# GOVERNANCE TRANSITION PLAN

*Implementation Framework for State Board Administration of Approved Local Workforce Development Board Functions*

Submitted in Support of Oklahoma's WIOA Section 107(b) Waiver Request

## PURPOSE & CURRENT-STATE POSITION

This plan establishes Oklahoma's controlled framework for transitioning the Local Workforce Development Board (LWDB) functions authorized under an approved WIOA Section 107(b) waiver to the Governor's Council for Workforce and Economic Development (GCWED). It defines the governance structure, phased implementation, readiness evidence, stakeholder and regional engagement, risk controls, measurable outcomes, and final implementation decision.

Implementation may occur over up to eighteen (18) months and may occur earlier only when required readiness conditions are satisfied. Local workforce services will continue without interruption through Oklahoma's American Job Centers and workforce partners throughout the transition.

### Current-State and Future-State Distinction

This plan describes both works already undertaken and future-state requirements that remain to be completed. Inclusion of a policy, control, staffing model, fiscal process, or operational procedure does not mean that the item is currently complete or operational. Future-state requirements must be implemented, documented, validated, and supported by evidence before they may be counted as readiness achievements.

### Transition Sequencing and Local Service Continuity

Pending federal approval of the requested waiver, Oklahoma will maintain the current service-delivery structure while establishing and validating the future-state model. GCWED's assumption of authorized Local Board functions changes responsibility for governance and oversight; workforce services will continue to be delivered locally through American Job Centers and workforce partners throughout and following implementation.

Local-area formula funding requirements will remain in effect. The governance waiver will not authorize the diversion of funding allocated to one local area to support another local area or the concentration of services in urban communities at the expense of rural and frontier communities. Local and regional input will continue to inform service planning and investment priorities.

Following waiver approval, the transfer of authorized Local Board functions will be coordinated with required competitive procurement and other operational transition activities. The governance waiver will not waive or relax applicable procurement, competition, conflict-of-interest, or contract-oversight requirements. Solicitations and resulting contracts will include local-area service coverage, accessibility, and accountability requirements, including service to rural and frontier communities.

Oklahoma may use available and allowable set-aside resources to develop, test, and validate the future-state local-area consortium and contract model. Existing local service-delivery arrangements will remain in place

until successor arrangements demonstrate readiness to serve the affected local areas, required procurements are completed, and applicable transition requirements are satisfied.

Final readiness review will verify continued local access, fulfillment of existing participant obligations, and uninterrupted services. These local-delivery commitments will remain in effect after implementation and will be evaluated through ongoing oversight and regional feedback.

Statewide policy standardization is not represented as complete. Policy review, development, publication, operationalization, feasibility testing, technical assistance, monitoring, and corrective-action mechanisms remain part of the phased readiness process.

### Demonstrated Progress

- Oklahoma successfully submitted PY24 and Q1/Q2 of PY25 WIOA performance reporting through its workforce case management system, demonstrating current federal reporting capability.
- Transformation planning and recurring Partnership Meetings are underway.
- The governance transition framework, readiness structure, and measurable outcome framework have been developed for implementation and evidence tracking.

OESC will serve as implementation lead. GCWED will provide strategic oversight, authorize phase advancement, make the final State readiness determination, and authorize implementation after all required readiness gates and applicable federal conditions are satisfied.

### TRANSITION ROADMAP

The transition uses three phases. Advancement is based on demonstrated readiness and evidence, not simply the passage of time.

| Phase | Primary Focus | Major Activities | Key Deliverables |
|---|---|---|---|
| **Phase 1 - Planning & Governance Development** | Build the implementation framework. | Launch the plan; continue Partnership Meetings; establish Regional Workforce Advisory Councils; begin policy/governance review. | Governance framework established; stakeholder engagement continued; regional advisory structure established. |
| **Phase 2 - Operational Alignment** | Prepare the workforce system. | Complete governance alignment and required policy implementation; validate operational processes; review fiscal administration; continue stakeholder engagement; issue implementation guidance; evaluate readiness. | Operational readiness validated; required statewide policies completed; fiscal readiness validated. |
| **Phase 3 - Implementation Readiness** | Final validation and transition. | Complete readiness assessments; resolve remaining items; complete risk mitigation; present final evidence/recommendation to GCWED. | GCWED final readiness determination and implementation authorization; post-implementation monitoring begins. |

