



KENTUCKY STATE PLAN MODIFICATION

**WORKFORCE INVESTMENT ACT
AND
WAGNER-PEYSER**

July 1, 2009 - June 30, 2010



Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Table of Contents

Section I – Context, Vision, and Strategy	
• Economic and Labor Market Context	2-20
• State Vision & Priorities	21-26
• Overarching State Strategies	26-28
• Service Delivery Strategies, Support for Training	28-31
Section II – Service Delivery	
• State Governance and Collaboration	31-36
• Re-employment Services and Wagner-Peyser Act Services	36-39
• Adult and Dislocated Worker Services	39-44
• Youth Services	44-46
• Veterans’ Priority of Service	46-47
• Service Delivery to Targeted Population	47-50
Section III – Operations	
• Transparency and Public Comment	50
• Increasing Services for Universal Access	50-51
• Local Planning Process	51-52
• Procurement	52-54
• Technical Assistance	54-56
• Monitoring and Oversight	56-57
• Accountability and Performance	57-60
Attachments	
• Performance	61
• Waiver Requests	
1. Transfer Authority	62-63
2. 10 Percent Dislocated Worker to Serve Incumbent Workers	64-65
3. 20 Percent Rapid Response to Serve Incumbent Workers	66-67
4. Sliding Scale Employer Match for OJT Training	68-69
5. Sliding Scale Employer Match for Customized Training	70-71
6. Participant Data for Incumbent Worker Training	72-73
7. Pre-Approved Waivers through Extension Letter (3)	74
8. Summer Youth Waivers (2)	75

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Section I. Context, Vision, and Strategy

Economic and Labor Market Context

Question IV in PY 2009 Stand-Alone Planning Guidance: Provide a detailed analysis of the state's economy, the labor pool, and the labor market context. (§112(b)(4).)

A. Provide a detailed analysis of the state's economy, the labor pool, and the labor market context.

Kentucky Unemployment Data

Kentucky's economy suffered a net loss of 12,900 jobs in 2008, which equates to a 0.6% rate of decline. The employment decrease in 2008 marks the first year of job losses since 2003, and the largest rate of decline since 2002. These employment decreases correspond with the jobless recovery following the economic downturn in 2001, the last time Kentucky's economy endured a recession.

In December 2008, Kentucky's economy suffered a net loss of 48,100 non-farm jobs compared to December 2007, which equates to a 2.6% annual rate of decline. This 2.6% rate of decline exceeds the maximum yearly non-farm job losses encountered during the 2001 recession. Rather than abating, the current recession is intensifying. In February 2009, year-over-year non-farm employment losses equaled 68,600 or 3.7%, indicating the current recession will be more prolonged and severe than the 2001 recession. The rate of decline in February 2009 is the most on record dating back to 1990. It represents the third time in the past three months that year-over-year non-farm job losses have set a record high. Since the start of the recession, in December 2007, total non-farm employment in Kentucky has plummeted by 72,900 positions.

During 2008, Kentucky's unemployment rate stood at 6.4%, the 11th highest unemployment rate in the nation, tied with Oregon and Tennessee. Kentucky's unemployment rate registered 0.6 percent above the US unemployment rate of 5.8% for 2008. This marks the sixth consecutive year Kentucky's unemployment rate has exceeded the national rate.

Table 1. Net Change in Employment

<u>Year</u>	<u>Total Jobs</u>	<u>Net Change from Previous Year</u>
2000	1,985,300	29,200
2001	1,964,700	-20,600
2002	1,949,500	-15,200
2003	1,943,700	-5,800
2004	1,959,300	15,600
2005	1,985,200	25,900
2006	2,016,300	31,100
2007	2,039,400	23,100
2008	2,026,500	-12,900

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

With Kentucky's high unemployment rates, business closings, and more pronounced job losses, Kentucky is facing a broad-based economic decline.

