limited waiver of Workforce Innovation and Opportunity Act (WIOA) §134(c)(2) and §134(d), which establish the provisions for WIOA Title I-funded training and support services. These provisions generally link the provision of support services to enrollment in WIOA-funded career or training activities.

TWC requests a waiver to allow Local Workforce Development Boards (Boards) to document training activities under WIOA program codes and to use WIOA funds to provide support services to WIOA-eligible individuals who are enrolled in training activities fully funded by sources other than WIOA.¹

This waiver will allow Boards to engage with students in need of assistance by providing meaningful WIOA-funded support services related to training, even when the students are not “participating in title I career services or training activities.”² Additionally, non-WIOA training activities will be included in the denominator of WIOA Credential Rate measures for WIOA participants.³

2. Actions the State has taken to remove state or local barriers

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

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

Approval of this waiver request would allow TWC to address strategic opportunities outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver directly supports the identified opportunities to “generate greater return on investments” by leveraging significant external funding streams to maximize the impact and reach of WIOA funds.

Currently, the requirement that support services are associated with WIOA-funded training creates a barrier for a large population of individuals who have secured tuition funding through other means (such as federal Pell Grants, scholarships, or other aid) but still face financial barriers to training completion. This waiver will allow Boards to target funds where they are needed most by supporting individuals who do not require WIOA-funded training but do require related support to complete their training. Boards can ensure that more Texans persist and

¹ Training and Employment Guidance Letter ([TEGL](#)) 19-16, issued March 1, 2017.

² [TEGL 19-16](#)

³ [TEGL 10-16, Change 3](#), issued June 11, 2024.

WIOA Waiver Request

Non-WIOA Training Services

succeed in their career and education goals by funding limited needs such as transportation, tools, and books.

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America's Talent Strategy: Building the Workforce for the Golden Age](#):

- **Pillar V: Flexibility & Innovation**—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . . ”
- **Pillar IV: Accountability**—By ensuring that public funds are used in the most efficient manner possible to achieve the highest number of positive outcomes, this waiver promotes greater fiscal and programmatic accountability. It focuses on results—credential attainment—rather than on tracking funding inputs.

4. Projected programmatic outcomes resulting from implementation of the waiver

Approval of this waiver will provide Boards the flexibility to support more individuals on their path to obtaining credentials and securing quality employment. TWC expects this waiver will lead to:

- an increased number of local individuals who successfully complete postsecondary training programs⁴; and
- a more efficient and impactful use of WIOA formula funds by leveraging other significant investments in training, allowing Boards to serve additional individuals through essential support.

5. Individuals, groups, or populations benefiting from the waiver

- **WIOA-eligible students** who have secured training tuition through sources like Pell Grants or scholarships but lack the resources for required ancillary costs will be able to receive the support needed to complete their programs.
- **Boards** will be able to strategically apply limited funding to increase WIOA participant enrollments and extend their ability to support credential attainment for more individuals each year.
- **Employers** will benefit from an expanded pipeline of skilled and credentialed workers ready to fill in-demand jobs.

⁴ <https://clear.dol.gov/study/doubling-graduation-rates-three-year-effects-cuny%E2%80%99s-accelerated-study-associate-programs-asap>

WIOA Waiver Request
Non-WIOA Training Services

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

Upon DOL's approval of this waiver request, TWC will communicate the waiver allowance to Boards and workforce system partner programs. TWC will monitor progress under this waiver by reviewing monthly performance reports and its monitoring and performance accountability systems. TWC will report waiver outcomes in the state's WIOA Annual Report.

If the State requests renewal of this waiver, TWC will provide the most recent data available.

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

MSFW – Geographically Targeted Outreach

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

The Texas Workforce Commission (TWC) is seeking a waiver of the requirement at 20 CFR §653.107(a) to conduct Migrant and Seasonal Farmworker (MSFW) outreach activities in every area of the state. This waiver will allow TWC and its Local Workforce Development Boards (Boards) the flexibility to concentrate on MSFW outreach resources and staff in designated notable areas where they can be most effective.

2. Actions the State has taken to remove state or local barriers.

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

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

Approval of this waiver request allows TWC to address strategic opportunities outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver directly supports the Texas workforce system’s mission to “integrate system programs . . . and support Texans with diverse needs” and “improve data integration and analysis.” The waiver will replace the current mandate with a data-driven model concentrating resources in geographic areas of most need to improve the quality of engagement for MSFWs.

The geography of Texas makes a universal statewide outreach mandate inefficient and overly burdensome. The state’s 254 counties and 28 workforce development areas feature substantially diverse agricultural economies with peak seasons that vary dramatically by region. This results in concentrated pockets of high MSFW activity alongside vast regions with minimal to no agricultural activity. The waiver’s targeted approach allows for the redirection of resources away from regions with lower farmworker presence and into areas of high concentration, maximizing service delivery to areas with higher concentrations of MSFW populations.

By concentrating staff in high-density areas, outreach can shift from brief, compliance-driven encounters to substantive, relationship-building interactions with agricultural producers and community-based organizations. Resources saved on fuel and staff travel time can be reinvested into direct participant support in high-concentration areas. This model reinforces TWC’s commitment to using data to inform resource allocation and its subsequent policy.

