



NOV 13 2009

The Honorable Mark Parkinson
Governor of Kansas
Capitol Building
Room 212S
Topeka, Kansas 66612-1590

Dear Governor Parkinson:

As part of Kansas' modification to the State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, the State submitted waiver plans to request that the State's waivers of statutory and regulatory requirements under WIA be approved for the remainder of Program Year (PY) 2009 (copy enclosed). These requests are written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission. This action is taken under 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.

In a letter dated June 29, 2009, ETA granted Kansas approval of the following waivers through June 30, 2010:

- Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.
- Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.
- Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The approvals for these waivers remain in effect. The letter dated June 29, 2009 granted temporary extensions of the remainder of Kansas' waiver requests. The previous approval of the extensions is hereby terminated and replaced by decisions set forth in this letter. Unless otherwise indicated, all waiver approvals that follow apply to both WIA formula funds and funds made available under the American Recovery and Reinvestment Act of 2009 (ARRA).

Requested Waivers

Requested Waiver: Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State is requesting a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted this waiver through June 30, 2010. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs. As stated in ETA Training and Employment Guidance Letter (TEGL) No. 14-08, Section 19, issued on March 18, 2009, this waiver does not apply to funds made available through ARRA. However, the State is permitted to transfer up to 30 percent of ARRA funds between programs under WIA and under the Department of Labor Appropriations Act of 2009. This authority is discussed in TEGL No. 14-08, change 1.

Requested Waiver: Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State is requesting a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is granted this waiver through June 30, 2010. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State may provide on-the-job training to low-income adults with WIA Adult funds, and may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

Requested Waiver: Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The State is requesting a waiver to permit local area formula funding to be used for statewide activities, specifically incumbent worker training. ETA only intends to approve this waiver where incumbent worker training is part of a documented layoff aversion strategy. The State has not provided ETA sufficient information about its layoff aversion approach and how incumbent worker training under this waiver fits into that approach. Therefore, ETA denies this waiver. We will reconsider the waiver should the State wish to submit additional information.

Requested Waiver: Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training and other statewide activities.

The State is requesting a waiver to permit use of rapid response funds for incumbent worker training and other statewide activities. ETA only intends to approve this waiver where incumbent worker training is part of a documented layoff aversion strategy. The State has not provided ETA sufficient information about its layoff aversion approach and how incumbent worker training under this waiver fits into that approach. We will reconsider the waiver request should the State wish to submit additional information. The State also requested this waiver to permit use of rapid response funds for other statewide activities. ETA believes that rapid response funds should only be used to enhance services provided to dislocated workers including placement in employment, training, or provision of supportive services. The State's request fell outside these parameters. ETA denies this waiver.

Requested Waiver: Waiver of 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.

The State is requesting a waiver of the requirements to reduce the data collection burden for employers participating in WIA-funded incumbent worker training programs. The waiver permits the State to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). The State is granted this waiver through June 30, 2010.

Requested Waiver: Waiver of the reallocation provisions at WIA Sections 128(c)(2) and 133(c)(2), and 20 CFR 667.160.

The State is requesting a waiver of the reallocation provisions at WIA Sections 128(c)(2) and 133(c)(2), and 20 CFR 667.160. ETA denies this waiver. ETA believes that maintaining the statutory provisions of the law ensures that local areas have sufficient time to obligate and expend funds in a manner that best supports the needs of the customers in that area.

Requested Waiver: Waiver of WIA Section 123 that requires that providers of Youth program elements be selected on a competitive basis.

The State is requesting a waiver of the requirement for competitive procurement of service providers for all ten youth program elements. The State is partially granted this waiver through June 30, 2010. Under this waiver, the State is permitted to allow its

One-Stop Career Centers or partner agencies to directly provide the youth program elements of supportive services, follow-up services, and work experience. In utilizing this waiver for these elements, the State and local areas must still meet Office of Management and Budget requirements (codified in 29 CFR 95.40-95.48 and 97.36) and all state and local procurement laws and policies. ETA denies this waiver for these elements: tutoring, study skills training, and instruction; alternative secondary school services; summer employment; occupational skills training; leadership development; mentoring; and guidance and counseling. This waiver had been granted in the past due to insufficient providers. ETA believes that regular competitive procurement is the most efficient and cost-effective way to ensure the development of high-quality service providers. The approval for this waiver for these elements expires on the date of this letter. Obligations made while the waiver was in effect may be fulfilled. No new non-competitive obligations may be made for the denied elements effective the date of this letter, and a competitive procurement process must be initiated within 60-days of the date of this letter. Exceptions to this timeframe may be negotiated with the ETA Regional Office.

Requested Waiver: Waiver of WIA regulations at 20 CFR 666.300 to allow entrepreneurial training to be provided through state-level grants and local formula dollars with performance tracked and aggregated at the state level, but not included in local performance calculations.

In conversation with the Federal Project Officer for Kansas, the State has withdrawn this waiver request.

Waiver Request: Waiver of Wagner-Peyser Act Section 7 to allow the state to increase the amount of Wagner-Peyser funds available for discretionary activities.

WIA 189(i)(4)(A)(ii) authorizes DOL to waive the statutory and regulatory requirements of Sections 8-10 the Wagner-Peyser Act. However, because the provision for funds for discretionary activities is contained in Section 7(b) of the Wagner-Peyser Act, we do not have authority to grant a waiver of this requirement, and we are therefore denying the waiver.

Requested Waiver: Waiver of WIA Section 181(e) to permit the use of WIA funds of up to \$5,000 to capitalize a small business in concert with entrepreneurial or small business training.

The State is requesting an extension of the waiver of WIA Section 181(e) to permit the use of WIA funds of up to \$5,000 to capitalize a small business in concert with entrepreneurial or small business training. ETA denies this waiver. Entrepreneurship is important to job creation, however business capitalization is best supported by

organizations and agencies whose mission and statutory authority directly relate to business development. The approval for this waiver expires on the date of this letter.

Requested Waiver: Waiver of WIA Section 129(c)(2) that requires local areas to make available ten youth program elements.

The State is requesting a waiver to allow local areas to choose which of the ten youth program elements to make available to youth participants. This waiver was originally approved to allow the State to align its youth programs with the Department's youth vision. ETA has reconsidered the use of this waiver and believes that all ten program elements should be available to ensure that every youth has the support necessary to enter employment or education. Therefore, ETA is not extending this waiver. The approval for this waiver expires on the date of this letter. A competitive procurement process must be initiated within 60-days of the date of this letter in local areas that are not providing all youth program elements. Exceptions to this timeframe may be negotiated with the ETA Regional Office.

Local areas can fulfill the statutory requirement to make the ten elements available either by procuring a contract to provide such services with WIA funds, or by ensuring that program partners provide the service.

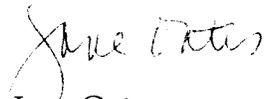
Requested Waiver: Waiver of WIA regulations at 20 CFR 664.450(b) that require local areas to provide youth follow-up services for a minimum duration of twelve months.

The State is requesting a waiver of the requirement that all youth participants receive follow-up services for a minimum duration of 12 months. This waiver was originally approved to allow the State to align its youth programs with the Department's youth vision. ETA has reconsidered the use of this waiver and believes that follow-up services are a critical factor in ensuring that youth retains employment. Therefore, ETA is not extending this waiver. The approval for this waiver expires on the date of this letter.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as required by TEGP No. 14-00, Change 3, the State should address the impact these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Byron Zuidema, the Regional Administrator for Region V, at 312-596-5403 or Zuidema.Byron@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Philip Moreland, Federal Project Officer for Kansas, ETA Chicago Regional Office

Kansas Waiver Plan #1
WIA Adult and Dislocated Worker Funding 30 Percent Transfer Limit

Statutory or Regulatory Requirement to be Waived

The Department of Commerce requests WIA Section 133(b)(4) be waived to eliminate the 30 percent limitation on transferring funds between the adult and dislocated worker programs, thereby allowing the Local Boards discretion to transfer an unlimited amount of funds between these two programs. WIA Section 133(b)(4) provides that, with the approval of the Governor, Local Boards may transfer funds between the adult and dislocated worker programs, as follows:

- Up to 30 percent of a program year allocation for adult employment and training activities; and
- Up to 30 percent of a program year allocation for dislocated workers employment and training activities.

Action the State has Taken to Remove Barriers

Kansas has recognized a barrier to meeting customer needs imposed by the 30 percent limitation on transferring funds between the adult and dislocated worker programs. This limitation makes it difficult for the Local Boards to respond to economic changes within their regions. This waiver will increase flexibility so the Local Boards are better able to meet the needs of the customers they served through the One-Stop delivery system.

Goals and Expected Programmatic Outcomes

The immediate goal of this Waiver Plan is to increase local expenditure rates to at least the following levels by the end of each program year:

- | | |
|---------------------|-----------------------------|
| • Adult | 80 percent of formula funds |
| • Dislocated worker | 85 percent of formula funds |

The increased flexibility to transfer funds will result in a higher rate of expenditure, more clients receiving WIA services, and improved performance outcomes. In addition, this Waiver Plan is intended to accomplish the following:

- Improve the ability of Local Boards to respond to economic changes within their regions;
- Increase local control for program delivery in response to customer needs;
- Increase collaboration with business to identify industry needs and provide worker training; and
- Increase accountability for expenditures at the state, local, and service provider levels.

Individuals Affected

Allowing the Local Boards increased flexibility to transfer funds between the adult and dislocated worker programs would result in expanded services to business and increased employment and training opportunities, particularly in those regions low expenditure rates. This would positively impact business and individuals seeking employment and training services.

State Processes

Monitoring Implementation

The Department of Commerce will provide written notice to all Local Boards related to implementing program changes made possible due to the increased flexibility allowed by the waiver. Commerce will monitor the expenditure levels of each local area to ensure they are consistent with the levels established by the fund transfer.

Local Boards requesting fund transfers between programs will be required to provide the following information to the Department of Commerce for approval:

- Effective date of the fund transfer;
- Amount of funds to be transferred;
- Local Board's assessment of local conditions creating a need for the transfer; and
- How the transfer will meet contracted performance targets and critical workforce needs of the region.

Providing Notice to Local Boards Affected by the Waiver

The Department of Commerce will notify all Local Boards through e-mail this waiver plan will be contained in the proposed Kansas Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act (State Plan).

Providing Local Boards Affected by the Waiver an Opportunity to Comment

This waiver plan is included as an attachment to the State Plan. A draft of this plan will be provided to the Local Boards for review and comment. Any comments received and actions taken concerning any such comments will be included in Attachment D.

Ensuring Meaningful Public Comment on the Waiver Request

This waiver plan is included as an attachment to the State Plan. A draft of this plan will be provided to the public for review and comment for a period of 30 days. Comments received and actions taken in response to comments received will be included in Attachment D.

Kansas Waiver Plan #2
Expenditure-Based Reallocation Policy

Statutory or Regulatory Requirement to be Waived

The Department of Commerce requests 20 CFR, WIA Section 667.160 be waived to allow the Governor to implement an expenditure-based deobligation/reallocation policy. The Supplemental Appropriations Act, 2001 (Public Law 107-20), instructs the U.S. Secretary of Labor to report expenditures to Congress. In addition, the administration, in the form of the President's 2003 Budget and the Assistant Secretary's Budget testimony, indicates funding will be decreased based on the amount of unspent funds. These actions, along with the urgency contained in communications with the USDOL, make it clear the state needs a new method for evaluating utilization of funding.

Kansas has followed the intent of WIA and prohibits the Local Boards from operating programs themselves. Without this waiver, the Local Boards are virtually fully obligated when they issue funding to their program operators at the beginning of each program year. This makes an obligation requirement meaningless as a tool to ensure the maximum numbers of individuals are served with each year's funding.

Action the State has Taken to Remove Barriers

Kansas recognizes that the barrier imposed by an expenditure-based deobligation/reallocation policy is a contributing factor to low expenditures at the local level and fully implementing WIA in all regions. The state wishes to remove this barrier to ensure the workforce development system is fully funded and implemented statewide and available funds are expended at an adequate level to provide more business and jobseeker customers the services they need.

Goals and Expected Programmatic Outcomes

The impact at the local level will be to reduce the backlog of unexpended funds, which will reflect in the state's overall expenditure level. Since Congress determines the WIA budget based on expenditure levels, decreases in future funding at all levels will result if the Governor fails to ensure adequate levels of funding are expended each year.

The goal of the Kansas Strategic State Workforce Investment Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act is to provide an environment to support a market-driven workforce development system with clear goals to provide accountability to its customers. The goal of this Waiver Plan is to ensure the workforce development system is fully funded and implemented statewide and available funds are expended to provide more business and jobseeker customers the services they need.

The immediate goal of this Waiver Plan is to increase the local expenditure rates to at least the following levels by the end of each Program Year:

- Adult 80 percent of formula funds
- Youth 80 percent of formula funds

- Dislocated worker 85 percent of formula funds
- Local administration 80 percent of formula funds

Individuals Affected

This Waiver Plan will provide benefits to business and jobseeker customers because more jobseekers will be trained and business will have access to a larger labor pool of qualified applicants. Requiring the Local Boards to expend the majority of their formula funds by the end of each year will result in expanded services, particularly in those regions with historically low expenditure rates.

State Processes

Monitoring Implementation

The Department of Commerce will provide written notice to all Local Boards related to implementing program changes, including the implications regarding deobligation and reallocation based on expenditure levels. Commerce will monitor the expenditure levels of each local area to ensure they are consistent with immediate goals described above.

Providing Notice to Local Boards Affected by the Waiver

The Department of Commerce will notify all Local Boards through e-mail this waiver plan will be contained in the proposed Kansas Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act (State Plan).

Providing Local Boards Affected by the Waiver an Opportunity to Comment

This waiver plan is included as an attachment to the State Plan. A draft of this plan will be provided to the Local Boards for review and comment. Any comments received and actions taken concerning any such comments will be included in Attachment D.

Ensuring Meaningful Public Comment on the Waiver Request

This waiver plan is included as an attachment to the State Plan. A draft of this plan will be provided to the public for review and comment for a period of 30 days. Comments received and actions taken in response to comments received will be included in Attachment D

**Kansas Waiver Plan #3
Incumbent Worker Training at the Local Area Level**

Statutory or Regulatory Requirement to be Waived

The Department of Commerce requests WIA Section 134(d)(3)(A) to be waived to allow the Local Boards, at their discretion, to spend up to 10 percent of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs.

WIA Section 134(d)(3)(A) effectively blocks the use of formula funds for incumbent worker training. Approval of this Waiver Plan will reduce layoffs and closures by assisting companies in saving jobs and becoming more competitive through provision of needed training to current workers.

