State of Minnesota
Workforce Innovation and Opportunity Act (WIOA)
Waiver Request

State Workforce Development Board Membership Requirements

Statutory and Regulatory Provisions Requested for Waiver: WIOA Section 101(b)(1) and (c); 20 CFR 679.110(b)–(c)

Waiver Period Requested: Program Years 2026 and 2027 (through June 30, 2028)

Submitted by: Minnesota State Workforce Development Board, in consultation with the Minnesota Department of Employment and Economic Development

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Pursuant to WIOA Section 189(i)(3)(A) and the guidance set forth in Training and Employment Guidance Letter (TEGL) No. 08-18 and TEGL No. 05-25, the State of Minnesota requests a waiver for the State Workforce Development Board (SWDB) membership requirements as described in the preamble for regulations of 20 CFR 679.110 corresponding to WIOA Section 101(b)(1) and (c). Specifically, Minnesota requests flexibility to satisfy the requirement for "unique representation" of the State Title IV Vocational Rehabilitation core program representation through the appointment of the Commissioner of the Minnesota Department of Employment and Economic Development (DEED), the Governor-appointed head of the State agency that houses Vocational Rehabilitation Services (VRS) and State Services for the Blind (SSB) on the SWDB.

1. Statutory and Regulatory Requirements Requested for Waiver

Minnesota requests a waiver from the preamble language for 20 CFR 679 requiring "unique representation" for WIOA Section 101(b)(1) and (c) and, which specify the membership and category/subcategory representation requirements for the SWDB.

WIOA Section 101(b)(1)(C) requires that government members of the SWDB include the lead State officials with primary responsibility for the core programs. Governor Tim Walz has appointed the Commissioner of DEED as the lead State official with primary responsibility for the core programs administered through DEED, including the WIOA Title I Adult, Dislocated Worker, and Youth programs; Title III the Wagner-Peyser Act Employment Service; and the Title IV Vocational Rehabilitation program.

VRS and SSB are designated state units (DSU) for Title IV which are administratively housed within DEED, with DEED serving as the designated state agency (DSA). The VRS and SSB program directors report to a Deputy Commissioner at DEED, who in turn reports to the DEED Commissioner. Minnesota recognizes the "non-delegable" responsibilities of the VR Directors, and the structure of the DSA supports this authority by the inclusive consultation and collaboration with DSU leadership and notes that the "non-delegable" responsibilities do not include serving on the SWDB in the federal regulations.

Additionally, 20 CFR 679.110(b)(3)(iii)(A)(1) allows for a lead official to represent more than one core program, if that official ensures adequate representation of the needs of all core programs under his or her jurisdiction. As the Commissioner of the agency that oversees the majority of the core WIOA programs, there is not another state official with a greater ability to ensure that the needs of all core programs under their jurisdiction is met. The DEED Commissioner serves as the highest-government official that is “an individual who can reasonably be expected to speak affirmatively on behalf of the entity he or she represents and to commit that entity to a chosen course of action.” Federal agency interpretation of this language requiring unique representation only for Titles II and IV creates inconsistent implementation of this interpretation across the WIOA core programs and is not supported by the plain language of the underlying federal statute or CFR.

Minnesota seeks flexibility to allow the Governor-appointed DEED Commissioner to satisfy the lead State official representation requirement for Title IV Vocational Rehabilitation —as the official with primary responsibility for the program under WIOA Section 101(b)(1)(C)(iii)(I)(aa). If implementing this “unique representation” requirement, the SWDB would also need to appoint additional business members in order to stay in compliance with WIOA Section 101(b)(1)(C)(i) which would increase the GWDB’s overall size to nearly 65 members and create additional administrative burden.

2. Actions Undertaken to Remove State or Local Barriers

There are no state or local statutory or regulatory barriers to implementing the proposed waiver. The Governor’s Workforce Development Board (GWDB) is established under Minnesota Statutes § 116L.665, which authorizes the Governor to appoint members consistent with WIOA requirements. The proposed alternative membership structure can be implemented administratively by the Governor without legislative action, contingent upon approval of this waiver by the U.S. Department of Labor and U.S. Department of Education.