This approach will be more responsible, accountable, and ultimately more beneficial to MSFWs, as resources can be focused where and when they are needed most.

The waiver allows TWC to focus on several strategic opportunities by using data and evidence to design programs, target funds, and provide the most effective services, increasing successful outcomes for participants.

MSFW – Geographically Targeted Outreach

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America’s Talent Strategy: Building the Workforce for the Golden Age](#):

Pillar I: Industry-Driven Strategies—Concentrated outreach allows TWC to build stronger, more consistent relationships with agricultural producers in key regions, better understanding their labor needs and creating pipelines for skilled workers.

Pillar IV: Accountability—By focusing resources where the MSFW population is located, the state anticipates higher rates of contact, enrollment, and successful program completion, leading to better overall performance outcomes and transitions into higher-wage, year-round employment.

Pillar V: Flexibility & Innovation—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .”. Existing regulation lacks flexibility and does not account for the unique needs of geographically diverse states that are not best served through a one-size-fits-all model.

4. Projected programmatic outcomes resulting from implementation of the waiver

Approval of this waiver will allow for the responsible and effective use of public funds, shifting the focus from mileage to targeted customer and program outcomes. By concentrating staff and resources in high-density MSFW regions, Texas can move from a model of broad, low-intensity coverage to one of targeted, high-intensity service.

TWC expects the following specific, measurable outcomes:

- An increase in the number of meaningful engagements and program enrollments per outreach staff
- A measurable recalibration of funds from travel and administrative costs to direct services and support for MSFWs in designated high-activity areas
- Improved performance outcomes for the MSFW program, including higher rates of training completion and credential attainment, resulting from increased referrals to partner programs

5. Individuals, groups, or populations benefiting from the waiver

- **MSFWs** in higher-concentration areas will receive more targeted, meaningful engagement, increased availability of on-site services, and faster connections to training and support services in their communities.
- **Boards** will benefit from the ability to allocate resources more strategically, maximizing the impact of their outreach budgets and developing stronger local partnerships in high-density MSFW areas.
- **Outreach Staff** will be able to develop deep subject-matter expertise in targeted areas and build stronger community relationships in those areas, increasing their effectiveness while reducing unproductive travel time.

MSFW – Geographically Targeted Outreach

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

Upon DOL's approval of this waiver request, TWC will communicate the waiver allowance to Boards and workforce system partner programs. TWC will monitor progress under this waiver by developing and annually updating a statewide map of notable areas using state and federal agricultural data, MSFW population estimates, and employer information. TWC will review Board outreach plans to ensure they align with these designated areas. Progress will also be tracked through monthly performance reports, regularly scheduled conference calls with Board executive directors, and TWC's comprehensive monitoring and performance accountability system.

TWC will report waiver outcomes, including data on resource allocation and performance in targeted areas, in the state's WIOA Annual Report. If the state requests renewal of this waiver, TWC will provide the most recent data available.

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state. TWC also engaged with key external stakeholders to solicit feedback on this strategic approach.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

Allow Part-Time MSFW Outreach Staff

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

The Texas Workforce Commission (TWC) is seeking a waiver of the requirement at 20 CFR §653.107(a), which requires that, in the 20 states with the highest estimated year-round MSFW activity, Migrant and Seasonal Farmworker (MSFW) outreach staff spend 100 percent of their time on MSFW outreach activities. This waiver will allow TWC and its Local Workforce Development Boards (Boards) the flexibility to use part-time MSFW outreach staff in areas with low MSFW concentrations or during off-peak agricultural seasons, enabling a more efficient and sustainable service delivery model.

2. Actions the State has taken to remove state or local barriers

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

TWC affirms the commitment to maintaining service levels for vulnerable populations, as stated in Texas Government Code §2105.002, which notes that block grant processes “should not have an overall effect of reducing the relative proportion of services and benefits made available to . . . migrant and seasonal agricultural workers.”

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

Approval of this waiver request will allow TWC to address strategic opportunities outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver empowers local innovation and improves system responsiveness by allowing Boards to implement a data-driven staffing model that aligns resources with the actual needs of the local MSFW population.

In a state as vast as Texas, MSFW populations are not evenly distributed. The current requirement for full-time, dedicated outreach staff is operationally challenging and suboptimal in regions with minimal agricultural activity and very small MSFW populations. In the preamble to its 2023 Final Rule on Wagner-Peyser staffing, DOL acknowledges that “there is less need for outreach in States with lower populations of MSFWs” and that states with lower amounts of year-round MSFW activity “need only employ full-time outreach staff during periods of the highest MSFW activity and may employ part-time outreach staff the remainder of the year.” Although Texas is one of the 20 states with the highest estimated year-round MSFW activity, Texas is an extremely large state that includes areas with minimal MSFW activity that do not warrant full-time outreach staff.

This waiver provides a critical solution, allowing a local staff member to dedicate a portion of their time to MSFW outreach while performing other essential Workforce Solutions Office duties. This staffing model will ensure that services are available while maximizing effective, data-driven resource allocation. Integrating part-time outreach duties with other Workforce

Allow Part-Time MSFW Outreach Staff

Solutions Office functions creates a more dynamic and sustainable role for local staff, reducing the risk of burnout or turnover associated with a full-time position that lacks a full-time workload. This waiver ensures that MSFWs in low-density areas will continue to receive services while MSFW programs are managed more sustainably by cross-training employment service workers on MSFW roles and program responsibilities.