Action the State has Taken to Remove Barriers

Kansas recognizes that the regulation that prevents the Local Boards from spending up to 10 percent of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs is a barrier to using local funds to meet the needs of businesses and their existing workers. The state wishes to encourage a local system to provide companies the assistance they need to retain jobs and create new ones through incumbent worker training.

Goals and Expected Programmatic Outcomes

This Waiver Plan will provide Local Boards the option to spend a portion of their WIA formula funding for incumbent worker training. With each succeeding year, competition in the workplace increases. Incumbent worker training provides companies the assistance they need to retain jobs and even to create new jobs.

Individuals Affected

This Waiver Plan will positively affect business by reducing the risk of layoff or closing because workers have not kept current with new skills and technology. It further has the potential to expand employment. The training provided to individuals makes the worker more valuable to both the current business and to other businesses as well. This Waiver Plan increases the role of Local Boards and the role of business in the workforce development system. It also increases local flexibility to respond to the business community, in keeping with the goals of WIA.

State Processes

Monitoring Implementation

The Kansas Department of Commerce will encourage the Local Boards to implement the Waiver Plan to develop incumbent worker training programs, and will monitor the performance results in the statewide management information system. The Department of Commerce will issue a workforce development policy to define the requirements for the incumbent worker training program to include a 50 percent

match from the business. The match could come from other federal, state, or private funding, or in-kind contributions.

Providing Notice to Local Boards Affected by the Waiver

The Department of Commerce will notify all Local Boards through e-mail this waiver plan will be contained in the proposed Kansas Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act (State Plan).

Providing Local Boards Affected by the Waiver an Opportunity to Comment

This waiver plan is included as an attachment to the State Plan. A draft of this plan will be provided to the Local Boards for review and comment. Any comments received and actions taken concerning any such comments will be included in Attachment D.

Ensuring Meaningful Public Comment on the Waiver Request

This waiver plan is included as an attachment to the State Plan. A draft of this plan will be provided to the public for review and comment for a period of 30 days. Comments received and actions taken in response to comments received will be included in Attachment D.

Kansas Waiver Plan #4

Eliminating Certain Performance Reporting

This is a request for a waiver to be granted to Kansas for current reporting requirements for the 11 statutory outcome measures for WIA not replaced by Common Measures and to submit a single unified Common Measures quarterly and annual report. These unified reports will report the six Common Measures outcomes as a composite for all programs and individually for WIA funding streams, Wagner-Peyser, VETS and TAA. Accountability for negotiated performance levels at the state and local area levels will remain tied to the individual funding stream outcomes. The waiver is to be effective immediately and the state requests it be applied retroactively to July 1, 2005.

Statutory or Regulatory Requirement to be Waived

The Kansas Department of Commerce requests a waiver under the authority of the Secretary of Labor for certain requirements of the Workforce Investment Act (WIA), Title I, Subtitles B and E; and Sections 8–10 of the Wagner-Peyser Act. Commerce, in submitting this waiver request, recognizes the statutory exceptions to the Secretary's authority to approve waivers as stated under 29 U.S.C. §2939(i)(4)(A) and WIA §189(i)(4)(A). Commerce, therefore, is submitting a request for a waiver that does not violate or affect any requirements or provisions of WIA and its related federal regulations. Commerce is requesting a waiver to reporting the 17 measures required under WIA §136(b), and the performance measures applicable to One-Stop Employment and Workforce Information Service Programs (OSEWISP), and Trade Act services. If this waiver is approved, Kansas will report performance using only the federal Common Measures integrated across the aforementioned programs.

Action the State has Taken to Remove Barriers

The U.S. Department of Labor (USDOL) recently modified its collection and reporting requirements for WIA to implement Common Measures. USDOL replaced six of the 17 statutorily required WIA measures with Adult Common Measures because these were essentially modifications of the existing statutory measures. However, USDOL did not substitute Youth Common Measures for the seven WIA statutory youth measures. As a result, states are currently required to report 20 measures for WIA. The USDOL vision for WIA is states reporting three Adult Common Measures for WIA Adult and WIA Dislocated Worker programs and three Youth Common Measures for the WIA Youth program.

Commerce has reviewed the integrated reporting system Pennsylvania is using and believes it offers significant advantages. While similar to the original USDOL Employment and Training Administration (ETA) Management Integrated Longitudinal Evaluation (EMILE) system, Pennsylvania's model appears more streamlined.

The past year has been spent preparing to implement Common Measures for state reporting purposes and in anticipation of new federal reporting requirements. Commerce is uniquely positioned to support WISPR implementation and is in the process of developing system-wide performance measures based on the new Common Measures.

Kansas has reviewed its operations and has determined multiple reporting requirements and duplicative measurements incorrectly focus the Local Boards on meeting performance measures rather than meeting employers' needs or putting people to work.

By refocusing how Local Boards assess performance (from individual program performance measures to integrated Common Measures) Commerce can achieve better integration of workforce service delivery at the local level. Additionally, integration is needed to reduce barriers to provide services to certain targeted customer groups such as Migrant and Seasonal Farm Workers (MSFW) youth, current and former foster youth, and incumbent workers.

Goals and Expected Programmatic Outcomes

This waiver request has the following goals and programmatic outcomes:

- *Increase integration of services to customers*
Local Boards are responsible for implementing federal and state workforce development programs and integrating service delivery. However, these programs are partially driven by how performance is measured. Programs with different measures of success require different means of management. An excessive number of performance measures compels staff to spend time focusing on program outcomes rather than on the needs of employers and job seekers. Reporting only Common Measures removes this barrier and consequently improves service delivery. The requested waiver will allow for the complete integration of performance reporting across all workforce development programs.
- *Increase accountability at the state, local, and service provider levels*
Because Local Boards are responsible for numerous workforce development programs, co-enrollment of customers in multiple programs is becoming increasingly commonplace. Using integrated performance measures will promote accountability by evaluating Local Boards through consistent and reliable data.
- *Provide greater flexibility to Local Boards in designing and implementing services*
Commerce will promote service delivery designs based on employer needs rather than program requirements by eliminating program-specific measures and applying Common Measures across all programs.
- *Improve services to youth and increase focus on out-of-school youth*
USDOL has implemented Youth Common Measures with existing statutory WIA Youth measures. This results in 10 youth outcome measures. In addition to being excessive, there are conflicts between the statutory WIA Youth measures and the new Youth Common Measures. Under the historic WIA Youth measures, if a younger youth exits while still in secondary school, the youth is excluded from performance. Under Common Measures, these youth would be included in performance. The Youth Common Measures encourage states to focus more effort on out-of-school youth. Waiving the seven statutory WIA Youth measures will make it easier for Kansas to transition to this new focus.

- *Reduce Administrative Costs*
The Customer Satisfaction Surveys costs approximately \$100,000 annually. A savings will be realized when Commerce and the Local Boards are able to discontinue administration of the Customer Satisfaction Surveys and the number of performance reports generated.
- *Simplify Administrative Processes*
Common Measures have a number of advantages over existing performance measures. Approval of this waiver would result in administrative relief by removing barriers to co-enrollment and promoting integrated case management. Commerce strongly supports the concept that programs with similar outcome objectives should be measured in a similar fashion. Approval of this waiver would streamline administrative processes, allowing Commerce to focus the maximum amount of resources on employment outcomes. It will further Commerce's implementation of the USDOL goal to simplify and streamline the performance accountability system.

Individuals Affected

Kansas has a diverse population of businesses, residents, and communities. It has areas with large populations and rural areas with small populations. The Kansas workforce includes people of diverse backgrounds and economic levels participating in a wide array of occupations. With a wide industrial and agricultural base, Kansas is a microcosm of the nation as a whole. Lessons learned from the Kansas transition will be valuable to other states as they transform their performance reporting to correspond with the new national vision. Kansas is already a leader in using Common Measures to promote integration and is prepared to work with other states as they make their transition.

The implementation of integrated Common Measures will allow staff to better focus on the needs of employers, find job seekers to match those needs, and maximize integrated services to achieve the best outcomes. Moving to Common Measures will increase the focus on employment for adult participants, and education and skill attainment for youth participants. In fact, youth will likely see immediate benefits of the waiver. Focusing only on Youth Common Measures will remove a significant barrier to aligning Kansas WIA Youth program with the USDOL vision of serving primarily out-of-school youth, as well as fostering long-term connections between youth and the workforce system. The hardest-to-serve youth groups, such as MSFW youth and current and former foster care youth, will derive the most benefit from long-term connection to the workforce.

State Processes

Commerce requests approve of the waiver retroactively beginning with Program Year 2005. Making final adjustments based on the recently OMB approved clearance packages for WIA, OSEWISP, Trade, and DVOP/LVER reporting purposes would be counter productive. A more efficient use of limited resources would be to concentrate on the future of performance management and reporting. Commerce proposes to fulfill reporting requirements in much the same way as Pennsylvania does for all USDOL-funded programs. Kansas will ensure customer records continue to be available so USDOL can disaggregate the data for its program-based reporting requirements. To ensure reporting consistency is not compromised at the national level, Commerce proposes to restructure quarterly reports for PY2005 using the new methodology. This would give USDOL the same data required if Commerce had submitted this waiver earlier. An additional benefit of limiting the Kansas reporting system to Common

Measures in PY2005 will be the early availability of a large volume of data to assist USDOL in system development at the national level. Commerce wishes to use the waiver and the transition to the integrated Common Measures as the basis for its PY2005 WIA Annual Report.

Approval of this request will limit duplication of the overwhelming data reporting requirements currently in effect. This will allow Commerce to promote integration, improve consistency and reliability of data, and foster greater flexibility when contracting performance measures with the Local Boards. In addition, limiting performance reporting to the Common Measures will simplify service delivery as well as data collection, reporting, and validation at the local level. Approval of this waiver will build on the previously approved waiver granting Commerce the flexibility to determine which measures to pass down to the Local Boards.

The following reports would be impacted as follows:

- ETA 9090 quarterly report and WIA Standardized Record Data (WIASRD) would be discontinued.
- ETA 9091 annual report would still be reported but only those portions relevant to Common Measures.
- Trade Act Participant Report would be discontinued.
- ETA 9002 quarterly reports would be discontinued.
- VETS 200 quarterly reports would be discontinued.

NOTE: Reports being discontinued would be replaced by the new WISPR.

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Commerce regulations and policy statements comply with current federal law. Upon notification of the approval of this waiver request, Commerce's rules and policies would be amended to comply with the terms of the waiver. Commerce has a monitoring and performance accountability system to measure results for employers and other customers using the Kansas workforce system. Commerce continuously analyzes performance reports and compares actual performance with contract targets. Adjustments to monitoring performance requirements will continue to ensure performance goals and objectives are met. Information regarding the new reporting system and the waiver will be shared with the Local Boards through training and technical assistance and the distribution of state policy. Commerce will monitor progress under this waiver by reviewing monthly performance reports, through regularly scheduled conference calls with the Local Board executive directors, and through its monitoring and performance accountability system.

Commerce will take the following steps toward implementation of this waiver:

- A public meeting of the Executive Committee of the Workforce Network of Kansas Board was held May 9, 2006, where this waiver was approved.
- A public notice will be published to announce the beginning of the official 30-day public comment period, with links to a website that contains this waiver request.
- The waiver will be incorporated into a state policy distributed to all local areas.

- **America's JobLink Alliance-Technical Support, a component of the Department of Commerce, Division of Workforce Development will continue to monitor the progress of the actions and activities related to this waiver.**

Kansas Waiver Plan #5

Providing Individual Training Accounts for Older Youth

This is a request for a waiver to be granted to Kansas to allow older and out-of-school youth to enroll in approved Individual Training Account (ITA) programs from the Eligible Training Provider List while retaining their “youth” classification. Commerce also requests permission to use ITAs for youth without co-enrollment under the adult program, therefore eliminating the need to track separate funding streams.

The goal of this waiver request is to provide the state of Kansas and the Local Workforce Investment Boards (Local Boards) additional flexibility in providing training services to youth, while retaining limited adult funds to be used on adult training services. This allows the Local Boards to enhance the delivery of occupational skills training to their youth customers.

As the U.S. Department of Labor (USDOL) is aware, out-of-school youth are an important part of the new workforce “supply pipeline” needed by businesses to fill job vacancies. By allowing youth to have more access to ITAs, Kansas can connect these youth with quality job opportunities in high-growth industries. This concept is also a part of the regulatory reform addressed in the \$15 million Workforce Innovation in Regional Economic Development (WIRED) initiative in the Kansas City region. This regional partnership will develop an unprecedented comprehensive system of economic development, workforce development, education, and training to meet the region’s current and future workforce needs in biotechnology, advanced manufacturing and healthcare. To foster long-term prospects for regional growth, out-of-school and older youth must be provided the educational and training programs to propel these youth toward progressively higher levels of skill, responsibility, and wages. The Kansas counties participating in the WIRED initiative in the Kansas City area will need to be focused on providing formal pathways for youth to better prepare for entry into high-growth industries, such as biotech, healthcare, and advanced manufacturing sectors. One of the methods to achieve this outcome will be to provide youth opportunities to enroll into ITAs. Therefore, the granting of this waiver will assist the success of both of these initiatives.

This waiver request adheres to the format provided in WIA Section 189 (i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting WIA Section 129 (which does not provide youth access to ITAs) and 20 CFR 664.510 (prohibits the use of youth funds to support ITAs for older youth) be waived. This will allow older youth and out-of-school youth to be enrolled in ITAs while retaining their “youth” classification and without needing to co-enroll them under the adult program.

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by WIA Section 129. However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

This waiver request has the following goals and programmatic outcomes:

- Local Boards would be allowed to charge training costs as out-of-school youth expenditures, eliminating the need to track separately across funding streams.
- Local Boards would be able to provide youth the same opportunity as adults to make informed decisions about their future employment and career goals.
- Older and out-of-school youth who want to train for an occupation can pursue their occupational goals without the additional burden of meeting adult or dislocated worker eligibility documentation.
- The local workforce development system could move more quickly to meet the needs of youth who could benefit from an ITA.
- Local Boards would have the flexibility to deliver services based on individual needs of youth participants as intended by WIA.
- Eliminate co-enrollment of youth in the adult program to avoid unnecessary and duplicative paperwork for the Local Board.

Individuals Affected

Older and out-of-school youth who want to train for an occupation can pursue their occupational goals without the additional burden of having to meet adult or dislocated worker eligibility requirements. Local Boards would have less paperwork and tracking processes to follow if this waiver is granted.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The state will monitor the local areas to ensure funds used for ITAs are tracked and reflected in the individual service strategies for these youth.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

- ***Ensure Meaningful Public Comment on the Waiver Request***

A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #6

Identifying Eligible Providers of Youth Activities Competitively

This is a request to waive the requirement for eligible providers of youth activities to be identified on a competitive basis. This waiver would allow the Local Boards to contract with eligible providers of youth activities so innovative programs can be offered to youth without procurement constraints.

