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Oklahoma WIOA §107(b) Waiver Request: State Board Administration of Local Workforce Development Board Functions

Purpose and Request

Oklahoma requests a waiver under WIOA section 189(i) to authorize the Governor's Council for Workforce and Economic Development (GCWED), while continuing to serve as Oklahoma's State Workforce Development Board, to carry out the functions otherwise assigned to Local Workforce Development Boards under WIOA section 107 and applicable implementing regulations, to the extent approved by the U.S. Department of Labor.

This request concerns governance and administration. GCWED's assumption of authorized Local Board functions will preserve local workforce service delivery through Oklahoma's American Job Centers and workforce partners throughout and following implementation. Local workforce development areas will remain geographic and administrative units for applicable requirements, including local-area formula allocations. The governance waiver will not authorize the diversion of local-area funding to other areas 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. All applicable State Board responsibilities, procurement requirements, public participation requirements, and participant protections will remain in effect. Oklahoma proposes an implementation period of up to eighteen (18) months. GCWED will assume the approved Local Board functions only after the State demonstrates readiness across the five foundational areas: (1) performance and data quality; (2) fiscal and operational readiness; (3) statewide policy standardization; (4) stakeholder engagement and regional feedback; and (5) comprehensive implementation and service-continuity readiness.

I. Statutory and Regulatory Requirements Requested for Waiver and Relationship to the State Plan

Pursuant to WIOA section 189(i) and 20 CFR 679.600 through 679.620, Oklahoma requests waiver authority necessary for GCWED to carry out the statutory Local Workforce Development Board roles and responsibilities identified in WIOA section 107 and 20 CFR 679.370, subject to the scope and terms approved by the Secretary.

The structural barrier is the requirement that Local Board functions be administered through multiple Local Workforce Development Boards when Oklahoma is pursuing a unified statewide governance and accountability model. The waiver would allow the State to consolidate governance functions while retaining local service delivery, regional labor-market visibility, local stakeholder engagement, and all requirements that remain applicable.

The waiver supports Oklahoma's approved Combined State Plan by advancing statewide consistency, integrated service delivery, employer responsiveness, accountability, customer navigation, partner

coordination, and stewardship of workforce resources. The waiver is intended to remove a governance impediment to implementation of those strategies rather than establish a separate workforce strategy.

The waiver does not request authority to:

- eliminate local workforce development areas through this waiver;
- waive GCWED's State Board functions under WIOA section 101(d);
- waive WIOA sections 128 or 133 allocation requirements;
- waive sunshine, public-comment, nondiscrimination, eligibility, worker-protection, or other non-waivable requirements; or
- eliminate the substantive requirement for meaningful local and regional engagement.

II. Actions Taken to Remove State or Local Barriers

Oklahoma has undertaken workforce system improvement and planning activities within existing State authority to identify barriers, strengthen coordination, and prepare for potential implementation of the proposed governance model. Some activities are complete, while others remain underway and must be completed through the implementation readiness process described in this waiver request.

Oklahoma previously submitted a request for federal flexibility to permit GCWED to carry out local workforce development board functions. Following DOL’s decision on that request, Oklahoma continued refining the proposed governance framework, including implementation sequencing, functional accountability, performance reporting, regional participation, and readiness safeguards. This revised request reflects that work and the State’s consideration of comments received during the October 2026 public-comment period.

Actions taken to date include:

- successfully submitting PY24 and PY25 WIOA performance reporting through Oklahoma's workforce case management system, demonstrating the system's capability to produce required federal performance reporting;
- implementing EmployOklahoma as the State's workforce technology platform and continuing system improvements;
- conducting statewide monitoring, oversight, and continuous-improvement activities and identifying additional controls that must be validated before transition;
- beginning in June 2025, OESC convened weekly two-hour Workforce Transformation Sprint Sessions with core workforce stakeholders invited. The sessions continued through October 2025 and were followed by biweekly partnership meetings addressing governance, customer navigation, employer engagement, system coordination, and implementation.;
- during these recurring meetings, local boards and participating partners were encouraged to invite additional stakeholders from their regions. OESC also conducted targeted discussions concerning the proposed governance structure and direct meetings with Chief Local Elected Officials and other local elected officials.;

- beginning review and development of the policies and administrative procedures that would be necessary to support consistent statewide administration under the proposed governance model;
- notifying affected Local Workforce Development Boards and Chief Local Elected Officials of Oklahoma's intent to pursue the proposed governance model; and
- reviewing applicable Oklahoma law to identify State statutory considerations associated with implementation of the proposed governance structure.