### Operating Rules Across All Phases

- Maintain uninterrupted workforce services and local delivery through AJCs and partners.
- Continue Partnership Meetings, public engagement, and structured regional input.
- Use implementation activities to improve customer navigation, partner coordination, and reduce unnecessary administrative duplication where practicable.
- Track risks, milestones, evidence, and corrective actions.
- Review implementation progress at least quarterly.

## GOVERNANCE, ACCOUNTABILITY & REGIONAL VOICE

| Entity | Primary Responsibility |
|---|---|
| **GCWED** | Strategic oversight; reviews implementation progress and readiness evidence; authorizes phase advancement; makes the final State readiness determination; authorizes implementation; assumes the Local Board functions authorized under the approved waiver. |
| **OESC** | Implementation lead; coordinates policy development and administrative support; monitors progress; maintains the Implementation Evidence Register; prepares readiness assessments and reports status to GCWED. |
| **Partnership Meetings / Transition Advisory Team** | Statewide stakeholder collaboration; reviews implementation activities; identifies challenges; evaluates recommendations; supports continuous improvement. |
| **Regional Workforce Advisory Councils** | Advisory regional forums for employers, CLEOs, local area workforce partners, education, organized labor, Tribal governments, local area community organizations and other stakeholders. They communicate regional priorities and recommendations to GCWED and do not exercise statutory LWDB authority. |
| **Chief Local Elected Officials** | Continue regional input and workforce-system coordination during transition. |
| **Workforce System Partners** | Participate in implementation planning, operational improvement, customer-centered delivery and ongoing feedback. |

### Decision Authority

GCWED reviews evidence at the conclusion of each phase. A phase advances only after GCWED documents that the applicable criteria are satisfied or that remaining items do not prevent safe progression. Final implementation occurs only after GCWED determines that all mandatory readiness gates and applicable federal conditions are satisfied. The implementation sequence does not require a separate gubernatorial go-live approval unless required by the terms of federal approval or other applicable law.

### Stakeholder and Regional Engagement

Regional and stakeholder voice is preserved through Regional Workforce Advisory Councils, Partnership Meetings, CLEO engagement, employer engagement, education partners, organized labor, Tribal governments, community organizations, and other workforce partners. Regional Workforce Advisory Councils will provide structured regional input concerning labor-market conditions, employer needs, sector partnerships and strategies, career pathways, education and training alignment, work-based learning, and workforce investment priorities. Substantive Regional Council recommendations and the State response or disposition will be documented.

## MASTER READINESS FRAMEWORK

The five foundational areas are Oklahoma's mandatory implementation gates. OESC maintains the evidence; GCWED makes the readiness determination.

| Mandatory Gate | Required Condition | Evidence of Completion | Owner / Decision |
|---|---|---|---|
| **1. Performance & Data Quality** | Maintain demonstrated federal reporting capability; validate data-quality controls, validation, recurring performance review/dashboard processes, feedback loops, corrective action, and appropriate local-area/regional visibility. | PY24, Q1 & Q2 PY25 submission record; system reporting output; validation results; data-quality controls; recurring reports; corrective-action records; regional/local-area performance outputs. | OESC / Performance; GCWED determination |
| **2. Fiscal & Operational** | Validate financial-management procedures consistent with 2 CFR Part 200, including internal controls, cost allocation, cash management, procurement, fiscal oversight, operational processes, staff guidance, capacity, and required firewalls. | Fiscal readiness review; documented procedures; control testing; procurement records; cost-allocation documentation; operational validation; staffing/capacity evidence. | OESC / Finance / Operations / Compliance; GCWED determination |
| **3. Statewide Policy** | Complete, publish, operationalize and validate statewide policies necessary for consistent administration, including eligibility, assessments, supportive services, priority of service, training services, ETPL, one-stop operations, and board governance. | Policy repository; approval/publication records; feasibility/operational validation; TA/training records; monitoring and corrective-action mechanisms. | OESC / Policy; GCWED determination |
| **4. Stakeholder & Regional Feedback** | Continue Partnership Meetings; establish Regional Workforce Advisory Councils; document participation and substantive recommendations by region from employers, education, organized labor, community organizations, Tribal governments, CLEOs and workforce partners; document State disposition/response. | Council charters/rosters; agendas/minutes; Partnership Meeting records; consultation records; regional recommendation/feedback tracker; State responses. | OESC / Governance; GCWED determination |
| **5. Comprehensive Implementation & Service Continuity** | Document milestones, timelines, owners, dependencies, evidence requirements and risks; confirm through the 20 CFR 679.370 function crosswalk that all Local Board functions | Implementation Evidence Register; 20 CFR 679.370 function crosswalk; service-continuity monitoring; regional access review; issue/mitigation log; risk | OESC / cross-functional owners; GCWED final determination |