Kentucky Job Loss Statistics

The table below displays individual industry-sector employment changes from 2007 to 2008 in Kentucky. The overall net loss in 2008 was concentrated in good-producing industries. Goods-producing industries encompass Natural Resources and Mining, Construction, and Manufacturing. These industries suffered a net loss of 10,200 jobs, while service-providing industries endured a decline of 2,400 professionals. Service-providing industries include Trade, Transportation, and Utilities; Information; Financial Activities; Professional and Business Services; Educational and Health Services; Leisure and Hospitality; Other Services; and Government. With the state of the national automotive economy, Kentucky continues to experience significant dislocation in automotive plant closings. The manufacturing industry represents the hardest hit sector, with 10,700 employment losses between 2007 and 2008.

Table 2. Net Job Loss/Gain by Industry

<u>Industry</u>	<u>2007</u>	<u>2008</u>	<u>Change</u>
Trade, Transportation, and Utilities	386,100	381,800	-4,300
Government and Public Education	323,300	322,500	-800
Manufacturing	255,700	245,000	-10,700
Educational and Health Services	240,900	244,500	3,600
Professional and Business Services	184,200	183,000	-1,200
Leisure and Hospitality	172,300	172,700	400
Self-Employed/Unpaid Family	135,500	134,600	-900
Financial Activities	91,200	92,100	900
Construction	85,300	84,100	-1,200
Other Services	75,600	74,800	-800
Agriculture	37,200	37,700	500
Information	30,000	29,900	-100
Natural Resources and Mining	22,100	23,800	1,700
Total	<u>2,039,400</u>	<u>2,026,500</u>	<u>-12,900</u>

Today's tight job market is unprecedented. According to the Conference Board's March 2009 online job demand report, Kentucky has the third highest Supply/Demand rate at 6.66, indicating there are almost seven unemployed people for every advertised vacancy. The widening gap between labor supply and labor demand resulted from a combination of lower employer demand and higher unemployment. From February 2008 to February 2009, there was an increase of 35,768 continuing claims for unemployment insurance, which equates to 102.7%. The more than doubling of continuing claims from 34,816 in February 2008 to 70,584 in February 2009 suggests that individuals are having an extremely difficult time finding a job that matches their skills. As a result, laid-off workers are remaining on the unemployment rolls longer. The increase in the number of people facing long-term unemployment (27 weeks or more) provides additional evidence of the struggles people are encountering in their search for employment. The 12-month average of long-term unemployed Kentuckians increased from 15,800 for March 2007 – February 2008 to 29,500 for March 2008 – February 2009, a rise of 86.9%.

**Kentucky State Plan Modification
July 1, 2009 – June 30, 2010**

Job loss affects all of the Kentucky workers, but the last hired are frequently the first to be let go. In many local areas, businesses are laying off or closing, putting many adults back into the job market. In addition, dwindling retirement funds, a plummeting stock market, and declining home values are causing individuals to delay retirement or return to the workforce. However, due to the weak economy, employment opportunities are not readily available. Hardest hit will be the youth, who are often lower skilled, less experienced, and have less transferable skills than adults.

The PY 2008 Rapid Response plant closings surpassed the PY 2007 Rapid Response plant closings.

Table 3. Rapid Response Plant Closings/Layoffs

Calendar Year	Number of Employers Affected	Number of Employees Affected
2007	23	2,851
2008	125	8,529

In 2008, the number of employees affected by plant closings and layoffs increased by 5,678 from 2007 or by 199%. In other words, the count of unemployed workers almost tripled. The surge among the number of employers was even more stark, rising 543% from 2007 to 2008. Thus, the number of employers encountering plant closings and layoffs mushroomed more than five-fold.