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America's Talent Strategy: Building the Workforce for the Golden Age](#):

- **Pillar IV: Accountability**—By promoting greater accountability for public funds, this waiver ensures that staffing resources are allocated in the most efficient manner possible to achieve programmatic goals.
- **Pillar V: Flexibility & Innovation**—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .”

4. Projected programmatic outcomes resulting from implementation of the waiver

Approval of this waiver will allow Boards to move from a rigid staffing model to a flexible, needs-based approach. By allowing part-time outreach staff, Boards can maintain a consistent and skilled presence in areas with smaller MSFW populations in a cost-effective manner. TWC will require that workforce areas with the highest year-round MSFW activity employ full-time outreach staff.

TWC expects the programmatic outcomes to be:

- more efficient use of state and federal funds, with resources reallocated from underutilized staff salaries toward direct services for MSFWs and other participants;
- improved staff integration within local Workforce Solutions Offices, leading to better coordination of services for MSFWs seeking training or employment assistance;
- sustained or improved MSFW outreach coverage in both low-density and high-density agricultural areas, ensuring that farmworkers in all regions of Texas have access to the workforce system and that MSFW outreach workers contact a majority of MSFWs in the state annually; and
- the establishment of a scalable, flexible staffing model that allows Boards to adapt quickly to seasonal shifts and changing agricultural labor patterns.

5. Individuals, groups, or populations benefiting from the waiver

- **MSFWs** in rural and low-density areas will continue to benefit from the ongoing presence of a trained outreach specialist who can connect them to vital services.
- **Boards** will gain local flexibility in the management of their resources, allowing more efficient staffing plans that reflect the specific needs of their communities.

Allow Part-Time MSFW Outreach Staff

- **Outreach Staff** will benefit from a more integrated role within the local Workforce Solutions Office, leading to greater job satisfaction and a broader skill set.
- **Taxpayers** will benefit from a more efficient use of public funds, ensuring the greatest possible return on investment in the workforce system.

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

Upon DOL's approval of this waiver request, TWC will provide Boards with guidance on implementation. TWC will monitor progress by reviewing Board staffing plans to ensure part-time staff are used only in appropriate, data-justified low-density areas. TWC will track MSFW outreach contacts, referrals, and program enrollments through its monthly MSFW performance reports to ensure that service levels are maintained or improved. Financial reports will be reviewed to document the efficient use of funds. Waiver outcomes will be included in TWC's WIOA Annual Report. If the state requests renewal of this waiver, TWC will provide the most recent data available.

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state. TWC also engaged with key external stakeholders to solicit feedback on this strategic approach.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

Pell Eligibility Exemption

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

The Texas Workforce Commission (TWC) is seeking a waiver of the requirement at 20 CFR §680.210, which mandates the exhaustion of Pell Grant eligibility before Workforce Innovation and Opportunity Act (WIOA) funds can be used to support training. This waiver will allow Local Workforce Development Boards (Boards) to exercise discretion in using WIOA funds to pay for training and associated costs for Pell-eligible WIOA participants when it is determined that using WIOA funds instead of Pell Grants would be more efficient.

2. Actions the State has taken to remove state or local barriers.

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

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

TWC acknowledges that Pell Grants, including Workforce Pell, are a valuable funding source for eligible individuals participating in training. This waiver will provide Boards with the authority to strategically use WIOA funds to prior to Pell Grants, allowing eligible students to save those resources for additional training following completion of WIOA program participation. Under this waiver, WIOA participants will be able to receive WIOA funding for training even if Pell Grants have been received or would cover the full cost of training for that period of enrollment.

Approval of this waiver request will allow TWC to address strategic opportunities outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver will support expedited enrollment of participants into in-demand training programs by removing administrative delays. By prioritizing WIOA funds, Boards can determine suitability and more easily coordinate funding with local training providers, allowing participants to start training faster. This streamlined process is expected to reduce the number of participants whose training is delayed a full semester or more, resulting in strengthened relationships among Boards, local Workforce Solutions Offices, WIOA participants, and local training providers.

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America's Talent Strategy: Building the Workforce for the Golden Age](#):

- **Pillar I: Industry-Driven Strategies**—By ensuring all participants can fully engage in training programs aligned with in-demand industries, this waiver helps build career pathways to high-growth sectors.
- **Pillar IV: Accountability**—This waiver allows for a more strategic allocation of WIOA funds, directing resources to cover costs essential to successful program outcomes.

Pell Eligibility Exemption

- **Pillar V: Flexibility & Innovation**—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .” This waiver promotes flexibility by allowing Boards to determine the most effective use of funding to support participant success, removing the rigid requirement to exhaust Pell Grant eligibility first.

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

Approval of this waiver will allow Boards to more effectively support WIOA participants in completing training programs and entering high-demand careers. TWC expects this waiver will lead to:

- increased enrollment and completion rates for Pell-eligible participants in WIOA-funded training programs;
- reduced administrative burden and delays in program enrollment; and
- improved long-term educational and career outcomes for participants.