In some rural areas of the state, there are not enough service providers to make a selection on a competitive basis, particularly if the service provider cannot accommodate all ten program elements required for youth. If this waiver is approved, Kansas would require Local Boards to certify one of the following conditions has been met as a result of implementing this waiver:

- Improving youth services by increasing customer choice in accessing training opportunities in demand occupations;
- Increasing the number of training providers;
- Providing greater flexibility in securing training providers;
- Promoting better use of training providers in rural areas; or
- Eliminating duplicate processes for training providers.

Kansas has long-standing relationships with many youth service providers over the years. When a different youth provider must be sought to meet the competitive procurement process, services can be disrupted causing instability in a relationship that is working smoothly to provide quality services.

The \$15 million Workforce Innovation in Regional Economic Development (WIRED) initiative in the Kansas City region will develop an unprecedented comprehensive system of economic development, workforce development, education, and training to meet the region's current and future workforce needs in biotechnology, advanced manufacturing and healthcare. Through this initiative, there will be a number of traditional and non-traditional organizations providing services to youth participants. Kansas wants to join Missouri in remedying barriers to opportunity and employment faced by the neediest youth – a critical component of our future workforce. This involves the need to transform exemplary program design concepts into action with as few bureaucratic hurdles as possible. Through this waiver, Kansas is attempting to accomplish this transformation.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting WIA Sections 117(d)(2)(B) and 123, and WIA Regulations 20 CFR 664.410 be waived to give the Local Boards the option to competitively select service providers for youth.

Action the State has Taken to Remove Barriers

In some areas of the state, it has been difficult to find more than one or two service providers. The state has seen the need to provide assistance to a local area when they have demonstrated a unique need to utilize a particular service provider but has been restricted by WIA Sections 117(d)(2)(B) and 123, and WIA Regulations 20 CFR 664.410.

Goals and Expected Programmatic Outcomes

The goals of this waiver request are as follows:

- Improve youth services by increasing customer choice in accessing training opportunities in demand occupations;
- Increase the number of training providers;
- Provide greater flexibility in securing training providers;
- Promote better use of training providers in rural areas; and
- Eliminate duplicate processes for training providers.

This waiver request has the following programmatic outcomes:

- Local Boards would better utilize youth funds to meet the needs of the participants;
- Costs associated with competitively procuring service providers would be reduced when there are not enough providers in the region to warrant the process; and
- Local areas would better meet the training needs high skilled, high-demand jobs through more flexible funding and quicker response to the training needs of youth.

Individuals Affected

Youth participants, youth service providers, and the Local Boards benefit from this waiver as described in the section above.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The policy would be monitored to ensure it is implemented properly.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

- *Ensure Meaningful Public Comment on the Waiver Request*

A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #7

Providing Flexibility in Ten Youth Program Elements

This is a request for a waiver to provide more flexibility to the Local Boards in providing the ten program elements to youth. WIA requires local areas include each of the ten program elements in WIA Section 129(c)(2) as options available to youth participants. In some areas of the state, all ten elements are not always available and are not an option for youth participants. Kansas is requesting the flexibility to allow the Local Boards the option of providing as many program elements as are feasible for their youth population. In this way, staff could focus on services most in demand for youth in the local areas. Based on individual need, the WIA representative would determine the number of elements appropriate for the youth.

The goal of this waiver request is to follow the USDOL strategic vision recommending youth programs focus on serving the neediest youth with priority given to out-of-school youth, high school dropouts, runaway and homeless youth, youth in foster care, court-involved youth, children of incarcerated parents, and migrant seasonal farm worker youth. Program services would be designed to meet the needs of youth participants and business employers. This waiver would allow the transformation of exemplary program design concepts into action with limited resources and as few bureaucratic hurdles as possible.

This concept is a part of the regulatory reform addressed in the \$15 million Workforce Innovation in Regional Economic Development (WIRED) initiative in the Kansas City region. This regional partnership will develop an unprecedented comprehensive system of economic development, workforce development, education, and training to meet the region's current and future workforce needs in biotechnology, advanced manufacturing and healthcare. To foster long-term prospects for regional growth, youth must be provided programs to expose them to occupational skills they need for high paid, high-growth industries. This could be accomplished by allowing the local WIA representatives flexibility to customize a youth's employment plan to align more closely with their occupational goals.

This waiver request adheres to the format provided in WIA ss189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting WIA Section 129(c)(2) be waived to provide more flexibility to the Local Boards in providing the ten program elements to youth.

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by WIA Section 129(c)(2). However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

The goal of this waiver request is to provide Kansas with more flexibility to serve youth participants without losing the concept that, in most cases, the ten program elements are important to the youth participant's success.

The purpose is to allow the Local Boards more flexibility in this process when a local area has demonstrated a unique need such as not enough funding to cover work experience or rural areas where internships and occupational skill training opportunities are limited.

This waiver request has the following goals and programmatic outcomes:

- Provides more flexibility to the Local Boards to design their youth program services and maximize resources; and
- Allows WIA representatives more flexibility to develop a customized youth employment plan.

Individuals Affected

The state recognizes all ten program elements can be crucial to a youth's success. However, there are some instances when it may not be feasible for a particular youth to participate in one or more elements. With the approval of this waiver, local WIA representatives would have flexibility to customize a youth's employment plan to align more closely with their occupational goals.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. Monitoring would ensure to ensure documentation of the reason for a youth participant not receiving all ten program elements is tracked and reflected in their individual service strategy, and the youth employment plan is customized to align closely with their occupational goals.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.
- *Ensure Meaningful Public Comment on the Waiver Request*
A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #8

Eliminating Twelve-Month Follow-Up for Youth Participants

This is a request for a waiver to be granted to Kansas to eliminate the requirement for all youth participants to receive follow-up services for a minimum duration of 12 months. The goal of this waiver is to provide the Local Boards greater flexibility for utilizing staff resources after youth have exited the program and spend more dollars in other youth program activities.

Through the new \$15 million Workforce Innovation in Regional Economic Development (WIRED) initiative, Kansas is committed to developing a steady pipeline of youth to improve the Kansas City region's economic viability. A more aggressive youth program model will be designed to connect the education system and the world of work. This partnership will develop an unprecedented comprehensive system of economic development, workforce development, education, and training to meet the region's current and future workforce needs in biotechnology, advanced manufacturing and healthcare. In implementing this initiative, the state will need flexibility to serve the youth population, as it does with the adult and dislocated worker population, to address the participant's follow-up needs. While follow-up services remain a valuable option to the system, this policy can sometimes be overly restrictive. The local areas need the flexibility to concentrate on youth who really need follow-up services. The local areas should be relieved of this mandate when the youth no longer wants services or is not available because of conditions such as moving from the area.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting a waiver of 20 CFR 664.450(b) under WIA Section 129(c)(2)(I) requiring all youth participants to receive some form of follow-up services for a minimum duration of 12 months. The state requests this waiver to allow the Local Board the option to provide follow-up services for a youth, when warranted.

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by Section 20 CFR 664.450(b) under WIA Section 129(c)(2)(I). However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

This waiver request has the following goals and programmatic outcomes:

- Maximize local area resources available under limited youth funding
- Allow Local Board flexibility to determine which youth should receive follow-up services and for how long; and
- Allow Local Boards to could choose which youth should not receive follow-up services.

Individuals Affected

The Local Boards would have the flexibility to manage staff resources more effectively when working with youth. This would apply especially to youth who need follow up services to become successful as well as those who become self-sufficient and no longer need or want services; in-school youth tracked through the educational system; youth who move to another location for employment, and those who join the military or are incarcerated.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The policy would be monitored to ensure WIA staff document in the youth's individual service strategy the justification for waiving any follow-up services during the 12-month period after exit.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.
- *Ensure Meaningful Public Comment on the Waiver Request*
A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #9

Utilizing Dislocated Worker/Rapid Response Funds as Statewide Activity Funds

This is a request for a waiver to be granted to Kansas to provide additional flexibility for the Governor to meet priority demands in the state, such as focusing on a demand-driven, business environment and strengthening the local areas by focusing on employer and worker competitiveness through skills upgrade training. The state of Kansas is requesting the Governor have the flexibility to utilize up to 25 percent of funds reserved for rapid response activities for statewide employment and training activities, with the exception of administration. The state assures USDOL it will continue to carry out all required rapid response activities and maintain its ability to respond to worker dislocations in collaboration with employers, labor unions, and other stakeholders.

The goal of this waiver is to use 25 percent of funds reserved for rapid response activities to assist the state in meeting the demand for incumbent worker training. Kansas is interested in strengthening the demand driven system of integrated employment and training service offerings to give the state a competitive workforce and long-term economic growth.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting a waiver to permit the state to use up to 25 percent of the funds reserved for rapid response activities at WIA Section 133(a)(2), to provide the allowable statewide employment and training activities authorized at WIA Section 134(a)(3)(A), with the exception of administration, at WIA Section 134(a)(3)(A)(i).

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by regulation. However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

This waiver request has the following goals and programmatic outcomes:

- Better equip Local Boards to respond to business needs in their communities by providing training in high demand occupations;
- Enhance integration and provide greater flexibility in structuring the Kansas workforce development system;
- Increase collaboration between business and the Local Boards toward addressing industry needs and worker training; and
- More closely align local area workforce development strategies with the Governor's vision for an improved demand and economically driven workforce system.

Individuals Affected

The state and local areas will be able to target more resources than previously allocated for layoff aversion activities involving incumbent worker training.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The policy would be monitored to ensure funds utilized for incumbent worker activities would not negatively affect services to dislocated workers.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.
- *Ensure Meaningful Public Comment on the Waiver Request*
A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #10

Minimizing Documentation for Incumbent Worker Training Programs

This is a request for a waiver to be granted to Kansas to minimize data capture requirements for individuals trained using state level or local funds to provide incumbent worker or employed worker programs (based on employer application, rather than individual trainee eligibility). Under current law, extensive eligibility documentation is required. Individual demographic data gathering causes undue hardship on the local areas and often leads to reluctance by businesses to become involved in these training programs. This does not align with the Governor's goals of creating jobs and expanding the Kansas economy in the most efficient manner possible. The goal of this waiver request is to minimize paperwork so more businesses are interested in WIA services. Since the Incumbent Worker Program seeks to upgrade the skills of existing workers employed by businesses operating in Kansas, and in many cases this training is sought to improve the competitiveness of both the employer and the worker, data capture requirements should be based on employer application, rather than individual trainee eligibility.

One of the primary reasons Local Boards provide incumbent worker training is to improve their regional economies by upgrading the skills of the workforce, enabling both the employer and the individual worker to improve their competitiveness. As workers improve their skills and climb the career ladder, it enables the employer to backfill those vacancies. Thus, the program builds employer usage and satisfaction with the state's workforce development system. Federal data capture requirements is a hindrance to usage of these programs. A full application is appropriate for individual trainee eligibility or the unemployed, but it is too cumbersome when working with employed workers and employers to achieve skills upgrade training.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting WIA Regulations at 20 CFR 666 and 20 CFR 667.300 be waived to minimize data capture requirements in order to attract more Kansas businesses to utilize the incumbent worker program and improve economic conditions for the local areas.

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by WIA Regulations at 20 CFR 666 and 20 CFR 667.300. However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

This waiver request has the following goals and programmatic outcomes:

- Allow the Kansas workforce development system to respond to employer demand by providing easier application for incumbent worker training;
- Increase staff resources available to provide business services by eliminating excessive data capture requirements; and
- Provide better tools for economic developers to respond to the needs of local employers for skills upgrade training.

Individuals Affected

All WIA customers, as well as the Local Boards, will be affected positively. The Local Boards will improve linkages with employers and economic development representatives in their areas resulting in an increased usage of WIA funds.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The policy would be monitored to ensure it is implemented properly.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.
- *Ensure Meaningful Public Comment on the Waiver Request*
A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #11

Increasing Wagner-Peyser Funds Set Aside by Governor

This is a request for a waiver to be granted to Kansas to allow the Governor to the flexibility to increase the amount of Wagner-Peyser reserved for discretionary activities from 10 percent to up to 20 percent of the Wagner-Peyser funds. The goal of this waiver request is to provide the Governor more flexibility in maximizing resources for the state's workforce development system. The additional funds would be used to address discretionary projects aimed at closing critical skills gaps in targeted industries that are high growth, in high demand, and critical to the state/local economy.

The Department of Commerce fully intends to continue operating a statewide labor exchange program fully integrated with other One-Stop program partners. Allowing the Governor further discretion by setting aside up to 20 percent of Wagner-Peyser funding would provide additional flexibility to target limited workforce resources on special needs critical to the success of the workforce development system.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

According to 20 CFR 661.410, the regulations provide the specific provisions of what cannot be waived under Wagner-Peyser. However, Section 20 CFR 661.410(c) states, "The Secretary does not intend to waive any of the statutory or regulatory provisions essential to the key reform principles embodied in the Workforce Investment Act, described in 661.400, except in extremely unusual circumstances where the provision can be demonstrated as impeding reform (WIA sec. 189(i))."

On November 16, 2005, the President of the National Association of State Workforce Agency (NASWA), JoAnn Hammill, submitted a letter to Senator Michael Enzi on behalf of the NASWA members, requesting the Senator's support of the newly approved policy positions on reauthorization of WIA that was approved by the NASWA Board on July 22, 2005. Kansas has a particular interest in Policy 7, which states: "NASWA supports providing governor's state funding flexibility for the WIA adult/dislocated worker and Wagner-Peyser Act programs."

The National Governor Association's (NGA) position supports this waiver request. NGA's policy is stated through Policy Position ECW001, dated February 27, 2004: Governor's Principles to Ensure Workforce Excellence Policy, Section 1.3.2 Flexibility to Coordinate or Transfer Funds. It states: "Congress should provide Governors with the option to coordinate WIA funding to meet the unique needs of their states and should include a hold harmless provision to ensure that the federal investment in workforce and related programs is not diminished. At their discretion, Governors should be given the option to pool WIA, higher education, Temporary Assistance for Needy Families (TANF), and other sources of federal training money at the state level to respond to the needs of workers and businesses."

NGA fully supports eliminating barriers to innovation, and Kansas feels this section also applies to impeding the progress of Kansas innovative funding projects in utilizing Wagner-Peyser funds. Section

1.2.4 Barriers to Innovation states, “Governors continue to develop innovative workforce systems that respond to customer needs, reduce fragmentation, promote accountability, deliver services efficiently, and engage the business community. To ensure a higher quality federal-state workforce system for America’s workers, Congress should remove barriers to innovation including, but not limited to, overly burdensome reporting requirements, inconsistent terms and definitions, and limitations to transfer funds.”