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| | authorized under the approved waiver can be | | |

### Implementation Evidence Register

OESC will maintain an Implementation Evidence Register identifying each criterion, responsible owner, required evidence, completion status, validation authority, completion date, deficiencies, and corrective actions. An item is not complete merely because an activity occurred; evidence must demonstrate that the applicable control or process is operational and effective.

### Phase Advancement and Final Readiness

At each phase boundary, OESC presents the evidence and readiness assessment to GCWED. GCWED documents the decision to advance, hold, or require corrective action. At the final gate, GCWED determines whether all five readiness areas and federal conditions are satisfied and, if so, authorizes implementation.

## RISK, SERVICE CONTINUITY & COMMUNICATION

| Potential Risk | Mitigation / Control |
|---|---|
| **Reduced regional input** | Regional Workforce Advisory Councils; Partnership Meetings; documented recommendations and State disposition. |
| **Stakeholder concerns** | Continuous engagement, public communication, and documented feedback. |
| **Policy implementation delays** | Phased implementation; milestone/evidence tracking; corrective action before advancement. |
| **Operational challenges** | Operational validation and staff guidance before implementation. |
| **Fiscal concerns** | Fiscal readiness review, control validation, and ongoing oversight. |
| **Governance transition risk** | GCWED oversight, phased decisions, function crosswalk, evidence register, and final readiness authorization. |
| **Rural/frontier access or regional disparity** | Regional access review; service-continuity monitoring; documented mitigation of material transition-related access issues. |

### Communication & Monitoring

Oklahoma will provide implementation updates through GCWED meetings, Partnership Meetings, public materials, stakeholder communications, and regional forums. Emerging risks will be documented and mitigation strategies adjusted as needed.

| Monitoring Activity | Mitigation/Control |
|---|---|
| **Implementation milestone/readiness review** | Quarterly and at each phase boundary |
| **Regional Council recommendations and State disposition** | Ongoing / quarterly reporting |
| **Fiscal stewardship review** | Annually |
| **Governance evaluation** | Annually after implementation |

## SPECIFIC, MEASURABLE WAIVER OUTCOMES

Targets are prospective commitments. Baselines will be established before implementation where comparison to the current state is required. Results will be supported by evidence and incorporated into waiver monitoring and the WIOA Annual Report, as applicable.

OESC's PY24 analysis identified approximately $3.9 million in specified administrative and operational expenditures. Oklahoma proposes an upper-bound gross annual cost-reduction objective of up to $3.9 million, subject to validation of avoidable costs and absorption or lawful alternative funding of continuing obligations. At PY24 expenditure levels, full reinvestment into direct training could increase training's share of expenditures by approximately 25 percentage points. These are prospective objectives, not realized net savings or guaranteed reinvestment. Actual expenditures, training investment and participation will be monitored.