5. Individuals, groups, or populations benefiting from the waiver.

- **WIOA participants** will benefit from comprehensive funding that covers all essential costs of training, increasing their chances of program completion and career success.
- **Boards** will gain increased flexibility in allocating resources to the needs of their WIOA participants and in stronger partnerships with local training institutions.
- **Training providers** will benefit from increased enrollments, reducing unfilled classrooms and improving completion rates.
- **Employers** will benefit from an increased pipeline of skilled workers ready to fill in-demand positions.

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

Upon DOL’s approval of this waiver request, TWC will communicate the waiver allowance and implementation guidance to Boards. TWC will monitor progress under this waiver by tracking enrollment data, including costs covered by WIOA for Pell-eligible training programs and continued use of Pell funds by WIOA participants. TWC will report waiver outcomes in the state’s WIOA Annual Report.

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

Pell Eligibility Exemption

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards.

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

Youth Incentives Expansion

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

The Texas Workforce Commission (TWC) is seeking a waiver of the requirement at 20 CFR §681.640, which limits the provision of incentives for youth participants to recognition and achievement directly tied to training and work experience. This waiver will allow Local Workforce Development Boards (Boards) to expand the use of incentives to recognize and reward a broader range of behaviors and milestone achievements that are critical for long-term success but may not be directly tied to specific work experience or training components.

2. Actions the State has taken to remove state or local barriers

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

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

Approval of this waiver request will allow TWC to address strategic opportunities and meet key state goals outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver supports the plan's and state's emphasis on innovative and responsive service delivery by enabling Boards to tailor incentive strategies to better meet the diverse needs of youth participants. It also aligns with the goal of increasing youth engagement and motivation by recognizing and rewarding a wider array of positive behaviors and milestone achievements. This promotes a more holistic and participant-centered approach, moving beyond solely rewarding work experience and training outcomes by providing incentives for actions such as consistent attendance, completion of financial literacy workshops, and active participation in tutoring programs.

This waiver will provide Boards with critical flexibility to increase youth engagement and motivation. Under this waiver, Boards may provide incentives for the successful participation in and completion of any Workforce Innovation and Opportunity Act (WIOA) Youth Program elements, rather than being limited to only work experience and training milestones.

Many youth, particularly those with multiple barriers to employment, benefit from positive reinforcement for completing foundational activities that are critical for long-term success. This waiver allows Boards to recognize and reward the consistent, positive steps participants take toward their goals, creating more frequent touchpoints for encouragement.

WIOA Waiver Request

Youth Incentives Expansion

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America's Talent Strategy: Building the Workforce for the Golden Age](#):

- **Pillar I: Industry-Driven Strategies**—By allowing Boards to focus efforts toward incentivizing early engagement by in-school youth, this waiver will “invest earlier and more intentionally in building career pathways . . . with exposure to real occupations and . . . industry-aligned training . . . opportunities that lead to in-demand jobs.”
- **Pillar IV: Accountability**—By enabling the Boards to incentivize leading indicators of success, the program can move toward a model of data-driven, accountable performance that rewards outcomes based on a more comprehensive range of achievements along a participant's career pathway.
- **Pillar V: Flexibility & Innovation**—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .”

4. Projected programmatic outcomes resulting from implementation of the waiver

Approval of this waiver will allow Boards to use incentives strategically to engage youth participants and create more supportive youth programs.

TWC expects programmatic outcomes that lead to:

- increased rates of youth enrollment and retention in WIOA programs;
- higher rates of completion for key program milestones, such as secondary school completion, dropout recovery, and career exploration engagement, including artificial intelligence literacy;
- an overall improvement in WIOA youth outcomes, including credential attainment and placement in employment or education; and
- greater innovation at the local level as Boards develop and share best practices for using incentives to drive participant success.

5. Individuals, groups, or populations benefiting from the waiver

- **Youth**, particularly at-risk youth and those with multiple barriers to employment, will benefit from a more encouraging and motivating program structure that provides positive reinforcement for incremental progress, helping them stay engaged and on track to achieve their educational and career goals.
- **Boards** will gain a valuable tool to improve program design, increase participant engagement, and achieve better outcomes.
- **Employers** will benefit from a larger pipeline of youth-program completers who have persisted through youth programs and are better prepared for workplace success.

WIOA Waiver Request

Youth Incentives Expansion

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

Upon DOL's approval of this waiver request, TWC will communicate the waiver allowance to Boards and workforce system partner programs. TWC will monitor progress under this waiver by reviewing local incentive policies, analyzing Boards' youth expenditure data, and by tracking service delivery in TWC's integrated case management system, WorkInTexas.com.

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

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

WIOA Waiver Request

Non-WIOA Training Services

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

The Texas Workforce Commission (TWC) is seeking a limited waiver of Workforce Innovation and Opportunity Act (WIOA) §134(c)(2) and §134(d), which establish the provisions for WIOA Title I-funded training and support services. These provisions generally link the provision of support services to enrollment in WIOA-funded career or training activities.