The state finds the biggest impediment to innovation is the lack of flexibility in utilizing federal funds to respond to the critical needs of its workforce and its economic future. Therefore, the State of Kansas requests the Wagner-Peyser Act, as amended by the Workforce Investment Act of 1998, Section 661.410(c) be waived.

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by WIA 661.410(c). However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

This waiver request has the following goals and programmatic outcomes:

- Local Boards could apply for Governor’s discretionary funding set aside for innovative projects; and
- The state would have more flexibility utilizing Wagner-Peyser funds to meet the needs of the state’s workforce system.

Individuals Affected

Utilizing Wagner-Peyser funds for additional discretionary projects allows the state to try new and innovative methods to assist its workforce and businesses in becoming a better prepared, skilled, and competitive workforce.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The policy would be monitored to ensure it is implemented properly.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

- *Ensure Meaningful Public Comment on the Waiver Request*

A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #12

Increasing OJT Employer Reimbursement

This is a request for a waiver to be granted to Kansas to increase employer reimbursement for On-the-Job Training (OJT) up to a 75 percent reimbursement rate for small businesses.

In 2004, the Kansas Legislature passed the *Kansas Economic Growth Act*. Over the next decade, this Act will make more than \$530 million in new economic development incentives available through various funding mechanisms to grow emerging industries, serve existing business, and support small business. This legislation provides for tax credits to help existing and start-up companies create high-quality jobs. These tax credits will attract more than \$60 million in cash investments into companies to retain or create jobs and support organizations that serve small businesses.

The goal of this waiver request is to help Local Boards that choose to target small businesses by enhancing the attractiveness of OJT. Many times, businesses view programs such as OJT as a “government program” with too many regulations and too much paperwork. Some businesses do not feel it is worth the effort to utilize an OJT when hiring only one or two people. This waiver could enhance the attractiveness of OJT to small businesses when the benefits of increased reimbursement outweigh the upfront paperwork. This waiver gives the Local Boards flexibility to entice small businesses to train job seekers such as youth and TANF recipients who may have challenging barriers.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting a waiver of WIA Section 101(31)(B) currently allowing up to 50 percent reimbursement to the employer. Kansas requests this be waived for small businesses fewer than 100 employees, with the ability for up to 75 percent reimbursement to the employer.

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by WIA Section 101(31)(B). However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

This waiver request has the following goals and programmatic outcomes:

- Allows the Local Board to continue to improve services to customers who would benefit through an OJT;
- Improves the capacity of the Local Boards to market demand-driven services and build relationships with businesses;

- Increases employment opportunities for harder to serve persons, such as youth and TANF customers, by allowing small businesses to receive higher reimbursement for this population because they may take longer to train; and
- Increases opportunities for local economic developers to enhance relationships with small businesses.

Individuals Affected

More job seekers would have the opportunity to participate in an OJT with small businesses because the training costs would be reduced for the business.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The policy would be monitored to ensure it is implemented properly.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.
- *Ensure Meaningful Public Comment on the Waiver Request*
A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #13

Using Capitalization Funds for Small Business Entrepreneurial/Micro Enterprise Training

This is a request for a waiver to be granted to Kansas to use of funds for the capitalization of businesses at WIA Section 181(e) to permit WIA funds to be used to capitalize a small business up to \$5,000 in concert with entrepreneurial or micro enterprise training. The goal of this waiver request is to allow the state to pursue economic development activities not directly related to training. Currently, WIA funds may only be used for economic development activities with a direct tie to workforce development and human capital solutions, such as identifying skill requirements of a business and developing industry-recognized competency models. WIA funds may not be used for activities such as infrastructure development or business financing.

Kansas is requesting a waiver to allow these funds be used for capitalization.

This waiver will enhance the regulatory reform addressed in the \$15 million Workforce Innovation in Regional Economic Development (WIRED) initiative in the Kansas City region. This regional partnership with Kansas and Missouri will develop an unprecedented comprehensive system of economic development, workforce development, education, and training to meet the region's current and future workforce needs in biotechnology, advanced manufacturing and healthcare. The WIRED initiative also focuses on entrepreneurial training as an option for the Kansas /Missouri partnership.

From an economic development perspective, small businesses are critical to the success of a local economy. In addition, self-employment is a recognized and reputable career opportunity. From a workforce perspective, the target population is low-income individuals and dislocated workers with the interest and aptitude for starting a new, small business. The waiver would provide an opportunity to blend workforce development with economic development. In addition, it would provide an environment where entrepreneurs can strengthen local economies by creating jobs and contributing to the tax base, resulting in more opportunities of self-sufficiency for customers of the workforce development system and generating revenue for the community.

The 2004 Kansas Legislature strengthened and stimulated the state's economy through the passage of the Kansas Economic Growth Act. This legislation reflects efforts by the Governor, her administration, and legislative leaders to meet the needs of the changing Kansas economy. The elements of the Kansas Economic Growth Act reflect the state's economic development goals that include investing in small and entrepreneurial businesses.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting a waiver of WIA section 181(e) permit WIA funds be used to capitalize a small business up to \$5,000 in concert with entrepreneurial or micro enterprise training to create more opportunities for assisting with start-up costs for new small businesses.

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by WIA section 181(e). However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

This waiver request has the following goals and programmatic outcomes:

- Allow the Local Boards to provide entrepreneurial training to individuals who show the capability to develop their business plans and create jobs in their local communities;
- Increase state and local accountability for providing better service to individuals; and
- Make additional funding available to Local Boards to provide start-up costs to help capitalize a new small business.

Individuals Affected

An example of how this waiver could assist a customer in a local area is as follows:

An individual who recently lost their job comes into a Workforce Center. The individual is determined to be a dislocated worker. They want receive training to start their own business and plan to employ five people. They need \$2,000 for business start-up costs. The Local Board would request up to \$5,000 of their formula funds or apply for state-level grants. The local area would benefit by assisting this person because jobs will be created in the local economy. The Local Board would benefit by collaborating with economic developers to fund entrepreneurial and micro enterprise training for small businesses in the area.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. Under this waiver, entrepreneurial or micro enterprise training must be provided to the individuals benefiting from the capitalization. The policy would be monitored to ensure it is implemented properly.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.
- *Ensure Meaningful Public Comment on the Waiver Request*
A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #14

Tracking Entrepreneurial Training Performance at State Level Only

This is a request for a waiver to be granted to Kansas to allow entrepreneurial training to be provided through state-level grants and local formula dollars with performance tracked and aggregated at the state level, but not included in local performance calculations.

The goal of this waiver request is to support the state's economic development goals that include investing in small and entrepreneurial businesses. The *Kansas Economic Growth Act* established the Kansas Center for Entrepreneurship to create an integrated support system to ensure collaboration and the efficient use of resources with existing business development agencies throughout the state. The Kansas Center for Entrepreneurship creates policies to foster entrepreneurship in the state, provides a resource center and serves as a clearinghouse, whereby entrepreneurs have a 1-800 phone number and web site resource to assist them. Entrepreneurship often involves small business. Through the Center for Entrepreneurship small business will be created and sustained.

This concept is part of the regulatory reform addressed in the \$15 million Workforce Innovation in Regional Economic Development (WIRED) initiative in the Kansas City region. This regional partnership will develop an unprecedented comprehensive system of economic development, workforce development, education, and training to meet the region's current and future workforce needs in biotechnology, advanced manufacturing and healthcare. The WIRED initiative will also focus on entrepreneurial training as an option for the Kansas/Missouri partnership.

From an economic development perspective, small businesses are critical to the success of a local economy. In addition, self-employment is a recognized and reputable career opportunity. From a workforce perspective, the target population of this grant is low-income individuals and dislocated workers with the interest and aptitude for starting a new, small business.

However, from the perspective of the Local Boards, current practice has been for the Boards to refer individuals interested in starting their own businesses to providers of entrepreneurial training, but do not sponsor or fund such training, partly due to the restrictions about what is currently considered a positive performance outcome. The Department of Commerce has encouraged the workforce development system to make entrepreneurial training opportunities available for people interested in self-employment. However, the state is aware of the unique challenges local areas face in moving forward with this effort.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting a waiver of 20 CFR 666.300, to be applied solely to individuals who receive entrepreneurial training with WIA formula funds. This will allow the state to exclude these individuals from local performance calculations. The state will report against these performance measures for all individuals served with formula funds who receive entrepreneurial training

at the state level. Since the definition of the credential measure includes “of those who received training,” the state will include those individuals who received entrepreneurial training in this measure when reporting it at the state level.

Action the State has Taken to Remove Barriers

There has been no action possible by the state to remove the barriers imposed by 20 CFR 666.300. However, there are no known state or local statutory or regulatory barriers to implementing this waiver.

Goals and Expected Programmatic Outcomes

This waiver request would allow micro enterprise training and support to be funded by WIA and administered by the Department of Commerce and the Local Boards to provide low-income and dislocated individuals with entrepreneurial training, technical support, and access to resources in order to start a new business.

The following goals and programmatic outcomes would result:

- Assist local areas to meet the training needs of low income individuals and dislocated workers who have the interest and aptitude for starting a new small business;
- Increase state and local accountability for providing better service to customers;
- Strengthen collaboration between the Local Board and economic developers; and
- Strengthen local economies by providing an environment where entrepreneurs would create new jobs and contribute to the tax base with less concern about the performance risk associated with WIA formula funds.

Individuals Affected

The targeted population benefiting from this waiver would be low-income individuals and dislocated workers with the interest and aptitude for starting a new small business. There would also be the opportunity for the Local Boards and economic development partners to provide new revenue for the community. Instead of referring individuals interested in becoming entrepreneurs to another entity, the Local Board would enroll them and not be required to include them in their performance calculations.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The policy would be monitored to ensure it is implemented properly.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

- *Ensure Meaningful Public Comment on the Waiver Request*
A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Kansas Waiver Plan #15

Waiving Subsequent Eligibility Determination for Training Providers

The Workforce Network of Kansas Board, after consultation with appropriate local elected officials and other key partners, is requesting a waiver of Section 122(c) and (d) that requires subsequent eligibility for Eligible Training Providers and the Reinstatement of the Initial Eligibility of Training Providers in Kansas. Additionally, the state wishes to revert to the initial eligibility requirements for inclusion on the Eligible Training Provider List (ETPL), as provided for by WIA Section 122(b) and 20 CFR Section 663.530 related to eligible training provider provisions. Kansas requests authority to waive full implementation of the Subsequent Eligibility Determination process until the end of the two-year state plan, June 30, 2007, or until WIA Reauthorization.

Kansas fully supports the concepts of customer choice and program accountability as provided for in the Workforce Investment Act of 1998. The state also recognizes performance information is critical in meeting the WIA principles of customer choice and program accountability. Most Kansas training providers have already entered into the subsequent eligibility phase. Many, especially the two-year and four-year public colleges, have found it difficult or impossible to collect the required data due to the dissimilar reporting requirements for the Department of Education and WIA. This has caused many schools to be disqualified as Eligible Training Providers or to quit participating in the workforce development system. In an effort to maintain an adequate number of training providers and programs on the Kansas Eligible Training Provider List, Kansas is requesting the reinstatement of the initial eligibility requirements and a waiver from the subsequent eligibility requirements.

It is recognized that requesting both a waiver from subsequent eligibility and reverting back to initial eligibility requirements may differ from the majority of requests approved by USDOL, however, the Department of Commerce is confident this request represents best efforts and good intentions to provide true "customer choice" to the citizens of Kansas.

This waiver request adheres to the format provided in WIA Section 189(i)(4)(B) and WIA Regulations 20 CFR 661.420(c).

Statutory or Regulatory Requirement to be Waived

The Department of Commerce is requesting WIA Section 122(c)(5) and Title 20 CFR 663.530 dealing with the time limit for initial eligibility would be waived.

Action the State has Taken to Remove Barriers

Attempts were made to assist schools in obtaining the necessary information for subsequent eligibility by matching student social security numbers with UI wage records. Due to the FERPA law and the realization not all schools collect and/or use actual social security numbers for enrollment, the process was not successful. The few training providers who do collect the required data have also found it difficult to meet the state minimum levels. In many instances, one poor WIA performer has disqualified a program due to the small number of WIA participants served by the program.

Goals and Expected Programmatic Outcomes

This waiver request has the following programmatic outcomes:

- Alleviate providers' concerns with the types and amount of information required to maintain eligibility;
- Allow sufficient time to develop an effective and efficient method of collecting data from training providers;
- Allow sufficient time to develop reasonable criteria for eligibility performance information; and
- Retain approved Eligible Providers and continue to increase numbers thereby providing quality customer choice for Kansas jobseekers.

The goal of the waiver is to increase the quality and quantity of the customer choice for selection of programs on the state list of eligible training providers. The state fully understands the need for accountability and support efforts to ensure customers are making informed decisions based on quality data. However, when the ability to collect the required data is severely limited, the results can virtually eliminate customer choice and significantly reduce the use of Individual Training Accounts.

The waiver will allow Kansas the time necessary to thoroughly assess the Eligible Training Provider process and develop an effective and efficient method of data collection and dissemination. The reversion back to Initial Eligibility will afford Kansas' job seekers an opportunity to take advantage of the wide array of programs provided by the state's training providers.

Individuals Affected

This waiver will positively affect public and private training providers. As indicated earlier, the mandated reporting requirements are so burdensome and costly that some providers have found it necessary to end their WIA participation. This waiver would avert this problem by allowing the state to retain providers currently participating and allow for the reinstatement of past providers. This waiver will have a system-wide impact either directly or indirectly on all training customers, training providers, and all Local Boards.

State Processes

Commerce will take the following steps toward implementation of this waiver:

- *Monitor the Progress in Implementing the Waiver*
Incorporate the waiver into a state policy distributed to all local areas. The policy would be monitored to ensure it is implemented properly.
- *Provide any Local Board Affected by the Waiver an Opportunity to Comment on the Request*
A 30-day comment period will be given to allow Local Boards an opportunity to provide comments on the waiver request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

- *Ensure Meaningful Public Comment on the Waiver Request*

A 30-day comment period from the date of publication in the Kansas Register will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL regional office in Chicago.

