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Modification Requirements for Workforce Innovation and Opportunity Act (WIOA) Regional & Local Plans for Program Years (PYs) 2026 and 2027 Issuance NUMBER PY 25-04

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FROM: Eddie Thomas, Director- Office of Employment & Training

TO: Local Workforce Development
Board Chief Elected Officials
Local Workforce Development Board Administrators

SUBJECT: Regional and Local Plan Modification

Purpose: The purpose of this workforce system guidance is to provide modification requirements, submission process, and deadline for the required modification of the WIOA Regional and Local Plans for (PYs) 2026-2027. Local workforce development boards are expected to share this guidance with their respective board chairs and chief elected officials (CEOs).

References:

WIOA §102 and §103

Training and Guidance Letter (TEGL) 4-21

Training and Guidance Letter 07-25

[American's Talent Strategy: The Workforce for the Golden Age Arkansas Workforce Strategy](#)

Background: The Workforce Innovation and Opportunity Act requires each local workforce development board to submit a four-year plan to the Governor's administrative entity. Each plan must be modified at the end of the first two years to reflect changes in labor market and economic conditions or other factors affecting the implementation of the local plan, including but not limited to:

- Significant changes in local economic conditions;
- Changes in the financing available to support WIOA title I and partner-provided services;
- Changes in the LWDB structure, and
- The need to revise strategies to meet local area performance goals

For the purposes of developing and submitting Regional and Local Plan modifications for (PYs) 2026-2027, it is critical that local boards reevaluate economic and labor market information (LMI) and adjust strategies for what may currently be a different set of growing and declining industries, occupations, skills, and thereby ensuring Regional and Local Plan modifications reflect changes in the labor market and economic conditions and other factors affecting the implementation of Local Plans as required by WIOA §102(c)(3)(A).

Action Required: Local board members, in partnership with the chief elected official(s) must review and modify their regional and local plans. Modifications to the plan must be highlighted within the plan so that they are easily recognizable. Additionally, plan modifications must include and demonstrate how their plan aligns with the Arkansas Workforce Strategy and the United States Departments of Labor, Commerce, and Education's - America's Talent Strategy described below:

PILLAR I: Industry-Driven Strategies: The skill demands and hiring needs of industry must drive how workforce development programs train and prepare the participants they serve. Local employers should play a central role in defining in-demand skills, validating training models, and steering investments toward the roles and credentials that propel workers into secure, well-paying, and high-need American jobs. The public workforce system can support this pillar by prioritizing Registered Apprenticeships, Integrated Education and Training programs, and other high-quality work-based learning models; organizing employers into industry sector partnerships to identify high-wage, high-skill, or in-demand industry sectors and occupations and design workforce strategies to address their needs; aligning eligible training programs to career pathways within the State or regional economy; and targeting investments towards employer-led upskilling initiatives designed to fill talent shortages in priority industries.

PILLAR II: Worker Mobility: Individuals returning to the workforce or seeking better career opportunities should be able to take tangible steps that lead to upward mobility and long-term economic independence. Next-generation workforce and labor market intelligence tools should help participants identify their skills, understand skills-aligned career options and take intentional steps toward better-paying jobs. The public workforce system can support this pillar through several targeted strategies such as: clearly identifying credentials that are valued in the labor market to support informed decision making and support jobseekers to earn such credentials; developing informed customer choice policies designed to mitigate benefits cliffs; advancing innovative use of technology and labor market data, including employing competency-based assessments and benefits cliff navigation tools during intake into the public workforce system; and integrating Artificial Intelligence (AI)-powered tools including comprehensive talent marketplaces composed of comprehensive learner records or learning and employment records solutions, credential registries, and skills-based job description generators, that allow workers to advance based on demonstrated competencies. The public workforce system can also help connect disconnected workers to training opportunities that lead to self-sufficiency.

PILLAR III: Integrated Systems: The public workforce system must be unified, navigable, and built around the needs of its users. Job seekers should be able to access training and employment opportunities without getting lost in a maze of government agencies, and employers should be able to engage with the system just as easily to find talent and grow their workforce. The public workforce system can support this pillar by integrating disparate funding streams and improving service delivery through adopting shared eligibility standards across programs; implementing and scaling virtual service delivery practices to reduce overhead expenses; and advancing education and workforce alignment, streamlining intake processes, and implementing digital tools that help frontline staff guide individuals to the right services.