These activities have informed Oklahoma's phased governance transition framework, supported by the Governance Transition Plan and Implementation Roadmap. Together, these documents describe the sequence for completing and validating the policy, operational, fiscal, organizational, stakeholder engagement, and performance requirements necessary to implement the proposed governance structure. The phased approach is designed to ensure that required activities are completed, documented, and validated before local workforce development board functions are transferred.

Statewide policy standardization is an established component of this process. During the applicable transition phases, Oklahoma will complete, publish, operationalize, and evaluate the statewide policies and procedures necessary for consistent administration. Policy readiness must be demonstrated before GCWED authorizes the transfer of approved functions.

The remaining structural barrier cannot be resolved through State administrative action alone. WIOA assigns Local Workforce Development Board functions to Local Workforce Development Boards. Oklahoma therefore requests federal waiver authority to permit GCWED to carry out the Local Board functions authorized by the Secretary.

Approval of the waiver would permit Oklahoma to proceed through a controlled, phased transition; it would not itself authorize the immediate transfer of local workforce development board functions. Transfer will occur only after the five readiness gates in Section VIII have been satisfied, GCWED has made a documented readiness determination, and applicable conditions of federal waiver approval have been met.

III. Goals of the Waiver and Specific, Measurable Programmatic Outcomes

Oklahoma's objective is not governance consolidation for its own sake. The proposed model is intended to create clearer accountability, greater statewide consistency, reduced avoidable administrative duplication, stronger regional coordination, and increased capacity to direct finite workforce resources toward participants, employers, training, career services, and employment outcomes.

Oklahoma will evaluate the waiver using the specific implementation and programmatic measures below. Where a pre-transition comparison is necessary, baseline data will be established before implementation. These targets are prospective commitments and do not represent activities that Oklahoma claims are already complete.

OESC conducted a detailed analysis of PY24 expenditures across Oklahoma's six Local Workforce Development Boards. The analysis documented approximately $3.9 million in combined board salaries and benefits, system operating costs, staff travel and training, and One-Stop Operator expenditures, representing approximately 25 percent of total expenditures reviewed. Direct participant training accounted for approximately 28 percent to 47 percent of total expenditures across the six boards. These findings establish the historical financial baseline for Oklahoma's proposed efficiency and participant-investment objectives.

Under the proposed governance structure, Oklahoma intends to eliminate or absorb duplicative administrative and operational costs through consolidated governance and existing statewide administrative capacity. Based on the approximately $3.9 million in identified PY24 expenditures, the State proposes an upper-bound gross annual cost-reduction objective of $3.9 million, contingent upon demonstrating that comparable expenditures remain avoidable under the future-state structure. This objective represents the potential scale of expenditure reductions rather than guaranteed net savings. Actual savings will be determined after accounting for continuing required functions, replacement costs, transition expenses, and changes in funding levels.

Oklahoma intends to direct allowable financial efficiencies toward increased participant training and workforce services. At the approximately $15.54 million PY24 expenditure level, redirecting $3.9 million entirely to direct participant training would represent an illustrative increase of approximately 25 percentage points in the share of expenditures devoted to training. The State will measure actual reductions in administrative and operational expenditures, increases in direct participant training investment, and changes in the number of participants receiving training. Results will be reviewed quarterly and reported through established fiscal and programmatic oversight processes. The proposed governance structure will be evaluated based on its demonstrated ability to reduce avoidable costs, increase participant investment, and maintain required service delivery and fiscal accountability.