Extension of Workforce Investment Act (WIA) Waivers

This request is for a continuation of WIA waivers currently in effect for Kansas. The extensions are based on the Secretary of Labor's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. The extensions are directed at allowing the State of Kansas continued flexibility to respond quickly to labor market challenges as they arise as well as align current programs with new initiatives and reforms enacted through the WIRED grant approved for Kansas and Missouri. We believe these waivers are consistent with and aligned to the Department of Labor's goals and the need for continued flexibility in the utilization of employment and training funds. A summary of the waivers are as follows:

1: Incumbent Worker Training

The Department of Commerce requests WIA Section 134(d)(3)(A) be waived to allow the Local Boards, at their discretion, to spend up to 10% of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs.

WIA Section 134(d)(3)(A) effectively blocks the use of formula funds for incumbent worker training. Continued approval of this waiver will reduce layoffs and closures by assisting companies in saving jobs and becoming more competitive through provision of needed training to current workers.

Kansas recognizes that the regulation preventing the Local Boards from spending up to 10 percent of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs is a barrier to using local funds to meet the needs of businesses and their existing workers. The state wishes to encourage local areas to provide companies the assistance they need to retain jobs and create new ones through incumbent worker training.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will continue to permit Local Boards the option to spend a portion of their WIA formula funding for incumbent worker training. With each succeeding year, competition in the workplace increases and Incumbent worker training provides companies the assistance they need to retain jobs and even to create new jobs.
- ◆ *Individuals affected by this waiver:* An extension of this waiver will positively affect business by reducing the risk of layoff or closing because workers have not kept current with new skills and technology. It further has the potential to expand employment. The training provided to individuals makes the worker more valuable to both the current business and to other businesses as well. This waiver extension increases the role of Local Boards and the role of businesses in the workforce development system. It also increases local flexibility to respond to the business community in keeping with the goals of WIA.
- ◆ *State implementation and monitoring:* The Kansas Department of Commerce has encouraged Local Boards to implement Incumbent Worker training programs utilizing

existing waiver authority. The Department developed both implementation policies and operating procedures for Incumbent worker training programs during the last Program Year. Currently all five Boards have implemented local policies and procedures to implement Incumbent worker training programs and there are a number of programs currently under way with additional ones pending the waiver's extension. The Department anticipates this service will expand in use during Program Year 2007 once information about the services becomes more readily available to businesses.

2: Under expenditure of WIA funds:

The Department of Commerce requests an extension of the WIA expenditure waiver thereby allowing the Governor to implement an expenditure-based deobligation/reallocation policy. The impact at the local level will be to reduce the backlog of unexpended funds, which will reflect in the state's increased overall expenditure level. Since Congress determines the WIA budget based on expenditure levels, decreases in future funding at all levels will result if the Governor fails to ensure adequate levels of funding are expended each year.

This waiver will provide benefits to business and job seeker customers because more jobseekers will be trained and business will have access to a larger labor pool of qualified applicants. Requiring the Local Boards to expend the majority of their formula funds by the end of each year will result in expanded services, particularly in those regions with historically low expenditure rates.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will assist in the continued reduction of unexpended WIA fund balances in each of the State's five local areas. In addition, the authority to transfer unexpended funds will provide increased State flexibility in allocating resources to Areas who are in need of additional funds for services.
- ◆ *Individuals affected by this waiver:* The transfer of unexpended funds to qualifying areas will improve expenditure rates, increase services to business and client customers and provide areas with an established need an avenue by which to access additional WIA formula funding. System wide benefits can be derived through an extension of this waiver.
- ◆ *State implementation and monitoring:* The Department of Commerce has implemented a State policy on the recapture and reallocation of WIA formula funds for the Adult and Dislocated Worker fund streams for Program Year 2006 and beyond. Since this is the first year of this policy the impact and subsequent outcomes of the waiver will be limited without an extension of time by which to measure its effectiveness.

3: Unlimited Transfer of WIA funds between the Adult and Dislocated Worker Programs.

The Department of Commerce requests the continued waiver of WIA Section 133(b)(4) to allow for the transfer of 100% of formula between the adult and dislocated worker programs.

The increased flexibility to transfer funds will result in a higher rate of expenditures, more clients receiving WIA services, and improved performance outcomes. In addition, this Waiver is intended to accomplish the following:

Limitations on the transfer of funds make it difficult for the Local Boards to respond to economic changes within their regions. An extension of this waiver will allow continued flexibility for the Local Boards in meeting the needs of the customers they serve through the One Stop system.

- ◆ *Outcomes derived from this waiver:*
 - Improve the ability of Local Boards to respond to economic changes within their regions;
 - Increase local program delivery options in response to customer needs;
 - Increase the collaboration with business to identify industry needs and provide worker training; and
 - Increase accountability for expenditures at the State, local, and service provider levels.

- ◆ *Individuals affected by this waiver:* An extension of this waiver would permit Local Boards continued flexibility to transfer funds between the adult and dislocated worker programs resulting in expanded services to business and increased employment and training opportunities, particularly in those regions with low expenditure rates. This would positively impact business and individuals seeking employment and training services.

- ◆ *State implementation and monitoring:* The Department of Commerce has implemented policies and procedures implementing the provisions of this waiver. Local Boards were made aware of these provisions and instructions were issued on the process to modify budgets to allow for the transfer between the Adult and Dislocated Worker program. Transfers constitute a modification of the Local Plan and Local Boards requesting fund transfers between programs must provide the following information to the Department before approval:
 - Effective date of the fund transfer;
 - Amount of funds to be transferred;
 - Local Board's assessment of local conditions creating a need for the transfer; and
 - How the transfer will meet performance targets and critical workforce needs of the region.

4: Eliminating Certain Performance Reporting:

This waiver extension will allow the current reporting of WIA performance outcome measures to be consolidated into a single unified Common Measures quarterly and annual report. These reports will encompass the six Common Measures outcomes as a composite for all programs and individually for WIA fund streams, Wagner-Peyser, VETS and TAA. Accountability for negotiated performance levels at the state and local area levels will remain tied to the individual program and fund stream outcomes.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will accomplish the following goals and programmatic outcomes:
 - Increase integration of services to customers. An excessive number of performance measures compel staff to spend time focusing on program outcomes rather than on the needs of employers and job seekers. Reporting only Common Measures removes this barrier and consequently improves service delivery. An extension of this waiver will allow for the complete integration of performance reporting across all workforce development programs.
 - Increased accountability at the state, local and service provider levels. Because Local Boards are responsible for numerous workforce development programs, co-enrollment of customers in multiple programs is becoming increasingly commonplace. Using integrated performance measures will promote accountability by evaluating Local Boards through consistent and reliable data.
 - Provides greater flexibility to Local Boards in designing and implementing services. An extension of this waiver will allow the Department of Commerce to further promote service delivery designs based on employer needs rather than program requirements by eliminating program-specific measures and applying Common Measures across all programs.
 - Improve services to youth and increase focus on out-of-school youth. Youth Common Measures have been implemented along with existing Youth Measures. This results in 10 youth outcome measures that are excessive in number, cumbersome to monitor and conflicting in purpose. Common Measures encourage states to focus more effort on out-of-school youth and waiving the seven statutory WIA Youth measures will make it easier for Kansas to transition to this new focus.
- ◆ *Individuals affected by this waiver:* An extension of this waiver will allow local areas to better focus on the needs of employers, find job seekers to match those needs and maximize integrated services to achieve the best outcomes. Common Measures will increase the focus on employment for adult participants, and education and skill attainment for youth participants. Continued focus on Youth Common Measures will remove a significant barrier to aligning Kansas WIA Youth programs with the USDOL vision of serving primarily out-of-school youth, as well as fostering long-term connections between youth and the workforce system. The hardest-to-serve youth groups, such as MSFW youth and the current and former foster care youth, will derive the most benefit from long-term connection to the workforce.

- ◆ *State Implementation and Monitoring:* Pursuant to the Department of Commerce’s initial waiver request, system rules and policies have been amended to comply with this waiver. The Department continues to analyze performance reports and compares actual performance with targets. Information on the new reporting system and waiver has been shared with the Local Boards through training and technical assistance and the distribution of state policy. Commerce will monitor progress under this waiver by reviewing monthly performance reports, through regularly scheduled conference calls with the Local Board executive directors, and through its monitoring and performance accountability system.

5: Providing Individual Training Accounts for Older Youth:

An extension of this waiver will allow Older and Out of School Youth to enroll in approved Individual Training Account (ITA) programs from the Eligible Training Provider List while retaining their “youth” classification. The Department of Commerce also requests continued authority to use ITAs for youth without co-enrollment under the adult program therefore eliminating the need to track separate funding streams.

By allowing youth to have more access to ITAs, Kansas can connect these youth with quality job opportunities in high-growth industries. This concept is also a part of the regulatory reforms addressed in the Workforce Innovation in Regional Economic development (WIRED) initiative in the Kansas City region.

- ◆ *Outcomes derived from this waiver:* This waiver extension will allow for the following goals and program outcomes:
 - Local Boards would be allowed to charge training costs as out-of-school youth expenditures, eliminating the need to track separately across funding streams.
 - Local Boards would be able to provide youth the same opportunity as adults to make informed decisions about their future employment and career goals.
 - Older and out-of-school youth who want to train for an occupation can pursue their occupational goals without the additional burden of meeting adult or dislocated worker eligibility documentation.
 - The local workforce development system could move more quickly to meet the needs of youth who could benefit from an ITA.
 - Local Boards would have the flexibility to deliver services based on individual needs of youth participants as intended by WIA.
 - Eliminate co-enrollment of youth in the adult program to avoid unnecessary and duplicative paperwork for the Local Board.
- ◆ *Individuals affected by this waiver:* Older and out-of-school youth who want to train for an occupation can pursue their occupational goals without the additional burden of

having to meet adult or dislocated worker eligibility requirements. Local Boards would have less paperwork and tracking processes to follow if this waiver is granted.

- ◆ *State implementation and monitoring:* Existing State Policy and Procedures will be amended to implement this waiver. The Department will monitor the Local Areas to ensure funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

6: Identifying Eligible providers of Youth Activities through a Competitive Process

This waiver extension would allow for the continued establishment of Eligible Youth Providers in rural locations thorough both a competitive and non competitive process depending on the availability of provider services. In some rural areas of the state, there are not enough service providers to make a selection on a competitive basis, particularly if the service provider cannot accommodate all ten program elements required for youth. The goals of this waiver extension are as follows:

1. Improving youth services by increasing customer choice in accessing training opportunities in demand occupations;
2. Increasing the number of training providers;
3. Providing greater flexibility in securing training providers;
4. Promoting better use of training providers in rural areas; or
5. Eliminating duplicate processes for training providers.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will provide for the following goals to be met:

1. Improve youth services by increasing customer choice in accessing training opportunities in demand occupations;
2. Increase the number of training providers;
3. Provide greater flexibility in securing training providers;
4. Promote better use of training providers in rural areas; and eliminate duplicate processes for training providers.

- ◆ *Individuals Affected by this waiver:* Youth participants, youth service providers, and the Local Boards benefit from this waiver as described in the section above.
- ◆ *State implementation and monitoring:* This waiver will be incorporated into State policy distributed to all local areas. The policy will be monitored to ensure it is implemented properly.

7: Increase Flexibility in the Provision of the Ten Youth Program Elements:

The extension of this waiver would permit more flexibility to the Local Boards in providing the ten program elements to youth. WIA requires local areas include each of the ten program elements in WIA Section 129(c)(2) as options available to youth participants. In some areas of the state, all ten elements are not always available and are not an option for youth participants. Kansas is requesting the flexibility to allow the Local Boards the option of providing as many program elements as are feasible for their youth population. In this way, staff could focus on services most in demand for youth in the local areas.

The goal of this extension is to follow the USDOL strategic vision recommending youth programs focus on serving the neediest youth with priority given to out-of-school youth, high school dropouts, runaway and homeless youth, youth in foster care, court involved youth, children of incarcerated parents, and migrant seasonal farm worker youth. Program services would be designed to meet the needs of youth participants and business employers. This waiver would allow the transformation of exemplary program design concepts into action with limited resources and as few hurdles as possible. This concept is part of the regulatory reform addressed in the Regional WIRED initiative.

- ◆ *Outcomes derived from this waiver:* The goal of this waiver is to provide Local Areas increased flexibility in serving youth participants without losing the concept that, in most cases, the ten program elements are important to the youth participant's success. An extension of this waiver will permit Local Boards increased flexibility in this process when a Local Area has demonstrated a unique need such as not enough funding to cover work experience or rural areas where internships and occupational skill training opportunities are limited. This allows for more flexibility to design youth program services and maximizes resources as well as allows WIA representatives more flexibility to develop a customized youth employment plan.
- ◆ *Individuals affected by this waiver:* The state recognizes all ten program elements can be crucial to a youth's success. However, there are some instances when it may not be feasible for a particular youth to participate in one or more elements. With the extension of this waiver, local WIA representatives would have flexibility to customize a youth's employment plan to align more closely with their occupational goals.
- ◆ *State implementation and monitoring:* The Department of Commerce will incorporate this waiver into state policy for distribution to all local areas. Monitoring would ensure documentation of the reasons for a youth participant not receiving all ten program elements. This information should also be reflected in the youth's individual service strategy.

8: Eliminating Twelve-Month Follow-Up for Youth Participants:

This waiver extension would eliminate the requirement for all youth participants to receive follow up services for a minimum duration of 12 months. The goal of this waiver is to provide the Local Boards greater flexibility for utilizing staff resources after youth have exited the program. The Local Areas need the flexibility to concentrate on youth who really need follow up services. The local areas should be relieved of this mandate when the youth no longer wants services or is not available because of conditions such as moving from the area.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will allow the following outcomes to be met:
 - Maximize local area resources available under limited youth funding;
 - Allow Local Board flexibility to determine which youth should receive follow-up services and for how long; and
 - Allow Local Boards to choose which youth should not receive follow-up services.
- ◆ *Individuals affected by this waiver:* Local Boards would have the flexibility to manage staff resources more effectively when working with youth. This would apply especially to youth who need follow up services to become successful as well as those who become self-sufficient and no longer need or want services; in-school youth tracked through the educational system; youth who move to another location for employment, and those who join the military or are incarcerated.
- ◆ *State implementation and monitoring:* The Department of Commerce will incorporate this waiver into state policy with distribution to all Local Areas. The policy will be monitored to ensure WIA staff document in the youth's individual services strategy the justification for waiving any follow up services during the 12 month period after exit.

9: Utilizing Dislocated Worker/Rapid Response Funds as Statewide Activity Funds:

An extension of this waiver would provide additional flexibility for the Governor to meet priority demands in the state, such as focusing on demand-driven; business services while strengthening the local areas focus on employer and worker competitiveness through skills upgrade training. The state of Kansas is requesting the Governor have the flexibility to utilize up to 25 percent of funds reserved for rapid response activities for statewide employment and training activities, with the exception of administration. The state will continue to carry out all required rapid response activities and maintain its ability to respond to worker dislocations in collaboration with employers, labor unions, and other stakeholders.