DEED’s authority for vocational rehabilitation is established in Minnesota Statutes Chapter 268A. Section 268A.01 defines “Department” as DEED and “Commissioner” as the Commissioner of Employment and Economic Development. Section 268A.02, subdivision 1, provides that the Commissioner is DEED’s chief executive officer and successor to the powers and duties of the former assistant commissioner of vocational rehabilitation. Section 268A.03, clause (2), charges the Commissioner with providing vocational rehabilitation services in accordance with the federal Rehabilitation Act of 1973, as amended, which includes amendments made by WIOA Title IV.

3. Strategic Goals

The waiver is designed to achieve the following strategic goals. Each goal directly supports Minnesota’s Combined State Plan, which prioritizes a streamlined, employer-driven, and integrated workforce system that maximizes the share of WIOA funds spent on direct services to job seekers and employers. Each goal also aligns with the Department of Labor’s priorities as articulated in TEGL No. 05-25.

Goal 1: Representation by the Lead State Official with Optimum Policy-Making Authority for Title IV Vocational Rehabilitation

The waiver will ensure that VRS and SSB are represented on the GWDB by the lead State officials with primary responsibility for the 3 WIOA core programs—the Commissioner of DEED—consistent with the express requirement of 20 CFR 679.110(b)(3)(iii)(A)(1). Minnesota's Combined State Plan emphasizes cross-program alignment of the WIOA core programs housed within DEED; representation by a single Commissioner-level appointee reinforces that alignment.

Goal 2: Preservation of the Statutorily Required Business Majority

Minnesota has board member representation in all federally required categories and Minnesota statutory requirements, and with WIOA Section 101(b)(1)(C)(i) requires that a majority of the State Board's members represent businesses. Requiring two separate State officials to represent VRS and SSB would necessitate the appointment of additional business members to preserve the required business majority across the full SWDB. The waiver allows Minnesota to maintain the business-majority requirement without inflating the overall size of the SWDB. The Combined State Plan identifies employer engagement as central to Minnesota's workforce strategy; preserving the business majority protects the employer voice that drives Board priorities. This also ensure the SWDB focuses on industry-driven strategies by ensuring that adding government representation does not dilute the influence of each individual business voice on the Board.

Goal 3: Maximizing WIOA Funds for Direct Services

Expanding the GWDB to accommodate dual Title IV Vocational Rehabilitation representation would increase administrative costs associated with member onboarding, meeting logistics, materials, travel reimbursement, and staff support because of the additional business member appointments. Minnesota's goal is to direct the maximum possible share of federal WIOA funds toward implementation of programs that serve job seekers, workers, and employers—not toward expanded board administration. The Combined State Plan sets a goal of minimizing administrative overhead to maximize participant services. This also supports flexibility and innovation by leveraging Minnesota's existing statutory authority to maintain a right-sized, integrated SWDB.

Goal 4: A More Agile, Effective Board

Consistent with the policy direction articulated in TEGL No. 05-25, which encourages states to build a more agile SWDB poised to innovate, the waiver will help Minnesota maintain a right-sized GWDB capable of efficient decision-making and consensus-building. A smaller, more focused SWDB can dedicate proportionally more meeting time to substantive strategy and policy deliberation—including alignment of CTE, Registered Apprenticeship, VRS/SSB, and Adult Education programs with WIOA core services—and less time to managing member logistics. Minnesota's Combined State Plan calls for continuous improvement in governance structures to support system innovation.