Outcome	Target / Measure	Data / Evidence	Frequency
Statewide Policy Standardization	100% of required statewide policy categories necessary for implementation are completed, published, operationalized, and validated before transition	Policy repository; implementation/feasibility validation; readiness evidence register	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	20 CFR 679.370 function crosswalk; governance documents; evidence register	Pre-implementation; annual review

	firewalls before implementation.		
Regional/Local Voice	Regional Workforce Advisory Councils are established and operational for each designated region before implementation.	Council charters/rosters; agendas; minutes	Pre-implementation; ongoing
Stakeholder Accountability	100% of substantive Regional Council recommendations are documented with a State response or disposition.	Regional recommendation/feedback tracker; GCWED materials/minutes	Quarterly
Performance & Data Quality	Maintain the demonstrated capability of Oklahoma's workforce case management system to produce required WIOA performance reporting; submit 100% of required federal performance reports by applicable deadlines; and track material data-quality issues identified through validation through resolution or corrective action.	Federal submission records; validation results; corrective-action records	Quarterly/annual
Readiness Evidence	100% of mandatory readiness gates are supported by required evidence and determined satisfied by GCWED before implementation authorization.	Implementation Evidence Register; GCWED readiness determination/minutes	Pre-implementation
Service Continuity	No interruption of WIOA Title I services attributable to the governance transition.	Service-continuity monitoring; incident/issues log; corrective-action records	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, based on identified PY24 expenditures and subject to confirmation of avoidable costs under the proposed governance structure. Redirect allowable efficiencies toward direct participant training and workforce services. At PY24 expenditure levels, full reinvestment of $3.9 million into direct training would represent a potential increase of approximately 25 percentage points in the share of expenditures devoted to training.	PY24 expenditure analysis; pre-implementation and post-implementation fiscal expenditure reports; documented cost reductions and net savings; direct participant training expenditures; training participation data.	Quarterly review; annual reporting
Governance Review	GCWED reviews implementation/readiness progress at established	GCWED agendas/minutes; annual governance evaluation	Quarterly during transition;

	intervals and completes an annual governance evaluation after implementation.		annually thereafter

These measures will be incorporated into Oklahoma's waiver-monitoring framework and WIOA Annual Report. Where baseline data are required, Oklahoma will establish the baseline before implementation and report subsequent results against that baseline. Failure to achieve a target will result in documented analysis and, where appropriate, corrective action or adjustment to implementation.

Oklahoma will also continue to monitor participant and employer performance outcomes required under WIOA.

IV. Alignment with U.S. Department of Labor Policy Priorities

The waiver aligns with the Department's current workforce priorities, including America's Talent Strategy (TEGL 07-25), by strengthening accountability, employer engagement, education and training alignment, work-based learning, customer-centered service delivery, and measurable workforce outcomes.

Employer engagement: a coordinated statewide employer-engagement strategy and regional advisory structures will support sector partnerships and employers operating across local areas and regions.

Education and training alignment: direct coordination with CareerTech, Adult Education, postsecondary education, Vocational Rehabilitation, economic development, and other partners will support career pathways and training alignment.

Work-based learning: statewide policy and implementation will support Registered Apprenticeship, on-the-job training, incumbent worker training, youth work experience, and other work-based learning strategies.

Job and career results: standardized policy, performance management, data-quality controls, and continuous improvement will support consistent services and outcome accountability.

Accountability: aligning governance responsibility, oversight, and performance review within a unified structure will clarify responsibility for statewide results while retaining regional input.

V. Individuals Affected and Impact on Disadvantaged Populations

The waiver affects the governance structure supporting all individuals and employers served through Oklahoma's workforce system. This includes adults, dislocated workers, youth, employers, veterans and eligible spouses, individuals with disabilities, English language learners, justice-involved individuals, low-income individuals, individuals experiencing homelessness, Tribal Nations, rural communities, and other individuals with barriers to employment.

The waiver does not change participant eligibility, priority-of-service requirements, available WIOA services, nondiscrimination protections, or access to WIOA-funded programs. Services will continue through

Oklahoma's American Job Centers and workforce partners. Oklahoma will evaluate service access and outcome information during implementation to identify and address any unintended regional or population-level disparities.

Operational readiness will specifically evaluate whether the State can assume the approved Local Board functions without service gaps and whether rural and frontier communities retain reasonable access to one-stop and partner services.

VI. Monitoring, Local Board Notice and Comment, Public Participation, and Annual Reporting

A. Monitoring Implementation and Waiver Outcomes

OESC will coordinate implementation monitoring and provide regular implementation updates to GCWED. Quarterly reviews will evaluate milestones, governance readiness, organizational capacity, performance and data quality, fiscal and operational readiness, policy implementation, stakeholder engagement, service continuity, risks, and corrective actions.

