



State Workforce
Development Board

Workforce System Governance Framework

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Purpose

The Tennessee State Workforce Development Board (SWDB), acting on behalf of the Governor and consistent with Executive Order 109, serves as Tennessee's strategic workforce governance body and provides unified leadership for the modernization of the state's workforce development system. Through statewide policy, governance standards, and strategic direction, the SWDB establishes a coordinated framework that aligns workforce development, education, economic development, human services, and industry around a shared vision for developing Tennessee's talent pipeline and strengthening the state's economic competitiveness.

This policy establishes Tennessee's Workforce System Governance Framework, creating a tiered governance structure that connects statewide strategy with regional implementation. Under this framework, the SWDB establishes strategic direction, governance standards, and statewide priorities for Tennessee's workforce system, while Regional Workforce Development Boards (RWDBs) serve as the regional governance bodies responsible for implementing that strategy, coordinating cross-sector partnerships, and advancing statewide workforce priorities within their respective regions.

The Workforce Governance Framework modernizes Tennessee's workforce system by shifting governance from local administrative structures to an integrated regional model that strengthens strategic leadership, promotes regional collaboration across workforce system partners, and improves accountability for workforce outcomes. This framework is designed to create a more agile, employer-driven workforce system capable of responding to evolving labor market demands while preserving meaningful local engagement through structured regional governance.

The framework is intended to:

- Establish a modernized statewide workforce governance framework that advances the Governor's workforce vision;
- Strengthen strategic alignment between the State Workforce Development Board and Regional Workforce Development Boards;
- Align workforce investments with Tennessee's economic and talent development priorities;
- Integrate workforce development, education, economic development, human services, and other workforce system partners through coordinated regional leadership;
- Reduce unnecessary administrative fragmentation while preserving meaningful local engagement;
- Promote innovation, accountability, and continuous improvement across the workforce system; and
- Position Tennessee's workforce governance model to respond effectively to changing economic conditions and future workforce needs.

This Policy establishes Tennessee's statewide governance model and strategic responsibilities. TDLWD shall issue supporting guidance establishing the minimum operational standards necessary to implement this framework consistently across Regional Workforce Development Boards (RWDBs), Local Elected Officials (LEOs), Chief Local Elected Officials (CLEOs), Local Advisory Councils (LACs), Lead Administrative Organizations (LAOs) and other regional leadership entities.

Authority

This policy is adopted pursuant to:

- Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128;
- Approved federal waiver authority; 20 CFR § 684.900
- Tennessee Executive Order 109;
- Authority delegated to the Tennessee State Workforce Development Board;
- Authority of the Tennessee Department of Labor and Workforce Development (TDLWD); and
- Other applicable federal and state law.

Under approved waiver authority, Regional Workforce Development Boards serve as alternate entities pursuant to WIOA Section 107(i) and perform the statutory functions assigned to Local Workforce Development Boards.

Tennessee's Workforce Governance Vision

Tennessee's workforce system exists to develop a skilled workforce that meets employer demand while creating economic opportunity for every Tennessean.

Governance shall support an integrated workforce ecosystem that:

- Aligns education, workforce development, economic development, and human services;
- Responds rapidly to changing labor market conditions;
- Emphasizes measurable outcomes rather than administrative processes;
- Encourages regional innovation;
- Promotes shared accountability across partner agencies;
- Strengthens employer leadership; and
- Prepares Tennessee's workforce for future economic opportunities.

Governance decisions should advance the long-term success of Tennessee's talent development system rather than the administration of individual workforce programs.