| Outcome | Target / Measure | Evidence | Frequency |
|---|---|---|---|
| **Statewide Policy Standardization** | 100% of required statewide policy categories necessary for implementation are completed, published, operationalized, and validated before transition | Policy repository; feasibility validation; Evidence Register (policies must include eligibility, assessments, supportive services, priority of service, training services, ETPL procedures, one-stop operations, and board/governance responsibilities and administrative procedures.) | Pre-implementation; annual review |
| **Governance Accountability** | 100% of Local Board functions authorized are assigned to a documented future-state owner with applicable decision authority, controls, and firewalls before implementation. | 20 CFR 679.370 crosswalk; governance documents; Evidence Register | Pre-implementation; annual review |
| **Regional Voice** | Regional Workforce Advisory Councils established and operational for each designated region. | Charters/rosters; agendas; minutes | Pre-implementation; ongoing |
| **Stakeholder Accountability** | 100% of substantive Regional Council recommendations documented with a state response or disposition. | Recommendation/feedback tracker; GCWED materials/minutes | Quarterly |
| **Performance & Data Quality** | Maintain demonstrated reporting capability; submit 100% of required federal performance reports by applicable deadlines; track material data-quality issues through resolution/corrective action. | Federal submission records; validation; corrective-action records | Quarterly/annual |
| **Readiness Evidence** | 100% of mandatory readiness gates supported by required evidence and determined satisfied | Evidence Register; GCWED determination/minutes | Pre-implementation |

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|---|---|---|---|
| | by GCWED before implementation. | | |
| **Service Continuity** | No interruption of WIOA Title I services attributable to the governance transition. | Continuity monitoring; incident/issues log; corrective action | Throughout transition |
| **Local Service Delivery & Rural / Regional Access** | Maintain local service delivery in each local workforce area throughout and following implementation. Review service coverage and accessibility by local area, including rural and frontier communities; require documented mitigation or corrective action for all material transition-related access deficiencies identified. | Local-area service coverage reviews; contract monitoring; regional feedback; corrective-action records. | Before implementation and quarterly thereafter. |
| **Operating Efficiency & Participant Training Investment** | Target up to $3.9 million in annual gross administrative and operational cost reductions or cost avoidance, subject to validation of avoidable costs. Redirect allowable efficiencies toward direct participant training and workforce services. Full reinvestment into direct training could increase the share of PY24 expenditures by approximately 25 percentage points | PY24 expenditure analysis; pre- and post-implementation fiscal expenditure reports; documented gross reductions and net savings; direct training expenditures; training participation data | Quarterly review; annual reporting |
| **Governance Review** | GCWED reviews transition/readiness progress at established intervals and completes an annual governance evaluation after implementation. | GCWED agendas/minutes; annual evaluation | Quarterly during transition; annually thereafter |

If a target is missed, Oklahoma will document the cause and, where appropriate, corrective action or an implementation adjustment. Participant and employer outcomes required under WIOA will continue to be monitored for trends and unintended effects; Oklahoma does not assign an unsupported causal percentage improvement in employment, earnings, or credential attainment to the governance waiver.

## FINAL READINESS & IMPLEMENTATION DECISION

Implementation of the approved governance framework occurs only after Oklahoma demonstrates successful completion of the transition requirements. GCWED is the final State readiness and implementation authority, subject to any conditions in the federal waiver approval or other applicable law.

### Final GCWED Decision Record

- ☐ Performance & data-quality gate satisfied
- ☐ Fiscal & operational gate satisfied

- ☐ Statewide policy gate satisfied
- ☐ Stakeholder & regional-feedback gate satisfied
- ☐ Comprehensive implementation & service-continuity gate satisfied
- ☐ 100% of Local Board functions assigned with required controls/firewalls
- ☐ Material risks mitigated or controlled
- ☐ Required evidence complete in the Implementation Evidence Register
- ☐ Any conditions of federal approval satisfied
- ☐ GCWED final readiness determination documented
- ☐ GCWED implementation authorization documented

**Implementation**

GCWED FINAL READINESS DETERMINATION → IMPLEMENTATION OF APPROVED GOVERNANCE FRAMEWORK → POST-IMPLEMENTATION MONITORING & CONTINUOUS IMPROVEMENT

Following implementation, Oklahoma will continue quarterly/annual monitoring as applicable, evaluate measurable waiver outcomes, maintain regional and stakeholder engagement, and use findings to support continuous improvement.