Waiver outcomes will be incorporated into Oklahoma's WIOA Annual Report, including progress toward approved waiver goals, implementation status, outcome measures, material risks or corrective actions, stakeholder engagement, and available information concerning administrative efficiencies and service continuity.

B. Notice to Affected Local Boards and Opportunity to Comment

Oklahoma has retained documentation of notice and consultation, comments received, and the State's responses to substantive comment themes as part of the waiver submission record.

C. Meaningful Public Comment

OESC made the proposed waiver available for public comment from October 1 through October 31, 2026. The online form recorded 91 numbered entries, including multipart submissions; the number of entries does not necessarily represent the number of individual commenters. OESC reviewed the submissions and addresses the substantive issues in the accompanying consolidated public-comment response.

Several comments requested additional detail concerning implementation, regional participation, accountability, and continuity of services. The publicly posted waiver identified a phased transition and five readiness requirements. To provide DOL with the supporting operational framework and respond to the questions raised, OESC is including its Governance Transition Plan and Implementation Roadmap as supporting attachments to this revised submission. These documents describe the planned phases and conditions for implementation; they do not represent that all future-state activities have been completed.

D. Ongoing Stakeholder and Regional Feedback

Throughout implementation, recurring Partnership Meetings will serve as the Transition Advisory Team. Participation will include GCWED, OESC, Local Workforce Development Boards, Chief Local Elected Officials, employers, organized labor, CareerTech, Adult Education, Vocational Rehabilitation, Job Corps, education

partners, economic development organizations, community-based organizations, Tribal Nations, and other workforce stakeholders.

Regional Workforce Advisory Councils will provide structured recommendations concerning regional labor-market conditions, employer needs, sector strategies, workforce investment priorities, career pathways, work-based learning, service accessibility, and emerging workforce challenges. Regional Workforce Advisory Councils will serve in an advisory capacity and will not independently exercise statutory local workforce development board functions. OESC will document participation and recommendations by region, summarize substantive feedback, record the response or disposition of recommendations, and present relevant recommendations to GCWED.

VII. Renewal Information

If Oklahoma seeks renewal, the State will provide the most recent available data regarding outcomes achieved under the waiver, as requested by ETA.

VIII. Implementation Readiness Commitments

Approval of the waiver will not itself trigger immediate transfer of Local Board functions. The State will proceed only after the applicable readiness criteria below are demonstrated.

OESC will coordinate implementation, maintain the supporting evidence, and prepare readiness assessments. GCWED will independently review the documented evidence, determine whether each required readiness gate has been satisfied, and authorize implementation of the approved governance framework. No separate gubernatorial go-live approval is built into the implementation sequence unless required by the terms of federal approval or other applicable law.

1. Performance and Data Quality Readiness

Oklahoma successfully submitted PY24 and PY25 WIOA performance reporting through its workforce case management system, demonstrating current reporting capability. Oklahoma will maintain this capability and establish or validate the remaining statewide data-quality controls needed for the governance transition:

- Maintain timely WIOA section 116 and 20 CFR Part 677 reporting and validate the controls necessary to support accurate, reliable reporting.
- Use recurring performance reports or dashboards, feedback loops, data validation, and corrective-action protocols to support continuous improvement.
- Preserve regional visibility by disaggregating performance information by local area or region, as appropriate for management and federal oversight.
- Document performance and data-quality readiness before GCWED assumes the approved Local Board functions.

2. Fiscal and Operational Readiness

- Document compliant financial-management procedures consistent with 2 CFR Part 200, including internal controls, cost allocation, cash management, and procurement.

- Maintain all applicable procurement, competition, conflict-of-interest, and contract-oversight requirements. Solicitations and resulting service-provider contracts will specify local-area service coverage, accessibility, and accountability requirements, including service to rural and frontier communities. Statewide or multi-area contracting arrangements must demonstrate capacity to meet these requirements in each affected local area before implementation.
- Establish clear statewide fiscal oversight procedures for required partners, contractors, and subrecipients, as applicable.
- Address outstanding fiscal or cost issues relevant to implementation through final resolution or an approved corrective-action process before transition.
- Maintain appropriate separation of governance, operations, procurement, fiscal oversight, monitoring, and audit functions to manage conflicts and preserve independent review.
- Complete a documented fiscal and operational readiness assessment before implementation.