Guiding Principles

All workforce governance shall be guided by the following principles:

- **Strategic Leadership** - Governance focuses on long-term direction, system performance, and regional competitiveness rather than operational administration.
- **Employer Leadership** - Employers remain the primary customers of Tennessee's workforce system and help shape workforce investments and talent strategies.
- **Regional Collaboration** - Regional challenges require regional solutions. Governance should encourage collaboration that transcends Local Workforce Development Area (LWDA) boundaries while recognizing local economic conditions.
- **System Integration** - Education, workforce development, economic development, human services, corrections, veterans' services, community organizations, and industry share responsibility for developing Tennessee's workforce.
- **Innovation** - Regional Workforce Development Boards are encouraged to develop innovative approaches that improve workforce outcomes and customer experience.
- **Accountability** - Public investments shall produce measurable impact for employers, workers, taxpayers, and communities.
- **Customer Focus** - The workforce system shall provide coordinated, accessible, and responsive services centered on the needs of employers and individuals rather than organizational structures.

State Workforce Governance Structure & Leadership

State Workforce Development Board

The State Workforce Development Board serves as Tennessee's strategic workforce governance body. Consistent with Executive Order 109, the State Workforce Development Board may establish statewide governance standards that promote coordination across Tennessee's workforce ecosystem and support implementation of the Governor's workforce vision.

The Board shall:

- establish statewide workforce strategy;
- establish statewide governance standards;
- align workforce policy across the workforce ecosystem;
- advise the Governor on workforce policy;
- identify statewide workforce priorities;
- promote innovation;
- evaluate statewide workforce performance;
- encourage cross-system collaboration; and
- support continuous improvement of Tennessee's workforce ecosystem.

The Board's responsibilities extend beyond individual workforce programs to promote statewide talent development and economic competitiveness.¹

Tennessee Department of Labor and Workforce Development (TDLWD)

TDLWD serves as the administrative and implementation agency for Tennessee's workforce governance framework.²

The Department shall:

- Implement statewide governance policy;
- Administer approved waiver authority;
- Establish implementation guidance;
- Provide technical assistance;
- Administer workforce development funds;
- Monitor governance performance;
- Certify compliance with statewide governance standards;
- Coordinate statewide workforce initiatives; and

¹ 20 CFR § 679.130 and EO 109

² TCA § 4-3-1402

- Support regional workforce development boards in achieving regional workforce objectives.

Regional Workforce Development Boards

Regional Workforce Development Boards (RWDBs) serve as Tennessee's regional workforce leadership bodies. RWDBs are responsible for translating statewide workforce strategy into regional action while responding to the unique workforce needs of their respective regions.

RWDBs shall:

- Develop regional workforce initiatives implementing SWDB strategy;
- Coordinate workforce ecosystem partners;
- Strengthen employer engagement;
- Oversee workforce performance;
- Align regional investments;
- Encourage innovation;
- Support economic competitiveness; and
- Steward public resources.

RWDBs function as strategic governing organizations and perform all other statutory responsibilities previously assigned to Local Workforce Development Boards under WIOA.³

Each RWDB shall operate in accordance with statewide governance standards established by the Tennessee State Workforce Development Board and TDLWD.

At a minimum, each RWDB shall:

- Satisfy applicable WIOA Section 107(i) alternate entity requirements, as modified by approved waivers;
- Maintain governance documents approved by TDLWD;
- Operate through an established Local Elected Official governance structure;
- Maintain bylaws that define governance responsibilities and operating procedures;
- Execute required interlocal and partnership agreements;
- Preserve meaningful local engagement;
- Comply with conflict-of-interest and transparency requirements; and
- Maintain governance practices that promote accountability, collaboration, and continuous improvement.

³ 20 CFR § 679.370

Regional Workforce Development Boards, in consultation with Local Advisory Workforce Councils and Local Elected Officials, shall lead regional initiatives that strengthen Tennessee's workforce ecosystem.

Strategic responsibilities include:

- Workforce initiatives;
- Talent pipeline development;
- Employer engagement;
- Sector partnerships;
- Workforce and education alignment;
- Regional economic competitiveness;
- Innovation;
- Technology adoption;
- Customer experience;
- Workforce access;
- Fiscal stewardship;
- Performance accountability;
- Partner collaboration; and
- Continuous improvement.

RWDBs shall perform these responsibilities in a manner consistent with statewide workforce priorities and governance excellence, certification, and continuous improvement standards established by the State Workforce Development Board.