Kentucky Industry Composition

In 2008, there were 1,854,000 non-farm wage and salary jobs and 37,700 agricultural workers in Kentucky during an average month for a total of 1,891,700. The service-providing industries in Kentucky consisted of 1,501,200 positions, or 81 percent of the total non-farm jobs. The goods-producing industries comprised 352,900, or the remaining 19 percent of total non-farm employment. Over the past five years, the Kentucky economy has added 85,300 service-providing professionals, but lost 14,600 goods-producing positions. The following chart depicts the number of jobs in each industry along with the corresponding percentage of total employment.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Chart 1. Kentucky Employment by Industry

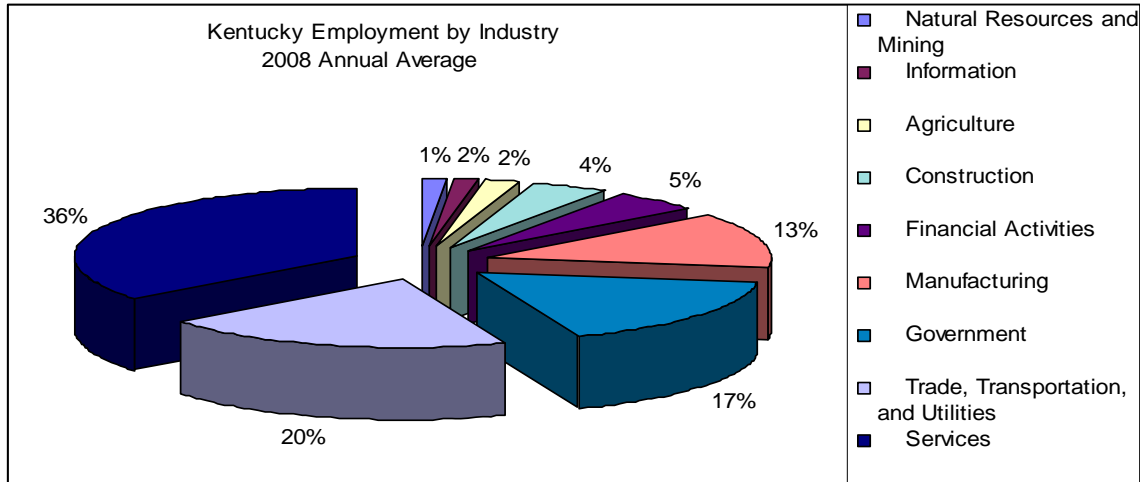


Table 4. Kentucky Employment by Industry

2008 Annual Average Sorted by NAICS Supersector Codes	Number of Jobs	Percent of Total
Total Wage and Salary Employment <i>(Number does not include self employed included in Table 2.)</i>	1,891,700	100.00%
Natural Resources and Mining	23,800	1.26%
Coal Mining	16,700	0.88%
Construction	84,100	4.45%
Construction of Buildings	18,200	0.96%
Heavy and Civil Engineering Construction	13,900	0.73%
Specialty Trade Contractors	52,000	2.75%
Manufacturing	245,000	12.95%
Durable Goods	154,100	8.15%
Wood Product Manufacturing	11,800	0.62%
Machinery/Appliances/Equip/Parts Manufacturing	30,800	1.63%
Primary Metal Manufacturing	13,500	0.71%
Fabricated Metal Product Manufacturing	21,200	1.12%
Computer and Electronic Product Manu.	7,300	0.39%
Transportation Equipment Manufacturing	49,900	2.64%
Motor Vehicle Manufacturing	12,400	0.66%
Motor Vehicle Parts Manufacturing	30,800	1.63%
Non-Durable Goods	90,900	4.81%