TWC requests a waiver to allow Local Workforce Development Boards (Boards) to document training activities under WIOA program codes and to use WIOA funds to provide support services to WIOA-eligible individuals who are enrolled in training activities fully funded by sources other than WIOA.¹

This waiver will allow Boards to engage with students in need of assistance by providing meaningful WIOA-funded support services related to training, even when the students are not “participating in title I career services or training activities.”² Additionally, non-WIOA training activities will be included in the denominator of WIOA Credential Rate measures for WIOA participants.³

2. Actions the State has taken to remove state or local barriers

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

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

Approval of this waiver request would allow TWC to address strategic opportunities outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver directly supports the identified opportunities to “generate greater return on investments” by leveraging significant external funding streams to maximize the impact and reach of WIOA funds.

Currently, the requirement that support services are associated with WIOA-funded training creates a barrier for a large population of individuals who have secured tuition funding through other means (such as federal Pell Grants, scholarships, or other aid) but still face financial barriers to training completion. This waiver will allow Boards to target funds where they are needed most by supporting individuals who do not require WIOA-funded training but do require related support to complete their training. Boards can ensure that more Texans persist and

¹ Training and Employment Guidance Letter [\(TEGL\) 19-16](#), issued March 1, 2017.

² [TEGL 19-16](#)

³ [TEGL 10-16, Change 3](#), issued June 11, 2024.

WIOA Waiver Request

Non-WIOA Training Services

succeed in their career and education goals by funding limited needs such as transportation, tools, and books.

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America's Talent Strategy: Building the Workforce for the Golden Age](#):

- **Pillar V: Flexibility & Innovation**—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .”
- **Pillar IV: Accountability**—By ensuring that public funds are used in the most efficient manner possible to achieve the highest number of positive outcomes, this waiver promotes greater fiscal and programmatic accountability. It focuses on results—credential attainment—rather than on tracking funding inputs.

4. Projected programmatic outcomes resulting from implementation of the waiver

Approval of this waiver will provide Boards the flexibility to support more individuals on their path to obtaining credentials and securing quality employment. TWC expects this waiver will lead to:

- an increased number of local individuals who successfully complete postsecondary training programs⁴; and
- a more efficient and impactful use of WIOA formula funds by leveraging other significant investments in training, allowing Boards to serve additional individuals through essential support.

5. Individuals, groups, or populations benefiting from the waiver

- **WIOA-eligible students** who have secured training tuition through sources like Pell Grants or scholarships but lack the resources for required ancillary costs will be able to receive the support needed to complete their programs.
- **Boards** will be able to strategically apply limited funding to increase WIOA participant enrollments and extend their ability to support credential attainment for more individuals each year.
- **Employers** will benefit from an expanded pipeline of skilled and credentialed workers ready to fill in-demand jobs.

⁴ <https://clear.dol.gov/study/doubling-graduation-rates-three-year-effects-cuny%E2%80%99s-accelerated-study-associate-programs-asap>

Non-WIOA Training Services

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

Upon DOL's approval of this waiver request, TWC will communicate the waiver allowance to Boards and workforce system partner programs. TWC will monitor progress under this waiver by reviewing monthly performance reports and its monitoring and performance accountability systems. TWC will report waiver outcomes in the state's WIOA Annual Report.

If the State requests renewal of this waiver, TWC will provide the most recent data available.

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

MSFW – Geographically Targeted Outreach

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

The Texas Workforce Commission (TWC) is seeking a waiver of the requirement at 20 CFR §653.107(a) to conduct Migrant and Seasonal Farmworker (MSFW) outreach activities in every area of the state. This waiver will allow TWC and its Local Workforce Development Boards (Boards) the flexibility to concentrate on MSFW outreach resources and staff in designated notable areas where they can be most effective.

2. Actions the State has taken to remove state or local barriers.

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

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

Approval of this waiver request allows TWC to address strategic opportunities outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver directly supports the Texas workforce system’s mission to “integrate system programs . . . and support Texans with diverse needs” and “improve data integration and analysis.” The waiver will replace the current mandate with a data-driven model concentrating resources in geographic areas of most need to improve the quality of engagement for MSFWs.

The geography of Texas makes a universal statewide outreach mandate inefficient and overly burdensome. The state’s 254 counties and 28 workforce development areas feature substantially diverse agricultural economies with peak seasons that vary dramatically by region. This results in concentrated pockets of high MSFW activity alongside vast regions with minimal to no agricultural activity. The waiver’s targeted approach allows for the redirection of resources away from regions with lower farmworker presence and into areas of high concentration, maximizing service delivery to areas with higher concentrations of MSFW populations.

By concentrating staff in high-density areas, outreach can shift from brief, compliance-driven encounters to substantive, relationship-building interactions with agricultural producers and community-based organizations. Resources saved on fuel and staff travel time can be reinvested into direct participant support in high-concentration areas. This model reinforces TWC’s commitment to using data to inform resource allocation and its subsequent policy.

This approach will be more responsible, accountable, and ultimately more beneficial to MSFWs, as resources can be focused where and when they are needed most.

The waiver allows TWC to focus on several strategic opportunities by using data and evidence to design programs, target funds, and provide the most effective services, increasing successful outcomes for participants.

MSFW – Geographically Targeted Outreach

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America’s Talent Strategy: Building the Workforce for the Golden Age](#):

Pillar I: Industry-Driven Strategies—Concentrated outreach allows TWC to build stronger, more consistent relationships with agricultural producers in key regions, better understanding their labor needs and creating pipelines for skilled workers.

