



MAR - 3 2003

The Honorable Paul Patton
Governor of Kentucky
Frankfort, Kentucky 40601

Dear Governor Patton:

It is with pleasure that I respond to the Commonwealth of Kentucky's request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA), in accordance with the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and sections 8-10 of the Wagner-Peyser Act. This authority is granted to the Secretary by section 189(i)(4)(A) of the Workforce Investment Act (WIA or the Act), and in the implementing regulations at 20 CFR 661.420.

These waivers grant states flexibility in program design for seamless program delivery and improved customer service, in exchange for accountability and agreed-to programmatic outcomes. We hope that these changes will assist Kentucky in meeting its workforce needs and improving programmatic outcomes at the local level and statewide.

We are pleased to be able to respond positively to your request. The following is the disposition of the Commonwealth's waiver submission.

Waiver: Waive the title I 20% transfer authority at WIA section 133(b)(4)

The Commonwealth of Kentucky is requesting a general waiver (copy enclosed) of the 20% funds transfer limitation set forth at WIA section 133(b)(4) in order to allow Local Workforce Investment Boards in the Commonwealth to transfer up to 50% of applicable funds between the adult and dislocated worker funding streams. Kentucky believes that empowering the Local Boards to transfer larger amounts of funds than are currently allowed will provide them greater flexibility to respond to changes in the local labor market. The Commonwealth also believes the waiver, if granted, will provide Local Workforce Investment Boards the ability to better respond to changes in the economic environment and the local labor market. The Commonwealth indicates that the programmatic impact of the waiver will be in the flexibility of Local Boards to channel resources to the population with the greatest need at that time.



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The Commonwealth believes that increased flexibility and control to transfer funds between the adult and dislocated worker programs would allow each region in the commonwealth to further customize service delivery and maximize use of limited funds for services to participants.

The waiver is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for approval at 20 CFR 661.410(e) and the standard for waiver of requirements relating to key reform principles, as specified at 20 CFR 661.410(c). Accordingly, the Commonwealth's request to waive the 20% transfer at WIA section 133(b)(4) to permit an increase in the transfer authority between the adult and dislocated worker funding streams to a maximum of 50% at the local level is approved, consistent with the Commonwealth's waiver submission. Although the Commonwealth has not specified a duration for the waiver, if granted, the effective date of the approved waiver is July 1, 2002, the beginning date of the current program year, through PY 2003, ending June 30, 2004.

The granted waiver is incorporated by reference into the Commonwealth's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitutes a modification of Kentucky's approved five-year strategic plan. A copy of this letter should be filed with the Commonwealth's WIA Grant Agreement and the Commonwealth's approved five-year plan, as appropriate.

We look forward to continuing our partnership with you and to the achievement of better workforce investment outcomes and the improvement of the lives of many of the residents of Kentucky. We are prepared to entertain other state and local-level waiver requests that Kentucky may wish to submit, consistent with the provisions of the Act and regulations.

Sincerely,

A handwritten signature in cursive script that reads "Emily Stover DeRocco".

Emily Stover DeRocco

Enclosures



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(l)(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
Anna Goddard
Bill Sanders

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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.