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Food Manufacturing	24,400	1.29%
Apparel Manufacturing	3,200	0.17%
Paper Mfg., Printing and Related Support Activities	22,800	1.21%
Petroleum/Plastics/Rubber Manufacturing	18,100	0.96%
Chemical Manufacturing	13,700	0.72%
Total Service-Providing	1,501,200	79.36%
Trade, Transportation, and Utilities	381,800	20.18%
Wholesale Trade	76,400	4.04%
Merchant Wholesalers, Durable Goods	37,900	2.00%
Merchant Wholesalers, Non-Durable Goods	30,500	1.61%
Electronic Markets and Agents and Brokers	8,000	0.42%
Retail Trade	211,400	11.18%
Motor Vehicle and Parts Dealers	24,400	1.29%
Food and Beverage Stores	35,000	1.85%
Health and Personal Care Stores	15,400	0.81%
Gasoline Stations	18,600	0.98%
General Merchandise Stores	52,000	2.75%
Miscellaneous Store Retailers	11,900	0.63%
Transportation, Warehousing, and Utilities	94,000	4.97%
Utilities	6,600	0.35%
Transportation and Warehousing	87,400	4.62%
Truck Transportation	23,300	1.23%
Couriers and Messengers	22,200	1.17%
Warehousing and Storage	18,400	0.97%
Information	29,900	1.58%
Telecommunications	10,900	0.58%
Financial Activities	92,100	4.87%
Finance and Insurance	72,000	3.81%
Credit Intermediation and Related Activities	37,100	1.96%
Insurance Carriers and Related Activities	28,300	1.50%
Real Estate and Rental and Leasing	20,100	1.06%
Professional and Business Services	183,000	9.67%
Professional, Scientific, and Technical Services	67,900	3.59%
Management of Companies and Enterprises	19,500	1.03%
Administrative & Support/Waste Management & Remediation Services	95,600	5.05%
Employment Services	43,400	2.29%
Services to Buildings and Dwellings	20,200	1.07%
Educational and Health Services	244,500	12.92%
Educational Services	31,300	1.65%
Health Care and Social Assistance	213,200	11.27%
Ambulatory Health Care Services	73,400	3.88%

**Kentucky State Plan Modification
July 1, 2009 – June 30, 2010**

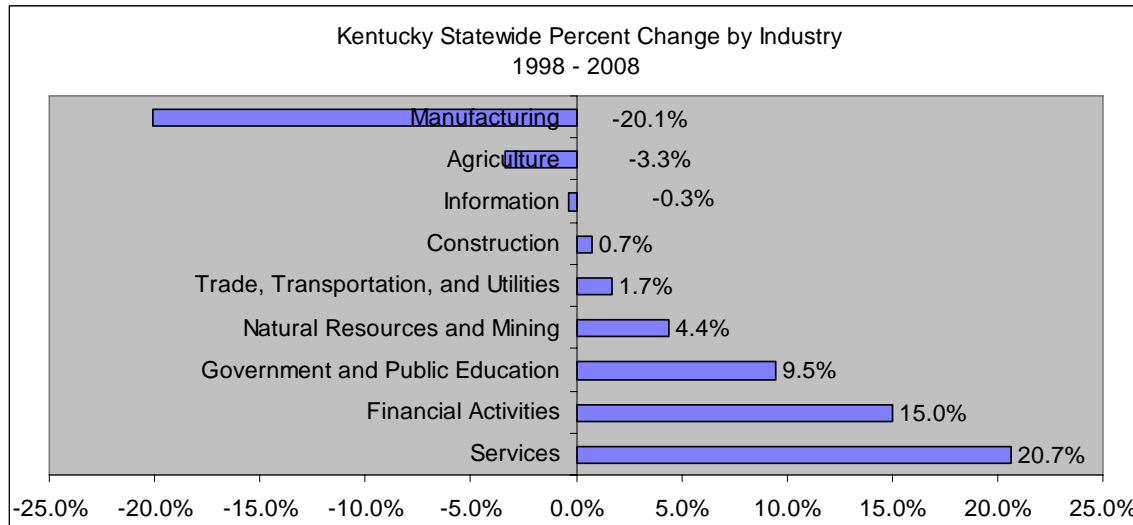
Hospitals	69,900	3.70%
Nursing and Residential Care Facilities	41,700	2.20%
Social Assistance	28,300	1.50%
Leisure and Hospitality	172,700	9.13%
Arts, Entertainment, and Recreation	19,300	1.02%
Accommodation and Food Services	153,400	8.11%
Food Services and Drinking Places	138,000	7.30%
Other Services	74,800	3.95%
Government	322,500	17.05%
Federal Government	38,500	2.04%
National Security	5,800	0.31%
U.S. Postal Service	9,400	0.50%
State and Local Government Total	283,900	15.01%
State Government	98,600	5.21%
State Government Education	55,500	2.93%
Local Government	185,300	9.80%
Local Government Education	114,900	6.07%
Agriculture	37,700	1.99%