- ◆ *Outcomes derived from this waiver:* The goal of this waiver is to permit the state to use up to 25% of the funds reserved for rapid response activities at WIA Section 133(a)(2), to provide the allowable statewide employment and training activities authorized at WIA Section 134(a)(3)(A), with the exception of administration. This transfer authority will allow for the following programmatic outcomes to be achieved:
 - Increase capacity of the state to respond to business needs by providing training in high demand occupations;
 - Provide greater flexibility in structuring the Kansas workforce development system;
 - Increase collaboration between business and the Local Boards toward addressing industry needs and worker training; and

- More closely align local area workforce development strategies with the Governor's vision for an improved demand and economically driven workforce system.
- ◆ *Individuals affected by this waiver:* The state and Local Areas will be able to target additional resources than previously allocated for statewide activities including but not limited to incumbent worker training.
- ◆ *State implementation and monitoring:* The State will develop and implement a fund transfer process and will monitor the expenditure of these funds in accordance with statewide fund expenditure procedures. This transfer will not negatively impact services available for rapid response activities or dislocated worker services.

10: Minimizing Documentation for Incumbent Worker Training Programs:

An extension of this waiver would allow Kansas to minimize data capture requirements for individuals enrolled in Incumbent Worker training. Current data requirements are a hindrance to usage of these programs. Data gathering will be focused primarily on employer application data, rather than individual trainee eligibility.

Currently, individual demographic data gathering causes undue hardship on the local areas and often leads to reluctance by businesses to become involved in these training programs. This does not align with the Governor's goals of creating jobs and expanding the Kansas economy in the most efficient manner possible. Since the Incumbent Worker Program seeks to upgrade the skills of existing workers employed by businesses operating in Kansas to improve the skills of existing workers employed by businesses operating in Kansas to improve the competitiveness of both the employer and the worker, data capture requirements should be based on the employer application, rather than individual trainee eligibility. This waiver request is to minimize paperwork so more businesses are interested in WIA services.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will achieve the following outcomes:
 - Allow the Kansas workforce development system to respond to employer demand by providing easier application for incumbent worker training;
 - Increase staff resources available to provide business services by eliminating excessive data capture requirements; and
 - Provide better tools for economic developers to respond to the needs of local employers for skills upgrade training.
- ◆ *Individuals affected by this waiver:* WIA customers, as well as the Local Boards will improve linkages with employers and economic development representatives in their areas resulting in increased usage of WIA Incumbent Worker training programs.

- ◆ *State implementation and monitoring:* The Department of Commerce will incorporate this waiver into existing policies on data collection related to Incumbent Workers. This policy will be monitored to ensure it is being properly implemented in the Local Areas.

11: Increasing Wagner-Peyser Funds Set Aside by the Governor:

An extension of this waiver would permit additional flexibility towards increasing the amount of Wagner-Peyser funds reserved for discretionary activities from 10 percent to up to 20 percent of the Wagner-Peyser funds to address discretionary projects aimed at closing critical skills gaps in targeted high growth, high demand industries and are critical to the state/local economy. Allowing the Governor further discretion by setting aside up to 20 percent of Wagner-Peyser funding would provide additional flexibility to target limited workforce resources on special needs critical to the success of the workforce development system.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will permit the following goals and program outcomes to be achieved:
 - Local Boards could apply for Governor's discretionary funding set aside for innovative projects; and
 - The state would have more flexibility utilizing Wagner-Peyser funds to meet the needs of the state's workforce system.
- ◆ *Individuals affected by this waiver:* Utilizing Wagner Peyser funds for additional discretionary projects allows the state to try new and innovative methods to assist its workforce and businesses in becoming a better prepared, skilled, and competitive workforce.
- ◆ *State implementation and monitoring:* As discretionary projects are developed funds will be transferred from available Wagner Peyser 7A funds to the 7B fund stream. The Wagner Peyser Plan will be amended to reflect any new projects and monitoring will be done to determine the effectiveness of new projects.

12: Increase OJT Employer Reimbursement:

The extension of this waiver would permit Kansas to increase employer reimbursement for On-the-Job Training (OJT) up to a 75 percent reimbursement rate for small businesses. Many times, businesses view programs such as OJT as a "government program" with too many regulations and too much paperwork. Some businesses do not feel it is worth the effort to utilize an OJT when hiring only one or two people. This waiver extension could enhance the attractiveness of OJT to small businesses when the benefits of increased reimbursement outweigh the upfront paperwork. This waiver gives the Local Boards flexibility to entice small businesses to train job seekers such as youth and TANF recipients who may have challenging barriers.

- ◆ *Objectives derived from this waiver:* An extension of this waiver would have the following goals and expected program outcomes:

- Allows the Local Boards to continue to improve services to customers who would benefit through an OJT:
 - Improves the capacity of the Local Boards to market demand-driven services and build relationships with businesses;
 - Increases employment opportunities for harder to serve persons, such as youth and TANF customers by allowing small businesses to receive higher reimbursement for this population because they make take longer to train; and
 - Increases opportunities for local economic developers to enhance relationships with small businesses.
- ◆ *Individuals affected by this waiver:* More job seekers would have the opportunity to participate in an OJT with small businesses because the training costs would be reduced for the business.
 - ◆ *State implementation and monitoring:* This waiver will be incorporated in existing State OJT policy and distributed to all Local Areas. The waiver will be monitored to ensure it is implemented properly.

13: Using Capitalization Funds for Small Business Entrepreneurial/Micro Enterprise Training:

An extension of this waiver would permit Kansas to use funds for the capitalization of business up to \$5,000 in concert with entrepreneurial or micro enterprise training.

Currently, WIA funds may only be used for economic development activities with a direct tie to workforce development and human capital solutions, such as identifying skill requirements of a business and developing industry-recognized competency models. WIA funds may not be used for activities such as infrastructure development or business financing. The waiver extension is to allow the state to pursue economic development activities not directly related to training.

The waiver would provide an opportunity to blend workforce development with economic development. In addition, it would provide an environment where entrepreneurs can strengthen local economies by creating jobs and contributing to the tax base, resulting in more opportunities of self-sufficiency for customers of the workforce development system and generating revenue for the economy.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will result in the following goals and program outcomes to be achieved:
 - Allow Local Boards to provide entrepreneurial training to individuals who show the capability to develop their business plans and create jobs in their local communities;
 - Increase state and local accountability for providing better services to individuals; and

- Make additional funding available to Local Boards to provide start-up costs to help capitalize a new small business.
- ◆ *Individuals affected by this waiver:* This waiver would assist WIA customers by providing entrepreneurial training and funding for initial start up costs. The Local Area would benefit by assisting individuals to create jobs in the local economy and the Local Board would benefit by collaborating with economic developers to fund entrepreneurial and micro enterprise training for small businesses in the area.
- ◆ *State implementation and monitoring:* State policy will be developed on the availability of entrepreneurial and micro enterprise training and funding for small business start up costs. The policy would be monitored to ensure its proper implementation.

14: Tracking Entrepreneurial Training Performance at the State Level Only:

An extension of this waiver would allow entrepreneurial training to be provided through state-level grants and local formula dollars with performance traced and aggregated at the state level, but not included in local performance calculations.

While the workforce development system is encouraged to make entrepreneurial training opportunities available for people interested in self-employment, current practice has been for Local Boards to refer individuals interested in starting their own businesses to providers of entrepreneurial training, but not sponsor or fund such training, partly due to the restrictions on positive performance outcomes.

This waiver would allow Local Boards to provide low-income and dislocated individuals with entrepreneurial training, technical support, and access to resources in order to start a new business through micro enterprise training funded by WIA and administered by the Department of commerce; alleviating the impact on Local performance.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver would permit the following goals and program outcomes to be achieved:
 - Assist local areas to meet the training needs of low income individuals and dislocated workers who have the interest and aptitude for starting a new small business.
 - Increase state and local accountability for providing better service to customers;
 - Strengthen collaboration between the Local Board and economic developers; and
 - Strengthen local economies by providing an environment where entrepreneurs would create new jobs and contribute to the tax base with less concern about the performance risk associated with WIA formula funds.
- ◆ *Individuals affected by this waiver:* The targeted population benefiting from this waiver would be low-income individuals and dislocated workers with the interest and aptitude for starting a new small business. There would also be the opportunity for the Local Boards and economic development partners to prove new revenue for the community.

Instead of referring individuals interested in becoming entrepreneurs to another entity, the Local Board would enroll them and not be required to include them in their performance calculations.

- ◆ *State implementation and monitoring:* State policy will be developed that will exclude enrollees of entrepreneurial training from local performance calculations while tracking all such individuals at the state level while including such individuals in the appropriate credential measure.

15: Waiving Subsequent Eligibility Determination for Training Providers:

An extension of this waiver would permit the continued use of Initial Eligibility criteria for certification of WIA training providers in Kansas. Additionally, the state wishes to revert to the initial eligibility requirements for inclusion on the Eligible Training Provider List (ETPL), as provided for by WIA Section 122(b) and 20CFR Section 663.530 related to eligible training provider provisions. Kansas requests authority to waive full implementation of the Subsequent Eligibility Determination process until WIA reauthorization.

Many Kansas training providers, especially the two-year and four-year public colleges have found it difficult or impossible to collect the required data due to the dissimilar reporting requirements of the Department of Education and WIA. This has caused many schools to be disqualified as Eligible Training Providers or to quit participating in the workforce development system.

The state recognizes performance information is critical in meeting the WIA principles of customer choice and program accountability. The reversion back to Initial Eligibility will afford Kansas' job seekers an opportunity to take advantage of the wide array of programs provided by the state's training providers while allowing Kansas the time necessary to thoroughly assess the Eligible Training Provider process and develop an effective and efficient method of data collection and dissemination. The Department of Commerce is confident this request represents best efforts and good intentions to provide true "customer choice" to the citizens of Kansas.

- ◆ *Outcomes derived from this waiver:* This waiver extension will result in the following program outcomes:
 - Alleviate providers' concerns with the types and amount of information required to maintain eligibility;
 - Allow sufficient time to develop an effective and efficient method of collecting data from training providers;
 - Allow sufficient time to develop reasonable criteria for eligibility performance information; and
 - Retain approved Eligible Providers and continue to increase numbers thereby providing quality customer choice for Kansas jobseekers.
- ◆ *Individuals affected by this waiver:* This waiver will positively affect public and private training providers. As indicated, the mandated reporting requirements are so burdensome

and costly that some providers have found it necessary to end their WIA participation. This waiver would avert this problem by allowing the state to retain providers currently participating and allow for the reinstatement of past providers. This waiver will have a system-wide impact either directly or indirectly on all training customers, training providers, and all Local Boards.

- ◆ *State implementation and monitoring:* The Department of Commerce will incorporate this waiver into existing training provider for distribution to Local Areas. The application of this policy will be monitored to ensure it is properly implemented.

Extension of Workforce Investment Act (WIA) Waivers

This request is for a continuation of WIA waivers currently in effect for Kansas. The extensions are based on the Secretary of Labor's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. The extensions are directed at allowing the State of Kansas continued flexibility to respond quickly to labor market challenges as they arise as well as align current programs with new initiatives and reforms enacted through the WIRED grant approved for Kansas and Missouri. We believe these waivers are consistent with and aligned to the Department of Labor's goals and the need for continued flexibility in the utilization of employment and training funds. A summary of the waivers are as follows:

1: Incumbent Worker Training

The Department of Commerce requests WIA Section 134(d)(3)(A) be waived to allow the Local Boards, at their discretion, to spend up to 10% of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs.

WIA Section 134(d)(3)(A) effectively blocks the use of formula funds for incumbent worker training. Continued approval of this waiver will reduce layoffs and closures by assisting companies in saving jobs and becoming more competitive through provision of needed training to current workers.

Kansas recognizes that the regulation preventing the Local Boards from spending up to 10 percent of funds allocated under WIA Section 133(b) to carry out incumbent worker training programs is a barrier to using local funds to meet the needs of businesses and their existing workers. The state wishes to encourage local areas to provide companies the assistance they need to retain jobs and create new ones through incumbent worker training.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will continue to permit Local Boards the option to spend a portion of their WIA formula funding for incumbent worker training. With each succeeding year, competition in the workplace increases and Incumbent worker training provides companies the assistance they need to retain jobs and even to create new jobs.
- ◆ *Individuals affected by this waiver:* An extension of this waiver will positively affect business by reducing the risk of layoff or closing because workers have not kept current with new skills and technology. It further has the potential to expand employment. The training provided to individuals makes the worker more valuable to both the current business and to other businesses as well. This waiver extension increases the role of Local Boards and the role of businesses in the workforce development system. It also increases local flexibility to respond to the business community in keeping with the goals of WIA.
- ◆ *State implementation and monitoring:* The Kansas Department of Commerce has encouraged Local Boards to implement Incumbent Worker training programs utilizing existing waiver authority. The Department developed both implementation policies and

operating procedures for Incumbent worker training programs during the last Program Year. Currently all five Boards have implemented local policies and procedures to implement Incumbent worker training programs and there are a number of programs currently under way with additional ones pending the waiver's extension. The Department anticipates this service will expand in use during Program Year 2007 once information about the services becomes more readily available to businesses.

2: Under expenditure of WIA funds:

The Department of Commerce requests an extension of the WIA expenditure waiver thereby allowing the Governor to implement an expenditure-based deobligation/reallocation policy. The impact at the local level will be to reduce the backlog of unexpended funds, which will reflect in the state's increased overall expenditure level. Since Congress determines the WIA budget based on expenditure levels, decreases in future funding at all levels will result if the Governor fails to ensure adequate levels of funding are expended each year.

This waiver will provide benefits to business and job seeker customers because more jobseekers will be trained and business will have access to a larger labor pool of qualified applicants. Requiring the Local Boards to expend the majority of their formula funds by the end of each year will result in expanded services, particularly in those regions with historically low expenditure rates.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will assist in the continued reduction of unexpended WIA fund balances in each of the State's five local areas. In addition, the authority to transfer unexpended funds will provide increased State flexibility in allocating resources to Areas who are in need of additional funds for services.
- ◆ *Individuals affected by this waiver:* The transfer of unexpended funds to qualifying areas will improve expenditure rates, increase services to business and client customers and provide areas with an established need an avenue by which to access additional WIA formula funding. System wide benefits can be derived through an extension of this waiver.
- ◆ *State implementation and monitoring:* The Department of Commerce has implemented a State policy on the recapture and reallocation of WIA formula funds for the Adult and Dislocated Worker fund streams for Program Year 2006 and beyond. Since this is the first year of this policy the impact and subsequent outcomes of the waiver will be limited without an extension of time by which to measure its effectiveness.