Local Elected Officials

The Local Elected Officials (LEOs) of each Local Workforce Development Area retain the governmental authorities and responsibilities assigned under the Workforce Innovation and Opportunity Act (WIOA) and applicable federal and state law.

Consistent with this policy and approved federal waiver authority, LEOs shall exercise these responsibilities in partnership with the Regional Workforce Development Board while supporting implementation of the statewide workforce strategy established by the Tennessee State Workforce Development Board.

Collectively, the LEOs within each region shall select a Chief Local Elected Official to serve as authorized representative of the Consortium of LEOs for purposes established in WIOA, this policy, and TDLWD guidance for the exercise of their statutory responsibilities. This shall include the execution of an interlocal agreement outlining how the LEOs will carry out their

responsibilities, as well as other governance agreements necessary to support regional governance.

LEOs shall:

- appoint members to the Regional Workforce Development Board in accordance with applicable federal law, approved waiver authority, and statewide membership requirements established by TDLWD;
- designate the fiscal agent and grant recipient, as applicable;
- enter into required interlocal agreements, partnership agreements, and other governance documents;
- provide governmental oversight for the stewardship of public resources;
- ensure compliance with applicable federal, state, and local requirements;
- support implementation of statewide workforce governance standards; and
- collaborate with the Regional Workforce Development Board to advance regional workforce priorities and statewide workforce objectives.

Regional Workforce Development Boards serve as the strategic governing bodies for regional workforce planning and oversight. Local Elected Officials retain those governmental and legal responsibilities assigned under WIOA, including fiscal accountability and appointment authority. Governance decisions should be carried out through a collaborative partnership that combines the statutory authority of Local Elected Officials with the strategic leadership of the Regional Workforce Development Board.

Regional CLEO Council

The Chief Local Elected Officials (CLEOs) representing the Local Workforce Development Areas (LWDAs) within each Region shall act collectively as the Regional CLEO Council for purposes of coordinating and exercising the statutory responsibilities assigned to Local Elected Officials under the Workforce Innovation and Opportunity Act (WIOA). Each CLEO shall continue to represent the Local Elected Officials within their respective LWDA and ensure that local priorities, recommendations, and statutory responsibilities are reflected in regional governance decisions.

The Regional CLEO Council shall jointly exercise those responsibilities assigned to Local Elected Officials under WIOA, including, as applicable:

- approving regional budgets;
- approving regional and local workforce plans, as required;
- appointing members of the Regional Workforce Development Board;
- approving the designation of the fiscal agent or grant recipient;

- approving procurement actions requiring Local Elected Official approval;
- monitoring fiscal and programmatic performance; and
- carrying out any other responsibilities assigned to Local Elected Officials under applicable federal or state law.

The Regional CLEO Council shall establish procedures for joint decision-making through governance documents approved by the TDLWD and shall elect a Chair from among its members. The Chair shall preside over Council meetings, execute documents on behalf of the Council following duly authorized Council action, and perform administrative duties assigned by the Council. The Chair shall not possess independent statutory authority beyond that delegated as the CLEO of their respective LWDA.

Local Advisory Councils

Local Advisory Councils (LACs) preserve local engagement within Tennessee's regional governance framework. LACs serve as the primary forum for bringing local perspectives, community expertise, and stakeholder input into the regional governance process. They strengthen the connection between Regional Workforce Development Boards and the communities they serve by providing ongoing insight into local workforce conditions, emerging opportunities, service delivery, and regional priorities. Through this advisory role, LACs help ensure that regional strategies remain responsive to local needs while advancing statewide workforce objectives.

They provide recommendations regarding:

- Community workforce needs;
- Employer priorities;
- Customer experience;
- Access to services;
- Economic conditions;
- Workforce challenges; and
- Partnership opportunities.

Local Advisory Councils serve in an advisory capacity to the Regional Workforce Development Board. While they do not exercise independent governance authority, Regional Workforce Development Boards shall establish processes for meaningful consultation with Local Advisory Councils and consider their recommendations when making regional workforce policy, planning, and investment decisions.

