



**Department for Training and ReEmployment**

Cabinet for Workforce Development  
209 St. Clair Street, 4th Floor  
Frankfort, Kentucky 40601

Susan M. Craft  
Commissioner

Allen D. Rose  
Secretary

November 26, 2002

Ms. Emily DeRocco  
Assistant Secretary  
Employment and Training Administration  
United States Department of Labor  
200 Constitution Avenue N.W., Room S2307  
Washington, D.C. 20210

Dear Ms. DeRocco:

Enclosed is the Commonwealth of Kentucky's request for a waiver to increase the transfer authority in Adult and Dislocated Worker funding streams from 20% to 50%. Kentucky believes that local workforce investment boards need significant flexibility to manage their limited funds, especially in our current time of economic challenge. This waiver is filed in accordance with the process described in Section 189(I)(4).

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of this waiver will have a positive impact on the individuals, employers and community stakeholders impacted by Workforce Investment Act funding.

If you have any questions about the request, please feel free to contact me at 502.564.5360. Thank you for your consideration of our waiver.

Sincerely,

Susan M. Craft  
Commissioner

Enclosures

Cc: Allen D. Rose  
Anria Goddard ✓  
Bill Sanders

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*Handwritten notes:*  
JMK  
202/693-2726  
Dennis N...

**Commonwealth of Kentucky  
Waiver Request  
Workforce Investment Act  
Transfer Authority**

The Department for Training and ReEmployment (DTR), as the administrative entity for the Workforce Investment Act (WIA or Act) in the Commonwealth of Kentucky, is requesting a general waiver to increase the transfer authority of local workforce investment boards from 20% to 50% in Adult and Dislocated Worker funds. Kentucky believes that empowering the local boards to transfer larger amounts of funds than is currently allowed, will provide them greater flexibility to respond to changes in the local labor market.

In compliance with WIA Section 189(l)(4)(B) and WIA Regulations 661.420 c), please accept the following as a request for a waiver.

**A. Statutory Regulations to be Waived:**

WIA Section 133(b)(4) and WIA Regulations §667.140 state that a local board may transfer, if such a transfer is approved by the Governor, not more than 20% of the funds allocated to Adult and Dislocated Worker employment and training activities.

Kentucky requests that the local boards may transfer up to 50% of a program year allocation for adult employment and training activities and up to 50% of a program year allocation for dislocated worker employment and training activities between the two programs.

**B. Goals to be Achieved by the Waiver:**

Increase local flexibility to manage funding and respond to changes in the labor market.

**C. State or Local Statutory or Regulatory Barriers:**

There are no existing state or local statutory or regulatory barriers to implementing this waiver request.

**D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:**

The waiver will provide local workforce investment boards the ability to better respond to changes in the economic environment and the local labor market. The only programmatic impact will be the flexibility to channel resources to the population with the greatest need at that time.

**E. Description of the Individuals Impacted by the Waiver:**

All Adult and Dislocated Workers will be positively impacted by the waiver since local boards will be able to move significant funding to reflect the needs of the area.

- F. **Description of the Process to Monitor Progress:**  
DTR will be the entity responsible for monitoring all transfers of funds. This waiver will be incorporated into DTR's current monitoring procedures.
- G. **Opportunity for Local Boards to Comment on Waiver Request:**  
This waiver request was initiated by the local area boards. All ten local areas have committed their support to the waiver request.
- H. **Public Comment on the Waiver Request:**  
The waiver request was discussed at the November 13, 2002 quarterly meeting of the Kentucky Workforce Investment Board. In keeping with their commitment to supporting local flexibility, the Board members voted unanimously to support the waiver request. When the waiver request was presented at the public KWIB meeting, no public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of this waiver will empower the local boards to be even more responsive to the volatile economic situations they are experiencing.