Kentucky Statewide Percent Change by Industry

From 1998 to 2008, manufacturing suffered the largest percent drop in employment at 20.1%. Two other industries endured job losses over the decade, agriculture and information. The area recording the highest growth rate is the services category, which incorporates the professional and business services, educational and health services, leisure and hospitality, and other services sectors. The financial services industry represents the only other segment experiencing double digit growth in the last 10 years.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Chart 2. Kentucky Statewide Percent Change by Industry



B. What industries and occupations are projected to grow and/or decline in the short term and over the next decade?

The recent economic downturn has significantly impacted many of Kentucky's industries and occupations. According to 2008 Current Employment Statistics (CES) data, employment in the following industries has declined since 2006:

- Employment Services (-8,300)
- Transportation Equipment Manufacturing (-6,900)
- Apparel Manufacturing (-2,000)
- Wood Product Manufacturing (-1,600)
- Petroleum and Coal Product and Rubber Manufacturing (-1,500)
- Credit Intermediation and Related Activities (-1,100)
- Motor Vehicle and Parts Dealers (-900)
- Educational Services (-800)
- Construction of Buildings (-700)
- Miscellaneous Store Retailers (-700)
- Primary Metal Manufacturing (-500)
- Computer and Electronic Product Manufacturing (-500)
- Gasoline Stations (-500)
- Truck Transportation (-400)
- Paper Manufacturing and Printing and Related Support (-300)
- Fabricated Metal Product Manufacturing (-200)
- Machinery/Appliance/Equipment/Parts Manufacturing (-200)
- Merchant Wholesalers, Durable Goods (-200)
- Merchant Wholesalers, Nondurable Goods (-200)

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Declining employment in these industries has affected a myriad of occupations. Those experiencing the largest decreases include: waiters and waitresses; executive secretaries and administrative assistants; office clerks; team assemblers; assemblers and fabricators; laborers and freight, stock, and material movers; packers and packagers; tool and die makers; maintenance and repair workers; managers of production and operating workers; cut, punch, and press machine setters, operators, and tenders; inspectors, testers, sorters, samplers, and weighers; sewing machine operators; molding, coremaking, and casting machine setters, operators, and tenders; tellers; customer service representatives; loan interviewers and clerks; loan officers; bookkeeping, accounting and auditing clerks; elementary, secondary, and postsecondary teachers; teachers' aides; sales representatives; construction laborers; carpenters; managers of construction trades and extraction workers; electrical power line installers and repairers; operating engineers and other construction equipment operators; brickmasons and blockmasons; cement masons and concrete finishers; roofers; electricians; plumbers, pipefitters, and steamfitters; construction trades helpers; truck drivers; and driver/sales workers.

As shown in Table 5, 18 of Kentucky's 21 major industry divisions are expected to experience job growth between 2006 and 2016. The short term outlook is considerably less optimistic due to the current recession, but employment levels should rebound to pre-recession levels in most industries and overall growth is still projected over the 2006-2016 decade.

Table 5. Kentucky Employment by Industry Division 2006 and Projected 2016						
Industry Division	Employment				Change 2006-2016	
	Number		Percent Distribution			
	2006	2016	2006	2016	Number	Percent
Total Employment, All Jobs	1,981,056	2,175,207	100.00%	100.00%	194,151	9.8%
Self-Employed & Unpaid Family Workers, Primary Job	140,105	165,842	7.075%	7.62%	25,737	18.4%
Agriculture, Forestry, Fishing and Hunting	29,397	27,096	1.48%	1.25%	-2,301	-7.8%
Mining	22,444	25,187	1.13%	1.16%	2,743	12.2%
Utilities	6,472	6,098	0.33%	0.28%	-374	-5.8%
Construction	83,181	90,936	4.20%	4.18%	7,755	9.3%
Manufacturing	260,779	241,787	13.16%	11.12%	-18,992	-7.3%
Wholesale Trade	75,774	81,188	3.82%	3.73%	5,414	7.1%
Retail Trade	211,886	217,460	10.70%	10.00%	5,574	2.6%
Transportation and Warehousing	85,687	98,233	4.33%	4.52%	12,546	14.6%
Information	29,162	30,364	1.47%	1.40%	1,202	4.1%
Finance and Insurance	69,741	76,630	3.52%	3.52%	6,889	9.9%
Real Estate and Rental and Leasing	19,958	22,153	1.01%	1.02%	2,195	11.0%
Professional, Scientific, and Technical Services	62,134	77,075	3.14%	3.54%	14,941	24.0%