PILLAR IV: Accountability: Taxpayer funded workforce development programs must deliver measurable and transparent results for job seekers and employers. Ineffective training providers should be removed from public funding lists. Grantees' funding models should tie resources to outcomes, including through the expanded use of pay-for-performance contracts to ensure public investments generate measurable returns in employment, earnings, and credential attainment. The public workforce system can support this pillar by identifying and eliminating ineffective activities, adopting state-driven measures of program performance, establishing state and local area postsecondary attainment and labor force participation goals, redirecting funding to programs and

providers that demonstrate success in connecting Americans with high-wage jobs, and enhancing data linkages, including by exploring enhanced wage records, and publishing education and training programs in structured, open, linked, and interoperable data formats, to produce valid and transparent data that assesses the return on investment and the impact on closing talent gaps.

PILLAR V: Flexibility and Innovation: The public workforce system must be adaptable and designed for continuous iteration, with exponentially faster feedback loops between employers, educators, and training providers to ensure that programs can evolve in step with economic shifts, particularly those driven by AI. States and local communities need more control to tailor solutions to their regional economies without being constrained by outdated program rules or processes. The public workforce system can support this pillar by leveraging existing statutory authorities to promote flexibility and innovation within the system, braiding federal and state funding streams from multiple sources to support integrated career pathways, creating new models of workforce innovation built to match the speed and scale of AI-driven economic transformation, prioritizing AI literacy and skills development across the public workforce system, and developing pilot projects to drive rapid reskilling and fuel other AI-era innovations.

Regional Plan Modification Requirement [20 CFR§ 679.530]:

At the end of the first 2-year period of the 4-year local plan, the local workforce development boards within a planning region, in partnership with the appropriate chief elected officials, must review the regional plan, and prepare and submit modifications to reflect changes in:

- Regional labor market and economic conditions; and
- Other factors affecting the implementation of the local plan, including but not limited to changes in financing available to support WIOA title I and partner provided WIOA services.

Local Plan Modification Requirement [20 CFR§ 679.580]: At the end of the first 2-year period of the 4-year local plan, each local workforce development board, in partnership with the appropriate chief elected official, must review the local plan, and prepare and submit modifications to the local plan to reflect changes in:

- Labor market and economic conditions; and
- Other factors affecting the implementation of the local plan, including but not limited to:
 - Significant changes in local economic conditions,
 - Changes in the financing available to support WIOA title I and partner-provided services,
 - Changes to the Local WDB structure, and
 - The need to revise strategies to meet local area performance goals.

Note: Only regions specified by the State as described in WIOA §106(a) must submit regional plans.

Public Comment Period. Plan modifications must be posted for a 30-day period of public comment as described in WIOA §106(d). Notification of the posting of the regional/local plan(s) must be made simultaneously to all relevant regional/local stakeholders, as well as to AWC. The 30-day comment period must begin and be completed in time to meet the May 29, 2026, submission date.

Any comments received concerning the contents of the regional or local plan modifications must be addressed within that plan prior to the submission of the plan to AWC **[20 CFR §679.510(b); §679.550(b)]**.

Submission. All modified regional/local plan packages must be submitted electronically to the following email address by close of business on May 29, 2026. Please submit electronically to: wioa@arkansas.gov.

Approval. Modifications to regional/local plans submitted to AWC are considered approved if AWC provides the point of contact with notification of approval; or at least 90 days has passed since the receipt of the modified plan by AWC and the plan point of contact has not received communication from AWC, whichever

comes first [**WIOA § 108(e)**].

Non-Approval. A regional or local plan submitted to AWC will not be approved for any of the following reasons [**20 CFR 679.520; 679.570**]:

1. There are deficiencies in workforce investment activities that have been identified through audits and the local area has not made acceptable progress in implementing plans to address deficiencies;
2. The plan does not comply with applicable provisions of WIOA and the WIOA regulations, including the required consultations and public comment provisions, and the nondiscrimination requirements of 29 CFR part 38; or
3. The plan does not align with the State Plan, including with regard to the alignment of the core programs to support the strategy identified in the State Plan in accordance with WIOA sec. 102(b)(1)(E) and § 676.105.

Inquiries: All questions or concerns may be submitted to the AWC WIOA Policy Team at wioata@arkansas.gov.