Pillar IV: Accountability—By focusing resources where the MSFW population is located, the state anticipates higher rates of contact, enrollment, and successful program completion, leading to better overall performance outcomes and transitions into higher-wage, year-round employment.

Pillar V: Flexibility & Innovation—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .”. Existing regulation lacks flexibility and does not account for the unique needs of geographically diverse states that are not best served through a one-size-fits-all model.

4. Projected programmatic outcomes resulting from implementation of the waiver

Approval of this waiver will allow for the responsible and effective use of public funds, shifting the focus from mileage to targeted customer and program outcomes. By concentrating staff and resources in high-density MSFW regions, Texas can move from a model of broad, low-intensity coverage to one of targeted, high-intensity service.

TWC expects the following specific, measurable outcomes:

- An increase in the number of meaningful engagements and program enrollments per outreach staff
- A measurable recalibration of funds from travel and administrative costs to direct services and support for MSFWs in designated high-activity areas
- Improved performance outcomes for the MSFW program, including higher rates of training completion and credential attainment, resulting from increased referrals to partner programs

5. Individuals, groups, or populations benefiting from the waiver

- **MSFWs** in higher-concentration areas will receive more targeted, meaningful engagement, increased availability of on-site services, and faster connections to training and support services in their communities.
- **Boards** will benefit from the ability to allocate resources more strategically, maximizing the impact of their outreach budgets and developing stronger local partnerships in high-density MSFW areas.
- **Outreach Staff** will be able to develop deep subject-matter expertise in targeted areas and build stronger community relationships in those areas, increasing their effectiveness while reducing unproductive travel time.

MSFW – Geographically Targeted Outreach

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

Upon DOL's approval of this waiver request, TWC will communicate the waiver allowance to Boards and workforce system partner programs. TWC will monitor progress under this waiver by developing and annually updating a statewide map of notable areas using state and federal agricultural data, MSFW population estimates, and employer information. TWC will review Board outreach plans to ensure they align with these designated areas. Progress will also be tracked through monthly performance reports, regularly scheduled conference calls with Board executive directors, and TWC's comprehensive monitoring and performance accountability system.

TWC will report waiver outcomes, including data on resource allocation and performance in targeted areas, in the state's WIOA Annual Report. If the state requests renewal of this waiver, TWC will provide the most recent data available.

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state. TWC also engaged with key external stakeholders to solicit feedback on this strategic approach.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

Allow Part-Time MSFW Outreach Staff

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

The Texas Workforce Commission (TWC) is seeking a waiver of the requirement at 20 CFR §653.107(a), which requires that, in the 20 states with the highest estimated year-round MSFW activity, Migrant and Seasonal Farmworker (MSFW) outreach staff spend 100 percent of their time on MSFW outreach activities. This waiver will allow TWC and its Local Workforce Development Boards (Boards) the flexibility to use part-time MSFW outreach staff in areas with low MSFW concentrations or during off-peak agricultural seasons, enabling a more efficient and sustainable service delivery model.

2. Actions the State has taken to remove state or local barriers

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

TWC affirms the commitment to maintaining service levels for vulnerable populations, as stated in Texas Government Code §2105.002, which notes that block grant processes “should not have an overall effect of reducing the relative proportion of services and benefits made available to . . . migrant and seasonal agricultural workers.”

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

Approval of this waiver request will allow TWC to address strategic opportunities outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver empowers local innovation and improves system responsiveness by allowing Boards to implement a data-driven staffing model that aligns resources with the actual needs of the local MSFW population.

In a state as vast as Texas, MSFW populations are not evenly distributed. The current requirement for full-time, dedicated outreach staff is operationally challenging and suboptimal in regions with minimal agricultural activity and very small MSFW populations. In the preamble to its 2023 Final Rule on Wagner-Peyser staffing, DOL acknowledges that “there is less need for outreach in States with lower populations of MSFWs” and that states with lower amounts of year-round MSFW activity “need only employ full-time outreach staff during periods of the highest MSFW activity and may employ part-time outreach staff the remainder of the year.” Although Texas is one of the 20 states with the highest estimated year-round MSFW activity, Texas is an extremely large state that includes areas with minimal MSFW activity that do not warrant full-time outreach staff.

This waiver provides a critical solution, allowing a local staff member to dedicate a portion of their time to MSFW outreach while performing other essential Workforce Solutions Office duties. This staffing model will ensure that services are available while maximizing effective, data-driven resource allocation. Integrating part-time outreach duties with other Workforce

Allow Part-Time MSFW Outreach Staff

Solutions Office functions creates a more dynamic and sustainable role for local staff, reducing the risk of burnout or turnover associated with a full-time position that lacks a full-time workload. This waiver ensures that MSFWs in low-density areas will continue to receive services while MSFW programs are managed more sustainably by cross-training employment service workers on MSFW roles and program responsibilities.

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America's Talent Strategy: Building the Workforce for the Golden Age](#):

- **Pillar IV: Accountability**—By promoting greater accountability for public funds, this waiver ensures that staffing resources are allocated in the most efficient manner possible to achieve programmatic goals.
- **Pillar V: Flexibility & Innovation**—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .”