3. Standardized Statewide Policy Readiness

Prior to implementation, Oklahoma will complete, publish, and operationalize standardized statewide policies and procedures necessary for consistent administration. At a minimum, the policy framework will address:

- eligibility;
- assessments;
- supportive services;
- priority of service;
- training services;
- Eligible Training Provider List procedures;
- one-stop operations; and
- board/governance responsibilities and administrative procedures.

Policies will be evaluated for operational feasibility and consistent application across regions. Statewide monitoring, technical assistance, and corrective-action processes will be used to enforce policy compliance.

4. Stakeholder Engagement and Regional Feedback Readiness

- Maintain a structured statewide engagement process through Partnership Meetings serving as the Transition Advisory Team.
- Establish Regional Workforce Advisory Councils before implementation.
- Include employers, education partners, organized labor, community-based organizations, Tribal governments, Chief Local Elected Officials, workforce partners, and other affected stakeholders.
- Document meaningful engagement from each region of the State.
- Maintain a transparent feedback loop showing how substantive stakeholder recommendations are considered, acted upon, or otherwise dispositioned.

5. Comprehensive Implementation and Service-Continuity Readiness

- Document and maintain implementation milestones, timelines, responsible parties, dependencies, evidence requirements, and decision points.
- Use risk-mitigation strategies addressing local service continuity, system transition, workforce impacts, partner roles, fiscal controls, organizational capacity, and implementation dependencies.
- Complete operational readiness assessments demonstrating that the State can assume the approved Local Board functions without service gaps. Before transferring approved functions, OESC will verify through the existing readiness process that active training and supportive-service commitments, youth services, employer agreements, participant records, and local service access remain supported. WIOA Title I services will continue through competitively procured service providers; the governance transition will not, by itself, terminate existing contracts or interrupt participant commitments.
- Evaluate access in rural and frontier communities and protect reasonable access to one-stop and partner services.
- Evaluate implementation for regional disparities and require mitigation before transition when a material access or service-continuity risk is identified.
- Implement the approved governance framework only after required readiness milestones are complete, GCWED has made a documented readiness determination, and any conditions of federal approval have been satisfied.

Readiness Gate for Implementation

Readiness Area	Minimum Evidence	Review	Gate
Performance & Data	Data controls; reporting; validation; corrective action	Quarterly / pre-transition	Required
Fiscal & Operational	2 CFR Part 200 controls; procurement; cost allocation; oversight	Pre-transition	Required
Statewide Policy	Policy published and operationalized	Pre-transition	Required
Stakeholder & Regional	Regional engagement; documented feedback loop; councils operational	Quarterly / pre-transition	Required
Implementation & Access	Milestones; risk controls; service continuity; rural/frontier access	Quarterly / pre-transition	Required

No transfer of approved Local Board responsibilities to GCWED will occur until GCWED determines, based on documented readiness evidence, that the applicable readiness gates have been satisfied and any conditions of

federal approval have been met. GCWED will serve as the final State readiness and implementation authority for activation of the approved governance framework.

IX. Local Area Designation and Appeals

Nothing in this waiver is intended, by itself, to eliminate local workforce development areas or designation and appeal rights established under WIOA and applicable federal regulations. Oklahoma will maintain procedures for requests for local-area designation and applicable appeal rights. Any separate action affecting local-area designation will be undertaken only through the authority and procedures applicable to that action.

X. Period of Request and Summary

Oklahoma respectfully requests approval of this waiver through June 30, 2028, subject to the Secretary's approval and the duration of Oklahoma's approved Combined State Plan. The requested authority would allow GCWED to carry out approved Local Workforce Development Board functions after completion of the structured transition and readiness process.

The request is designed to strengthen accountability and consistency while preserving local service delivery, regional participation, meaningful stakeholder engagement, participant protections, fiscal integrity, performance accountability, and equitable access. Oklahoma will not implement the governance transition until readiness areas have been demonstrated, GCWED has made a documented readiness determination, and the conditions of federal approval have been satisfied.