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Management of Companies and Enterprises	16,140	18,276	0.81%	0.84%	2,136	13.2%
Administrative & Support/Waste Management & Remediation Svcs.	100,665	120,968	5.08%	5.56%	20,303	20.2%
Educational Services	160,315	179,863	8.09%	8.27%	19,548	12.2%
Health Care and Social Assistance	223,891	273,372	11.30%	12.57%	49,481	22.1%
Arts, Entertainment, and Recreation	18,800	23,474	0.95%	1.08%	4,674	24.9%
Accommodation and Food Services	149,612	172,417	7.55%	7.93%	22,805	15.2%
Other Services-Except Government	76,405	80,997	3.86%	3.72%	4,592	6.0%
Government	138,508	145,791	6.99%	6.70%	7,283	5.3%

Source: Kentucky Research and Statistics Branch, Office of Employment and Training, in Cooperation with the U. S. Department of Labor.

Table 6 illustrates the projected changes to the occupational makeup of Kentucky's labor force. A larger than average growth rate is expected for 16 of the 22 occupational groups. Most of the major occupational groups that are expected to experience an increase in employment are classified as professional or service related occupations.

**Table 6. Kentucky Employment by Major Occupational Group
2006 and Projected 2016**

SOC Code	Title	Employment				Change 2006-2016	
		Number		Percent Distribution		Number	Percent
		2006	2016	2006	2016		
00-0000	Total, All Occupations	1,981,056	2,175,207	100.00%	100.00%	194,151	9.80%
11-0000	Management Occupations	116,168	129,702	5.86%	5.96%	13,534	11.65%
13-0000	Business and Financial Operations Occupations	61,748	70,823	3.12%	3.26%	9,075	14.70%
15-0000	Computer and Mathematical Occupations	28,176	36,179	1.42%	1.66%	8,003	28.40%
17-0000	Architecture and Engineering Occupations	23,641	26,109	1.19%	1.20%	2,468	10.44%
19-0000	Life, Physical, and Social Science Occupations	12,004	13,684	0.61%	0.63%	1,680	14.00%
21-0000	Community and Social Services Occupations	35,842	40,529	1.81%	1.86%	4,687	13.08%
23-0000	Legal Occupations	12,228	14,565	0.62%	0.67%	2,337	19.11%
25-0000	Education, Training, and Library Occupations	103,093	119,034	5.20%	5.47%	15,941	15.46%
27-0000	Arts, Design, Entertainment, Sports & Media Occupations	23,552	26,405	1.19%	1.21%	2,853	12.11%
29-0000	Healthcare Practitioners and Technical Occupations	110,887	136,273	5.60%	6.26%	25,386	22.89%
31-0000	Healthcare Support Occupations	50,738	63,385	2.56%	2.91%	12,647	24.93%
33-0000	Protective Service Occupations	36,294	40,429	1.83%	1.86%	4,135	11.39%
35-0000	Food Preparation and Serving	157,187	179,939	7.93%	8.27%	22,752	14.47%