4. Projected programmatic outcomes resulting from implementation of the waiver

Approval of this waiver will allow Boards to move from a rigid staffing model to a flexible, needs-based approach. By allowing part-time outreach staff, Boards can maintain a consistent and skilled presence in areas with smaller MSFW populations in a cost-effective manner. TWC will require that workforce areas with the highest year-round MSFW activity employ full-time outreach staff.

TWC expects the programmatic outcomes to be:

- more efficient use of state and federal funds, with resources reallocated from underutilized staff salaries toward direct services for MSFWs and other participants;
- improved staff integration within local Workforce Solutions Offices, leading to better coordination of services for MSFWs seeking training or employment assistance;
- sustained or improved MSFW outreach coverage in both low-density and high-density agricultural areas, ensuring that farmworkers in all regions of Texas have access to the workforce system and that MSFW outreach workers contact a majority of MSFWs in the state annually; and
- the establishment of a scalable, flexible staffing model that allows Boards to adapt quickly to seasonal shifts and changing agricultural labor patterns.

5. Individuals, groups, or populations benefiting from the waiver

- **MSFWs** in rural and low-density areas will continue to benefit from the ongoing presence of a trained outreach specialist who can connect them to vital services.
- **Boards** will gain local flexibility in the management of their resources, allowing more efficient staffing plans that reflect the specific needs of their communities.

Allow Part-Time MSFW Outreach Staff

- **Outreach Staff** will benefit from a more integrated role within the local Workforce Solutions Office, leading to greater job satisfaction and a broader skill set.
- **Taxpayers** will benefit from a more efficient use of public funds, ensuring the greatest possible return on investment in the workforce system.

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

Upon DOL's approval of this waiver request, TWC will provide Boards with guidance on implementation. TWC will monitor progress by reviewing Board staffing plans to ensure part-time staff are used only in appropriate, data-justified low-density areas. TWC will track MSFW outreach contacts, referrals, and program enrollments through its monthly MSFW performance reports to ensure that service levels are maintained or improved. Financial reports will be reviewed to document the efficient use of funds. Waiver outcomes will be included in TWC's WIOA Annual Report. If the state requests renewal of this waiver, TWC will provide the most recent data available.

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state. TWC also engaged with key external stakeholders to solicit feedback on this strategic approach.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

WIOA Waiver Request

Pell Eligibility Exemption

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

The Texas Workforce Commission (TWC) is seeking a waiver of the requirement at 20 CFR §680.210, which mandates the exhaustion of Pell Grant eligibility before Workforce Innovation and Opportunity Act (WIOA) funds can be used to support training. This waiver will allow Local Workforce Development Boards (Boards) to exercise discretion in using WIOA funds to pay for training and associated costs for Pell-eligible WIOA participants when it is determined that using WIOA funds instead of Pell Grants would be more efficient.

2. Actions the State has taken to remove state or local barriers.

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

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

TWC acknowledges that Pell Grants, including Workforce Pell, are a valuable funding source for eligible individuals participating in training. This waiver will provide Boards with the authority to strategically use WIOA funds to prior to Pell Grants, allowing eligible students to save those resources for additional training following completion of WIOA program participation. Under this waiver, WIOA participants will be able to receive WIOA funding for training even if Pell Grants have been received or would cover the full cost of training for that period of enrollment.

Approval of this waiver request will allow TWC to address strategic opportunities outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver will support expedited enrollment of participants into in-demand training programs by removing administrative delays. By prioritizing WIOA funds, Boards can determine suitability and more easily coordinate funding with local training providers, allowing participants to start training faster. This streamlined process is expected to reduce the number of participants whose training is delayed a full semester or more, resulting in strengthened relationships among Boards, local Workforce Solutions Offices, WIOA participants, and local training providers.

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America's Talent Strategy: Building the Workforce for the Golden Age](#):

- **Pillar I: Industry-Driven Strategies**—By ensuring all participants can fully engage in training programs aligned with in-demand industries, this waiver helps build career pathways to high-growth sectors.
- **Pillar IV: Accountability**—This waiver allows for a more strategic allocation of WIOA funds, directing resources to cover costs essential to successful program outcomes.

Pell Eligibility Exemption

- **Pillar V: Flexibility & Innovation**—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .” This waiver promotes flexibility by allowing Boards to determine the most effective use of funding to support participant success, removing the rigid requirement to exhaust Pell Grant eligibility first.

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

Approval of this waiver will allow Boards to more effectively support WIOA participants in completing training programs and entering high-demand careers. TWC expects this waiver will lead to:

- increased enrollment and completion rates for Pell-eligible participants in WIOA-funded training programs;
- reduced administrative burden and delays in program enrollment; and
- improved long-term educational and career outcomes for participants.

5. Individuals, groups, or populations benefiting from the waiver.

- **WIOA participants** will benefit from comprehensive funding that covers all essential costs of training, increasing their chances of program completion and career success.
- **Boards** will gain increased flexibility in allocating resources to the needs of their WIOA participants and in stronger partnerships with local training institutions.
- **Training providers** will benefit from increased enrollments, reducing unfilled classrooms and improving completion rates.
- **Employers** will benefit from an increased pipeline of skilled workers ready to fill in-demand positions.