3: Unlimited Transfer of WIA funds between the Adult and Dislocated Worker Programs.

The Department of Commerce requests the continued waiver of WIA Section 133(b)(4) to allow for the transfer of 100% of formula between the adult and dislocated worker programs.

The increased flexibility to transfer funds will result in a higher rate of expenditures, more clients receiving WIA services, and improved performance outcomes. In addition, this Waiver is intended to accomplish the following:

Limitations on the transfer of funds make it difficult for the Local Boards to respond to economic changes within their regions. An extension of this waiver will allow continued flexibility for the Local Boards in meeting the needs of the customers they serve through the One Stop system.

◆ *Outcomes derived from this waiver:*

- Improve the ability of Local Boards to respond to economic changes within their regions;
- Increase local program delivery options in response to customer needs;
- Increase the collaboration with business to identify industry needs and provide worker training; and
- Increase accountability for expenditures at the State, local, and service provider levels.

◆ *Individuals affected by this waiver:* An extension of this waiver would permit Local Boards continued flexibility to transfer funds between the adult and dislocated worker programs resulting in expanded services to business and increased employment and training opportunities, particularly in those regions with low expenditure rates. This would positively impact business and individuals seeking employment and training services.

◆ *State implementation and monitoring:* The Department of Commerce has implemented policies and procedures implementing the provisions of this waiver. Local Boards were made aware of these provisions and instructions were issued on the process to modify budgets to allow for the transfer between the Adult and Dislocated Worker program. Transfers constitute a modification of the Local Plan and Local Boards requesting fund transfers between programs must provide the following information to the Department before approval:

- Effective date of the fund transfer;
- Amount of funds to be transferred;
- Local Board's assessment of local conditions creating a need for the transfer; and
- How the transfer will meet performance targets and critical workforce needs of the region.

4: Eliminating Certain Performance Reporting:

This waiver extension will allow the current reporting of WIA performance outcome measures to be consolidated into a single unified Common Measures quarterly and annual report. These reports will encompass the six Common Measures outcomes as a composite for all programs and individually for WIA fund streams, Wagner-Peyser, VETS and TAA. Accountability for negotiated performance levels at the state and local area levels will remain tied to the individual program and fund stream outcomes.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will accomplish the following goals and programmatic outcomes:
 - Increase integration of services to customers. An excessive number of performance measures compel staff to spend time focusing on program outcomes rather than on the needs of employers and job seekers. Reporting only Common Measures removes this barrier and consequently improves service delivery. An extension of this waiver will allow for the complete integration of performance reporting across all workforce development programs.
 - Increased accountability at the state, local and service provider levels. Because Local Boards are responsible for numerous workforce development programs, co-enrollment of customers in multiple programs is becoming increasingly commonplace. Using integrated performance measures will promote accountability by evaluating Local Boards through consistent and reliable data.
 - Provides greater flexibility to Local Boards in designing and implementing services. An extension of this waiver will allow the Department of Commerce to further promote service delivery designs based on employer needs rather than program requirements by eliminating program-specific measures and applying Common Measures across all programs.
 - Improve services to youth and increase focus on out-of-school youth. Youth Common Measures have been implemented along with existing Youth Measures. This results in 10 youth outcome measures that are excessive in number, cumbersome to monitor and conflicting in purpose. Common Measures encourage states to focus more effort on out-of-school youth and waiving the seven statutory WIA Youth measures will make it easier for Kansas to transition to this new focus.

- ◆ *Individuals affected by this waiver:* An extension of this waiver will allow local areas to better focus on the needs of employers, find job seekers to match those needs and maximize integrated services to achieve the best outcomes. Common Measures will increase the focus on employment for adult participants, and education and skill attainment for youth participants. Continued focus on Youth Common Measures will remove a significant barrier to aligning Kansas WIA Youth programs with the USDOL vision of serving primarily out-of-school youth, as well as fostering long-term connections between youth and the workforce system. The hardest-to-serve youth groups, such as MSFW youth and the current and former foster care youth, will derive the most benefit from long-term connection to the workforce.

- ◆ *State Implementation and Monitoring:* Pursuant to the Department of Commerce's initial waiver request, system rules and policies have been amended to comply with this waiver. The Department continues to analyze performance reports and compares actual performance with targets. Information on the new reporting system and waiver has been shared with the Local Boards through training and technical assistance and the distribution of state policy. Commerce will monitor progress under this waiver by reviewing monthly performance reports, through regularly scheduled conference calls

with the Local Board executive directors, and through its monitoring and performance accountability system.

5: Providing Individual Training Accounts for Older Youth:

An extension of this waiver will allow Older and Out of School Youth to enroll in approved Individual Training Account (ITA) programs from the Eligible Training Provider List while retaining their “youth” classification. The Department of Commerce also requests continued authority to use ITAs for youth without co-enrollment under the adult program therefore eliminating the need to track separate funding streams.

By allowing youth to have more access to ITAs, Kansas can connect these youth with quality job opportunities in high-growth industries. This concept is also a part of the regulatory reforms addressed in the Workforce Innovation in Regional Economic development (WIRED) initiative in the Kansas City region.

- ◆ *Outcomes derived from this waiver:* This waiver extension will allow for the following goals and program outcomes:
 - Local Boards would be allowed to charge training costs as out-of-school youth expenditures, eliminating the need to track separately across funding streams.
 - Local Boards would be able to provide youth the same opportunity as adults to make informed decisions about their future employment and career goals.
 - Older and out-of-school youth who want to train for an occupation can pursue their occupational goals without the additional burden of meeting adult or dislocated worker eligibility documentation.
 - The local workforce development system could move more quickly to meet the needs of youth who could benefit from an ITA.
 - Local Boards would have the flexibility to deliver services based on individual needs of youth participants as intended by WIA.
 - Eliminate co-enrollment of youth in the adult program to avoid unnecessary and duplicative paperwork for the Local Board.

- ◆ *Individuals affected by this waiver:* Older and out-of-school youth who want to train for an occupation can pursue their occupational goals without the additional burden of having to meet adult or dislocated worker eligibility requirements. Local Boards would have less paperwork and tracking processes to follow if this waiver is granted.

- ◆ *State implementation and monitoring:* Existing State Policy and Procedures will be amended to implement this waiver. The Department will monitor the Local Areas to ensure funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

6: Identifying Eligible providers of Youth Activities through a Competitive Process

This waiver extension would allow for the continued establishment of Eligible Youth Providers in rural locations through both a competitive and non competitive process depending on the availability of provider services. In some rural areas of the state, there are not enough service providers to make a selection on a competitive basis, particularly if the service provider cannot accommodate all ten program elements required for youth. The goals of this waiver extension are as follows:

6. Improving youth services by increasing customer choice in accessing training opportunities in demand occupations;
 7. Increasing the number of training providers;
 8. Providing greater flexibility in securing training providers;
 9. Promoting better use of training providers in rural areas; or
 10. Eliminating duplicate processes for training providers.
- ◆ *Outcomes derived from this waiver:* An extension of this waiver will provide for the following goals to be met:
 1. Improve youth services by increasing customer choice in accessing training opportunities in demand occupations;
 2. Increase the number of training providers;
 3. Provide greater flexibility in securing training providers;
 4. Promote better use of training providers in rural areas; and eliminate duplicate processes for training providers.
 - ◆ *Individuals Affected by this waiver:* Youth participants, youth service providers, and the Local Boards benefit from this waiver as described in the section above.
 - ◆ *State implementation and monitoring:* This waiver will be incorporated into State policy distributed to all local areas. The policy will be monitored to ensure it is implemented properly.

7: Increase Flexibility in the Provision of the Ten Youth Program Elements:

The extension of this waiver would permit more flexibility to the Local Boards in providing the ten program elements to youth. WIA requires local areas include each of the ten program elements in WIA Section 129(c)(2) as options available to youth participants. In some areas of the state, all ten elements are not always available and are not an option for youth participants. Kansas is requesting the flexibility to allow the Local Boards the option of providing as many program elements as are feasible for their youth population. In this way, staff could focus on services most in demand for youth in the local areas.

The goal of this extension is to follow the USDOL strategic vision recommending youth programs focus on serving the neediest youth with priority given to out-of-school youth, high school dropouts, runaway and homeless youth, youth in foster care, court involved youth, children of incarcerated parents, and

migrant seasonal farm worker youth. Program services would be designed to meet the needs of youth participants and business employers. This waiver would allow the transformation of exemplary program design concepts into action with limited resources and as few hurdles as possible. This concept is part of the regulatory reform addressed in the Regional WIRED initiative.

- ◆ *Outcomes derived from this waiver:* The goal of this waiver is to provide Local Areas increased flexibility in serving youth participants without losing the concept that, in most cases, the ten program elements are important to the youth participant's success. An extension of this waiver will permit Local Boards increased flexibility in this process when a Local Area has demonstrated a unique need such as not enough funding to cover work experience or rural areas where internships and occupational skill training opportunities are limited. This allows for more flexibility to design youth program services and maximizes resources as well as allows WIA representatives more flexibility to develop a customized youth employment plan.
- ◆ *Individuals affected by this waiver:* The state recognizes all ten program elements can be crucial to a youth's success. However, there are some instances when it may not be feasible for a particular youth to participate in one or more elements. With the extension of this waiver, local WIA representatives would have flexibility to customize a youth's employment plan to align more closely with their occupational goals.
- ◆ *State implementation and monitoring:* The Department of Commerce will incorporate this waiver into state policy for distribution to all local areas. Monitoring would ensure documentation of the reasons for a youth participant not receiving all ten program elements. This information should also be reflected in the youth's individual service strategy.

8: Eliminating Twelve-Month Follow-Up for Youth Participants:

This waiver extension would eliminate the requirement for all youth participants to receive follow up services for a minimum duration of 12 months. The goal of this waiver is to provide the Local Boards greater flexibility for utilizing staff resources after youth have exited the program. The Local Areas need the flexibility to concentrate on youth who really need follow up services. The local areas should be relieved of this mandate when the youth no longer wants services or is not available because of conditions such as moving from the area.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will allow the following outcomes to be met:
 - Maximize local area resources available under limited youth funding;
 - Allow Local Board flexibility to determine which youth should receive follow-up services and for how long; and
 - Allow Local Boards to choose which youth should not receive follow-up services.
- ◆ *Individuals affected by this waiver:* Local Boards would have the flexibility to manage staff resources more effectively when working with youth. This would apply especially

to youth who need follow up services to become successful as well as those who become self-sufficient and no longer need or want services; in-school youth tracked through the educational system; youth who move to another location for employment, and those who join the military or are incarcerated.

- ◆ *State implementation and monitoring:* The Department of Commerce will incorporate this waiver into state policy with distribution to all Local Areas. The policy will be monitored to ensure WIA staff document in the youth's individual services strategy the justification for waiving any follow up services during the 12 month period after exit.

9: Utilizing Dislocated Worker/Rapid Response Funds as Statewide Activity Funds:

An extension of this waiver would provide additional flexibility for the Governor to meet priority demands in the state, such as focusing on demand-driven; business services while strengthening the local areas focus on employer and worker competitiveness through skills upgrade training. The state of Kansas is requesting the Governor have the flexibility to utilize up to 25 percent of funds reserved for rapid response activities for statewide employment and training activities, with the exception of administration. The state will continue to carry out all required rapid response activities and maintain its ability to respond to worker dislocations in collaboration with employers, labor unions, and other stakeholders.

- ◆ *Outcomes derived from this waiver:* The goal of this waiver is to permit the state to use up to 25% of the funds reserved for rapid response activities at WIA Section 133(a)(2), to provide the allowable statewide employment and training activities authorized at WIA Section 134(a)(3)(A), with the exception of administration. This transfer authority will allow for the following programmatic outcomes to be achieved:
 - Increase capacity of the state to respond to business needs by providing training in high demand occupations;
 - Provide greater flexibility in structuring the Kansas workforce development system;
 - Increase collaboration between business and the Local Boards toward addressing industry needs and worker training; and
 - More closely align local area workforce development strategies with the Governor's vision for an improved demand and economically driven workforce system.
- ◆ *Individuals affected by this waiver:* The state and Local Areas will be able to target additional resources than previously allocated for statewide activities including but not limited to incumbent worker training.
- ◆ *State implementation and monitoring:* The State will develop and implement a fund transfer process and will monitor the expenditure of these funds in accordance with statewide fund expenditure procedures. This transfer will not negatively impact services available for rapid response activities or dislocated worker services.

10: Minimizing Documentation for Incumbent Worker Training Programs:

An extension of this waiver would allow Kansas to minimize data capture requirements for individuals enrolled in Incumbent Worker training. Current data requirements are a hindrance to usage of these programs. Data gathering will be focused primarily on employer application data, rather than individual trainee eligibility.

Currently, individual demographic data gathering causes undue hardship on the local areas and often leads to reluctance by businesses to become involved in these training programs. This does not align with the Governor's goals of creating jobs and expanding the Kansas economy in the most efficient manner possible. Since the Incumbent Worker Program seeks to upgrade the skills of existing workers employed by businesses operating in Kansas to improve the skills of existing workers employed by businesses operating in Kansas to improve the competitiveness of both the employer and the worker, data capture requirements should be based on the employer application, rather than individual trainee eligibility. This waiver request is to minimize paperwork so more businesses are interested in WIA services.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will achieve the following outcomes:
 - Allow the Kansas workforce development system to respond to employer demand by providing easier application for incumbent worker training;
 - Increase staff resources available to provide business services by eliminating excessive data capture requirements; and
 - Provide better tools for economic developers to respond to the needs of local employers for skills upgrade training.
- ◆ *Individuals affected by this waiver:* WIA customers, as well as the Local Boards will improve linkages with employers and economic development representatives in their areas resulting in increased usage of WIA Incumbent Worker training programs.
- ◆ *State implementation and monitoring:* The Department of Commerce will incorporate this waiver into existing policies on data collection related to Incumbent Workers. This policy will be monitored to ensure it is being properly implemented in the Local Areas.