Lead Administrative Organization (LAO)

Each Regional Board shall designate a qualified Lead Administrative Organization (LAO) to provide administrative, operational, and technical support necessary for the Regional Board to carry out its responsibilities under WIOA, applicable federal and state law, and State Workforce Development Board policy. The LAO serves at the direction of the Regional Board, acting as “staff to the Board,” and shall not exercise policymaking authority reserved to the Regional Board.

At a minimum, the LAO shall:

- Provide administrative and governance support to the Regional Board, including coordination of meetings, records management, communications, and implementation of Board policies and procedures.
- Support the Regional Board's strategic planning, policy development, regional planning, and continuous improvement activities.
- Coordinate implementation of Board-approved initiatives and facilitate collaboration among Local Advisory Councils, Chief Local Elected Officials, TDLWD, and regional workforce partners.
- Provide administrative oversight and coordination of grants, contracts, procurement, budgets, performance reporting, and other operational functions as assigned by the Regional Board.
- Support compliance with WIOA, state policy, monitoring requirements, audit activities, and other applicable federal and state requirements.
- Serve as the primary administrative liaison between the Regional Board and TDLWD.
- Provide technical assistance and capacity-building support to the Regional Board and Local Advisory Councils.
- Perform additional administrative responsibilities assigned by the Regional Board that are consistent with applicable federal and state law.

To promote administrative efficiency, unified accountability, and streamlined oversight, TDLWD encourages Chief Local Elected Officials to designate the Regional Board's selected Lead Administrative Organization as the Fiscal Agent whenever the organization demonstrates the fiscal capacity required under federal and state law. Utilizing a single qualified entity to perform both functions reduces duplication, strengthens accountability, and simplifies administration while preserving the statutory authority of the Chief Local Elected Officials to designate the Fiscal Agent.

Performance and Accountability

Governance performance shall be measured by organizational impact in addition to state and federal performance metrics.

State performance expectations may include, but are not limited to the following:

- Employer satisfaction;
- Workforce participation;
- Employment outcomes;
- Credential attainment;
- Talent pipeline effectiveness;
- Regional collaboration;
- Innovation;
- Fiscal stewardship;
- Customer experience;
- Accessibility;
- Return on investment; and
- Advancement of statewide workforce priorities.

The State Workforce Development Board may establish governance performance measures that extend beyond federally required WIOA indicators to evaluate the overall effectiveness of Tennessee's workforce ecosystem.

Statewide Workforce Innovation

The State Workforce Development Board encourages Regional Workforce Development Boards to serve as regional hubs for workforce innovation.

RWDBs should identify opportunities to:

- Strengthen cross-sector partnerships;
- Improve service delivery;
- Leverage technology;
- Modernize governance;
- Simplify customer experiences;
- Respond to emerging industries;
- Expand talent pipelines; and
- Develop innovative workforce solutions that may be replicated statewide.

Innovation should be encouraged, evaluated, and shared throughout Tennessee's workforce system.

Continuous Improvement

The workforce governance framework shall evolve as Tennessee's workforce needs change.

The State Workforce Development Board and TDLWD shall periodically review governance standards to ensure they continue to support:

- The Governor's workforce vision;
- Statewide economic priorities;
- Employer needs;
- Regional competitiveness;
- Integrated workforce system leadership; and
- Long-term workforce success.

Implementation

TDLWD shall issue implementation guidance, operating procedures, templates, and technical assistance necessary to support consistent implementation of this policy.

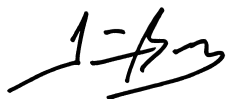
Operational requirements established through implementation guidance shall not diminish the strategic governance responsibilities established by this policy.

Annual Review

TDLWD shall review this policy at least annually to assess its effectiveness and continued compliance with applicable requirements. The policy may be revised as needed to reflect changes in statutes, regulations, guidance, waiver authority, or workforce system operations.

Contact

Questions related to this policy may be directed to the SWDB at Workforce.Board@tn.gov.



Tim Berry, State Workforce Development Board Chair