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

Upon DOL’s approval of this waiver request, TWC will communicate the waiver allowance and implementation guidance to Boards. TWC will monitor progress under this waiver by tracking enrollment data, including costs covered by WIOA for Pell-eligible training programs and continued use of Pell funds by WIOA participants. TWC will report waiver outcomes in the state’s WIOA Annual Report.

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

Pell Eligibility Exemption

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards.

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.

Youth Incentives Expansion

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

The Texas Workforce Commission (TWC) is seeking a waiver of the requirement at 20 CFR §681.640, which limits the provision of incentives for youth participants to recognition and achievement directly tied to training and work experience. This waiver will allow Local Workforce Development Boards (Boards) to expand the use of incentives to recognize and reward a broader range of behaviors and milestone achievements that are critical for long-term success but may not be directly tied to specific work experience or training components.

2. Actions the State has taken to remove state or local barriers

There are no state or local statutory or regulatory barriers that would impede implementation of the requested waiver.

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

Approval of this waiver request will allow TWC to address strategic opportunities and meet key state goals outlined in [Accelerating Alignment: Texas Workforce System Strategic Plan for Fiscal Years 2024–2031](#). Specifically, this waiver supports the plan's and state's emphasis on innovative and responsive service delivery by enabling Boards to tailor incentive strategies to better meet the diverse needs of youth participants. It also aligns with the goal of increasing youth engagement and motivation by recognizing and rewarding a wider array of positive behaviors and milestone achievements. This promotes a more holistic and participant-centered approach, moving beyond solely rewarding work experience and training outcomes by providing incentives for actions such as consistent attendance, completion of financial literacy workshops, and active participation in tutoring programs.

This waiver will provide Boards with critical flexibility to increase youth engagement and motivation. Under this waiver, Boards may provide incentives for the successful participation in and completion of any Workforce Innovation and Opportunity Act (WIOA) Youth Program elements, rather than being limited to only work experience and training milestones.

Many youth, particularly those with multiple barriers to employment, benefit from positive reinforcement for completing foundational activities that are critical for long-term success. This waiver allows Boards to recognize and reward the consistent, positive steps participants take toward their goals, creating more frequent touchpoints for encouragement.

WIOA Waiver Request

Youth Incentives Expansion

This waiver request aligns with the following U.S. Department of Labor (DOL) policy priorities outlined in [America's Talent Strategy: Building the Workforce for the Golden Age](#):

- **Pillar I: Industry-Driven Strategies**—By allowing Boards to focus efforts toward incentivizing early engagement by in-school youth, this waiver will “invest earlier and more intentionally in building career pathways . . . with exposure to real occupations and . . . industry-aligned training . . . opportunities that lead to in-demand jobs.”
- **Pillar IV: Accountability**—By enabling the Boards to incentivize leading indicators of success, the program can move toward a model of data-driven, accountable performance that rewards outcomes based on a more comprehensive range of achievements along a participant's career pathway.
- **Pillar V: Flexibility & Innovation**—DOL will “promote new waivers to statutory requirements that are barriers to reform and innovation . . . [and] encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars . . .”

4. Projected programmatic outcomes resulting from implementation of the waiver

Approval of this waiver will allow Boards to use incentives strategically to engage youth participants and create more supportive youth programs.

TWC expects programmatic outcomes that lead to:

- increased rates of youth enrollment and retention in WIOA programs;
- higher rates of completion for key program milestones, such as secondary school completion, dropout recovery, and career exploration engagement, including artificial intelligence literacy;
- an overall improvement in WIOA youth outcomes, including credential attainment and placement in employment or education; and
- greater innovation at the local level as Boards develop and share best practices for using incentives to drive participant success.

5. Individuals, groups, or populations benefiting from the waiver

- **Youth**, particularly at-risk youth and those with multiple barriers to employment, will benefit from a more encouraging and motivating program structure that provides positive reinforcement for incremental progress, helping them stay engaged and on track to achieve their educational and career goals.
- **Boards** will gain a valuable tool to improve program design, increase participant engagement, and achieve better outcomes.
- **Employers** will benefit from a larger pipeline of youth-program completers who have persisted through youth programs and are better prepared for workplace success.

WIOA Waiver Request

Youth Incentives Expansion

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

Upon DOL's approval of this waiver request, TWC will communicate the waiver allowance to Boards and workforce system partner programs. TWC will monitor progress under this waiver by reviewing local incentive policies, analyzing Boards' youth expenditure data, and by tracking service delivery in TWC's integrated case management system, WorkInTexas.com.

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

7. Assurance of State's posting of the request for public comment and notification to affected Local Workforce Development Boards

TWC uses a collaborative process in developing all waiver requests to ensure workforce system partners and the public are involved in, and able to provide input on, waivers being sought by the Commission. As part of this process, TWC convened a WIOA waiver working group featuring Board representatives. The group reviews all TWC waiver requests and provides recommendations designed to enhance the impact of the Texas Workforce Solutions system on employers and individuals across the state.

TWC's process also allows Texas Workforce Investment Council staff the opportunity to review waiver requests.

Finally, TWC posts waiver requests on the TWC website, in compliance with the Texas Open Meetings Act, providing all members of the public with the opportunity to provide comments during an open meeting of TWC's three-member Commission.