11: Increasing Wagner-Peyser Funds Set Aside by the Governor:

An extension of this waiver would permit additional flexibility towards increasing the amount of Wagner-Peyser funds reserved for discretionary activities from 10 percent to up to 20 percent of the Wagner-Peyser funds to address discretionary projects aimed at closing critical skills gaps in targeted high growth, high demand industries and are critical to the state/local economy. Allowing the Governor further discretion by setting aside up to 20 percent of Wagner-Peyser funding would provide additional flexibility to target limited workforce resources on special needs critical to the success of the workforce development system.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will permit the following goals and program outcomes to be achieved:
 - Local Boards could apply for Governor’s discretionary funding set aside for innovative projects; and
 - The state would have more flexibility utilizing Wagner-Peyser funds to meet the needs of the state’s workforce system.
- ◆ *Individuals affected by this waiver:* Utilizing Wagner Peyser funds for additional discretionary projects allows the state to try new and innovative methods to assist its workforce and businesses in becoming a better prepared, skilled, and competitive workforce.
- ◆ *State implementation and monitoring:* As discretionary projects are developed funds will be transferred from available Wagner Peyser 7A funds to the 7B fund stream. The Wagner Peyser Plan will be amended to reflect any new projects and monitoring will be done to determine the effectiveness of new projects.

12: Increase OJT Employer Reimbursement:

The extension of this waiver would permit Kansas to increase employer reimbursement for On-the-Job Training (OJT) up to a 75 percent reimbursement rate for small businesses. Many times, businesses view programs such as OJT as a “government program” with too many regulations and too much paperwork. Some businesses do not feel it is worth the effort to utilize an OJT when hiring only one or two people. This waiver extension could enhance the attractiveness of OJT to small businesses when the benefits of increased reimbursement outweigh the upfront paperwork. This waiver gives the Local Boards flexibility to entice small businesses to train job seekers such as youth and TANF recipients who may have challenging barriers.

- ◆ *Objectives derived from this waiver:* An extension of this waiver would have the following goals and expected program outcomes:
 - Allows the Local Boards to continue to improve services to customers who would benefit through an OJT:
 - Improves the capacity of the Local Boards to market demand-driven services and build relationships with businesses;
 - Increases employment opportunities for harder to serve persons, such as youth and TANF customers by allowing small businesses to receive higher reimbursement for this population because they make take longer to train; and
 - Increases opportunities for local economic developers to enhance relationships with small businesses.

- ◆ *Individuals affected by this waiver:* More job seekers would have the opportunity to participate in an OJT with small businesses because the training costs would be reduced for the business.
- ◆ *State implementation and monitoring:* This waiver will be incorporated in existing State OJT policy and distributed to all Local Areas. The waiver will be monitored to ensure it is implemented properly.

13: Using Capitalization Funds for Small Business Entrepreneurial/Micro Enterprise Training:

An extension of this waiver would permit Kansas to use funds for the capitalization of business up to \$5,000 in concert with entrepreneurial or micro enterprise training.

Currently, WIA funds may only be used for economic development activities with a direct tie to workforce development and human capital solutions, such as identifying skill requirements of a business and developing industry-recognized competency models. WIA funds may not be used for activities such as infrastructure development or business financing. The waiver extension is to allow the state to pursue economic development activities not directly related to training.

The waiver would provide an opportunity to blend workforce development with economic development. In addition, it would provide an environment where entrepreneurs can strengthen local economies by creating jobs and contributing to the tax base, resulting in more opportunities of self-sufficiency for customers of the workforce development system and generating revenue for the economy.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver will result in the following goals and program outcomes to be achieved:
 - Allow Local Boards to provide entrepreneurial training to individuals who show the capability to develop their business plans and create jobs in their local communities;
 - Increase state and local accountability for providing better services to individuals; and
 - Make additional funding available to Local Boards to provide start-up costs to help capitalize a new small business.
- ◆ *Individuals affected by this waiver:* This waiver would assist WIA customers by providing entrepreneurial training and funding for initial start up costs. The Local Area would benefit by assisting individuals to create jobs in the local economy and the Local Board would benefit by collaborating with economic developers to fund entrepreneurial and micro enterprise training for small businesses in the area.
- ◆ *State implementation and monitoring:* State policy will be developed on the availability of entrepreneurial and micro enterprise training and funding for small business start up costs. The policy would be monitored to ensure its proper implementation.

14: Tracking Entrepreneurial Training Performance at the State Level Only:

An extension of this waiver would allow entrepreneurial training to be provided through state-level grants and local formula dollars with performance traced and aggregated at the state level, but not included in local performance calculations.

While the workforce development system is encouraged to make entrepreneurial training opportunities available for people interested in self-employment, current practice has been for Local Boards to refer individuals interested in starting their own businesses to providers of entrepreneurial training, but not sponsor or fund such training, partly due to the restrictions on positive performance outcomes.

This waiver would allow Local Boards to provide low-income and dislocated individuals with entrepreneurial training, technical support, and access to resources in order to start a new business through micro enterprise training funded by WIA and administered by the Department of commerce; alleviating the impact on Local performance.

- ◆ *Outcomes derived from this waiver:* An extension of this waiver would permit the following goals and program outcomes to be achieved:
 - Assist local areas to meet the training needs of low income individuals and dislocated workers who have the interest and aptitude for starting a new small business.
 - Increase state and local accountability for providing better service to customers;
 - Strengthen collaboration between the Local Board and economic developers; and
 - Strengthen local economies by providing an environment where entrepreneurs would create new jobs and contribute to the tax base with less concern about the performance risk associated with WIA formula funds.

- ◆ *Individuals affected by this waiver:* The targeted population benefiting from this waiver would be low-income individuals and dislocated workers with the interest and aptitude for starting a new small business. There would also be the opportunity for the Local Boards and economic development partners to prove new revenue for the community. Instead of referring individuals interested in becoming entrepreneurs to another entity, the Local Board would enroll them and not be required to include them in their performance calculations.

- ◆ *State implementation and monitoring:* State policy will be developed that will exclude enrollees of entrepreneurial training from local performance calculations while tracking all such individuals at the state level while including such individuals in the appropriate credential measure.

15: Waiving Subsequent Eligibility Determination for Training Providers:

An extension of this waiver would permit the continued use of Initial Eligibility criteria for certification of WIA training providers in Kansas. Additionally, the state wishes to revert to the initial eligibility requirements for inclusion on the Eligible Training Provider List (ETPL), as provided for by WIA Section 122(b) and 20CFR Section 663.530 related to eligible training provider provisions. Kansas

requests authority to waive full implementation of the Subsequent Eligibility Determination process until WIA reauthorization.

Many Kansas training providers, especially the two-year and four-year public colleges have found it difficult or impossible to collect the required data due to the dissimilar reporting requirements of the Department of Education and WIA. This has caused many schools to be disqualified as Eligible Training Providers or to quit participating in the workforce development system.

The state recognizes performance information is critical in meeting the WIA principles of customer choice and program accountability. The reversion back to Initial Eligibility will afford Kansas' job seekers an opportunity to take advantage of the wide array of programs provided by the state's training providers while allowing Kansas the time necessary to thoroughly assess the Eligible Training Provider process and develop an effective and efficient method of data collection and dissemination. The Department of Commerce is confident this request represents best efforts and good intentions to provide true "customer choice" to the citizens of Kansas.

- ◆ *Outcomes derived from this waiver:* This waiver extension will result in the following program outcomes:
 - Alleviate providers' concerns with the types and amount of information required to maintain eligibility;
 - Allow sufficient time to develop an effective and efficient method of collecting data from training providers;
 - Allow sufficient time to develop reasonable criteria for eligibility performance information; and
 - Retain approved Eligible Providers and continue to increase numbers thereby providing quality customer choice for Kansas jobseekers.
- ◆ *Individuals affected by this waiver:* This waiver will positively affect public and private training providers. As indicated, the mandated reporting requirements are so burdensome and costly that some providers have found it necessary to end their WIA participation. This waiver would avert this problem by allowing the state to retain providers currently participating and allow for the reinstatement of past providers. This waiver will have a system-wide impact either directly or indirectly on all training customers, training providers, and all Local Boards.
- ◆ *State implementation and monitoring:* The Department of Commerce will incorporate this waiver into existing training provider for distribution to Local Areas. The application of this policy will be monitored to ensure it is properly implemented.

Plan Modification #1
Comments Received During Public Review Period
Comments received have been quoted verbatim without correction.

Comments from Ernie Lehman, Area I Local Board Chair

Recently I was invited to comment on a variety of waivers that KDOC intends to request from the United States Department of Labor. I discussed these waiver requests with our staff. Also, as you know, we talked about certain of these requests at our June 16 LWIB meeting. (Thank you for attending.) While we understand your comments that these waiver requests are identical to those from Missouri and are needed to support the Kansas City area WIRED initiative, I do have a few concerns. In the interests of brevity, this letter will deal only with those concerns. In all other respects I support the waiver requests.

Waiver #7 – Providing Flexibility in Ten Youth Program Elements

Local Area I believes all ten program elements should be required to be provided because we don't want to limit the services that our youth receive. Many of our youth remain in our programs for a long time, requiring the use of multiple services to ensure they remain active and engaged. In addition, youth possess multiple and often times severe educational and/or employment barriers which require the use of many different services to address those barriers fully. I wouldn't want this policy to negatively impact our youth.

Waiver #8 – Eliminating Twelve month Follow-Up for Youth Participants

I do not support this request. Youth require the follow-up to ensure long-term success and positive reinforcement. The amount of time involved is minimal compared to the positive impact follow-up can have on the long-term and sustained success of our youth. Follow-up also increases positive performance outcomes.

Waiver #9 – Utilizing Dislocated Worker/Rapid Response funds as Statewide Activity Funds

I would question how this will impact the delivery of Rapid Response in the local areas. These activities are triggered by developments in each of the local areas, not statewide developments. I am unsure of the purpose KDOC has for these funds.

Waiver #10 – Minimizing documentation for Incumbent Worker Training

I believe the State and local areas could work together to streamline policies and processes without requesting this waiver. I don't know what is left when the request is "to minimize data capture requirements". Of course I support the desire to make it easier for employers to participate in this training.

Waiver #11 – Increasing Wagner-Peyser Funds for Set Aside by Governor

This waiver request causes me the greatest concern. How would the 20% decrease in funding for field operations affect the local workforce centers? Would offices be closed, lay-offs occur or

positions not be filled? Could this impede the difficult process of establishing Comprehensive One-Stops in Salina and other larger communities in Area I?

Local areas are having a difficult time spending the formula funds so wouldn't it make more sense to have these types of projects administered through the LWIBs and formula funds utilized first?

Finally, I would question the need for additional training as the first priority. In our discussions with employers across our area their main concern is not the availability of training opportunities, it is the lack of a readily available workforce. Raytheon Aircraft will experience a major turnover in their workforce due to retirements in the next two to five years. They are struggling now to fill 25 positions. The Oil and Gas Industry across Local Area I is experiencing a shortage of 800 employees. In one meat packing plant in Western Kansas they are 300 people from capacity because they cannot find workers. The transportation industry has 200+ openings across Kansas. And finally the wKREDA group collectively represents 250 positions that remain unfilled. I would like to see any additional dollars at the State level utilized to launch a major recruiting effort for employees to move to Kansas. If we create training but can't fill the seats we have not positively impacted our employers.

In sum, there are needs and requirements in Local Area I that may deviate from those that are perceived to exist in the Kansas City Area. We would hope that any waiver request supporting the WIRED initiative would not divert funds or reduce the effectiveness of services for clients of Area I service providers.

Action Taken:

- Changed Plan Modification to reflect agreement with comment.
- Recommended the issue be referred to other entity and/or addressed through other policy and procedure.
- Chose to not modify Plan Modification or recommend further action at this time.

Comments from Kris Kitchen, Heartland Works, Inc.

Waiver #4 - Can Incumbent Workers not be included in performance?

Waiver #5 - Why is this only for Older and Out-of-School youth? Why can't youth ages 14 to 18 receive this benefit?

Waiver #6 - Why are you referencing the WIRED grant - I don't see the connection? You start out stating how hard it is in rural communities...then you reference the WIRED grant and the Kansas City region (urban). What is the connect?

Waiver #8 - Yea!

Waiver #9 - Can the 25% reserved only be used for incumbent worker training? Will this be a competitive proposal process? It should be.

Waiver #10 - What data elements will be required from the employer?

Waiver #12 - No Way! This is welfare for employers. This is NOT a demand driven response. It appears like an idea to spend more money not provide better service.

Waiver #13 - Sure if the State is going to run this. Where's the performance? The example used for "Individuals Affected" on Waiver #13 page 24 is weak.

Waiver #14 - The possibility of fly-by-night, sub-standard entrepreneurship "training" is high. We think this is a unique opportunity for Commerce to own and deliver training like Georgia. Commerce should create a standard curriculum using an advisory board of Economic Development, Chamber of Commerce, community and technical schools reps. Commerce should own this curriculum and provide it under the oversight of the Local Boards.

Waiver #15 - Training providers should be held accountable. If there is no formal Federal/State requirement for trainers to provide performance data, obtaining performance to efficiently use funds will be difficult for locals.

In closing, seems like many of these waivers cite the WIRED grant as a rationale. What happens when the WIRED grant goes away? These are dictating policy changes which affect the entire State.

Action Taken:

- Changed Plan Modification to reflect agreement with comment.
- Recommended the issue be referred to other entity and/or addressed through other policy and procedure.
- Chose to not modify Plan Modification or recommend further action at this time.

Comments from Jackie Vietti, Butler County Community College

The twelve waivers for which the Kansas Department of Commerce is seeking approval from the US Department of Labor will allow the state and local workforce boards much needed flexibility in providing business-driven workforce solutions and responding quickly to labor market challenges. Butler Community College especially wants to convey its support for Kansas Waiver Plan #15, Waiving Subsequent Eligibility Determination for Training Providers.

Butler Community College has been an approved WIA training provider for several years. The type and amount of information required for subsequent eligibility has presented numerous challenges and has impinged on our ability to meet the needs of those seeking our workforce development courses and programs. The College has been able to provide the data required to keep many of our programs on the approved training provider list. Other programs have fallen from eligibility either because the required data was not available, or the program failed to meet the state performance level for completion. Yet, the latter programs directly met the unique needs of particular students. People attend community colleges for many reasons. However, under the current process, those who do not intend to earn a certificate or degree adversely affect our completion rates, in spite of the fact that they are developing or upgrading their workforce skills.

Based upon our college's strategic vision of engaging students and other stakeholders in exceptional programs and services that directly meet their needs, we fully support the requested waivers so that we can better address the workforce development needs of our region. Given our commitment to assessing our effectiveness in terms of learning outcomes and continuous improvement through the Higher Learning Commission's Academic Quality Improvement Program, we believe that the waivers will ensure that customers have a choice of training providers, as they should. Further, the waivers will result in an effective process for determining subsequent eligibility.

So, again we offer our unqualified endorsement of the proposed waivers, as the best means to meet the current and future workforce development needs of our region.

Action Taken:

- Changed Plan Modification to reflect agreement with comment.
- Recommended the issue be referred to other entity and/or addressed through other policy and procedure.
- Chose to not modify Plan Modification or recommend further action at this time.