4. Projected Programmatic Outcomes

Minnesota projects the following quantifiable outcomes resulting from implementation of this waiver:

- **Business-majority composition:** The GWDB will maintain a business-member majority of at least 51 percent of total Board voting membership throughout the waiver period, without the need to expand the Board to offset additional government representatives.
- **Board size stability:** The GWDB will maintain its current membership size rather than expanding by an estimated three or more members (one additional vocational rehabilitation government representative plus at least two additional business members to preserve the majority).
- **VRS and SSB integration in Board deliberations:** The GWDB will continue to include vocational rehabilitation-related topics in GWDB and committee deliberations on a regular basis throughout each program year and will continue to include VRS and SSB in all quarterly program administrator meetings.
- **Administrative cost containment:** Minnesota expects modest cost savings by avoiding the addition of new board members, particularly related to travel and meeting-related expenses.

5. Individuals, Groups, or Populations Affected by the Waiver

This waiver does not change which individuals receive WIOA or Vocational Rehabilitation services, the scope or quality of services provided, or any participant eligibility criteria. The waiver affects only the composition of the GWDB itself.

Indirectly, the waiver benefits the following populations:

- **Individuals with disabilities served by VRS and SSB,** who continue to be represented at the highest policy-making level of State government—through Commissioner Varilek, who has authority over the entire DEED organization, including VRS and SSB—rather than through a subordinate official with limited policy-making authority.
- **All WIOA participants, including individuals with barriers to employment,** who benefit when administrative spending on Board operations is minimized and direct service spending is maximized.
- **Employers and job seekers,** who benefit from a streamlined, integrated Board that can respond more nimbly to workforce demands.

The voice of the VRS and SSB programs and the populations they serve will continue to be present in GWDB deliberations through (a) the DEED Commissioner, who has direct authority and accountability for VRS; (b) the GWDB's standing committee structure, which includes participation by VRS and SSB program staff and stakeholders as needed; (c) direct consultation with the VRS and SSB program directors on matters affecting their programs; and (d) the State Rehabilitation Council and its formal coordination with the GWDB through Minnesota's Combined State Plan.

6. Monitoring Waiver Implementation and Collection of Waiver Outcome Information

The GWDB Executive Committee and DEED's Division of Workforce Services and Transformation will jointly monitor implementation of this waiver. Monitoring will include:

- Annual review of GWDB membership composition to confirm continued compliance with the business-majority requirement and to verify that the GWDB has not expanded beyond its Program Year 2025 baseline size.
- Annual review of VRS and SSB performance on the WIOA primary indicators of performance (measurable skill gains, credential attainment, and employment rates in the second and fourth quarters after exit), measured against Program Year 2025 baselines.
- Ongoing review of the integration of VRS and SSB perspectives into GWDB deliberations, including consultation with the VRS and SSB program directors and their respective State Rehabilitation Councils.

Minnesota will report on waiver outcomes annually as part of its WIOA Annual Statewide Performance Report Narrative. Reporting will include the composition of the GWDB, the percentage of business members, and representation of all core programs. Minnesota will provide complete outcome data in any future renewal request.

7. Public Comment and Notification to Local Workforce Development Boards

Public Comment

Minnesota assures that this waiver request was posted for public comment. The draft request was made available for public review and comment from [START DATE] through [END DATE] by posting on the GWDB website. Targeted notice was also provided to GWDB stakeholder lists, including business and organized labor representatives. Public comments received during the comment period were reviewed and, where appropriate, incorporated into the final request prior to submission. [SUMMARY OF PUBLIC COMMENTS RECEIVED, IF ANY, OR STATEMENT THAT NO COMMENTS WERE RECEIVED.]

Notification to Local Workforce Development Boards

This waiver does not affect local Workforce Development Boards or local workforce development areas. It pertains solely to the composition of the State-level GWDB and therefore was not distributed to local board for review.

Consultation with Affected Programs

Prior to formal board review, the draft waiver request was shared with and reviewed by the VRS and SSB program directors, as the programs most directly affected by the waiver. Their input was incorporated into the final request.

GWDB Committee and Full Board Action

The GWDB's State and Local Coordination Committee reviewed the draft waiver request and voted to recommend approval on [DATE]. The full GWDB considered the committee's recommendation and voted to approve submission of this waiver request on [DATE]. The waiver request was distributed to all GWDB members at least one week in advance of the full board vote to allow adequate review.