**Kentucky State Plan Modification
July 1, 2009 – June 30, 2010**

	Related Occupations						
37-0000	Building & Grounds Cleaning & Maintenance Occupations	60,124	70,368	3.03%	3.24%	10,244	17.04%
39-0000	Personal Care and Service Occupations	53,734	64,272	2.71%	2.95%	10,538	19.61%
41-0000	Sales and Related Occupations	207,033	219,855	10.45%	10.11%	12,822	6.19%
43-0000	Office and Administrative Support Occupations	305,667	312,397	15.43%	14.36%	6,730	2.20%
45-0000	Farming, Fishing, and Forestry Occupations	14,636	13,861	0.74%	0.64%	-775	-5.30%
47-0000	Construction and Extraction Occupations	101,883	114,721	5.14%	5.27%	12,838	12.60%
49-0000	Installation, Maintenance, and Repair Occupations	88,438	95,951	4.46%	4.41%	7,513	8.50%
51-0000	Production Occupations	211,446	204,679	10.67%	9.41%	-6,767	-3.20%
53-0000	Transportation and Material Moving Occupations	166,537	182,131	8.41%	8.37%	15,594	9.36%

Source: Kentucky Research and Statistics Branch, Office of Employment and Training, in cooperation with the U. S. Department of Labor.

Industries/Occupations with Projected Decline in Employment:

While many of Kentucky's manufacturing industries have grown rapidly since 1990, employment in apparel manufacturing has plummeted by over 90%, from 32,300 to only 3,200. Losses in the apparel manufacturing industry have also been seen across the U.S. as companies continue to outsource these jobs to other countries. This trend is expected to continue in both the short term and over the next decade. Since most manufacturing jobs require moderate-term on-the-job training, workers with this level of education/experience will be significantly impacted. Occupations in this industry that will be adversely affected include:

- Sewing Machine Operators
- Inspectors, Testers, Sorters, Samplers, and Weighers
- Helpers – Production Workers
- Textile Cutting Machine Setters, Operators, and Tenders

The utilities industry has also seen a steady decline in employment over the last two decades, falling from 10,800 in 1990 to 6,600 in 2008. The majority of this decline can be attributed to increasing efficiencies in power generation and distribution, which has allowed utilities providers to produce and transmit higher levels of energy with fewer workers. Included in the industry are organizations which generate and distribute electric power, distribute natural gas, and provide water and sewage systems. Employment in the utilities industry is projected to decline over the next decade, although the effect that an increasing emphasis on "green energy" production will have on the industry remains to be seen. Occupations in the utilities industry that will experience the most job losses include:

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

- Power Plant Operators
- Meter Readers, Utilities
- Powerhouse, Substation, and Relay Repairers

Agricultural employment in Kentucky has been steadily declining for a number of years. While the overall size of the average farm has grown, the number of actual farms has declined considerably. This trend is expected to continue in the short term and over the next decade as both the animal and crop production industries will experience job losses. Specific occupations that will see the most job losses include:

- Farmers and Ranchers
- Farmworkers and Laborers, Crop and Nursery
- Farm, Ranch, and Other Agricultural Managers
- Agricultural Equipment Operators

While the apparel manufacturing, utilities, and agricultural industries are projected to experience the largest declines in overall employment, several other industries are expected to see significant job losses in the short term and over the next decade, including:

- Transportation Equipment Manufacturing
- Food and Beverage Stores
- Gasoline Stations
- Machinery Manufacturing
- Primary Metal Manufacturing
- Electrical Equipment, Appliance, and Component Manufacturing
- Fabricated Metal Product Manufacturing

As a result of the forecasted decline in manufacturing employment, production occupations are expected to be the major occupational group that will experience the largest number of job losses. Other specific occupations that should see significant declines in employment include:

- Stock Clerks and Order Fillers
- Assemblers and Fabricators, All Other
- Secretaries, Excluding Legal, Medical, and Executive
- Machine Feeders and Offbearers
- Order Clerks
- Mail Clerks and Mail Machine Operators, Excluding Postal

Industries/Occupations with Projected Growth in Employment:

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Short term and long term growth is expected to be much more significant in service providing industries than in goods producing industries. While short term growth may be limited or negative due to the current economic recession, long term trends have a much more favorable outlook. Many industries are still expected to experience significant employment growth as the economy rebounds and the market begins to improve. The industries – and the occupations within them – that are projected to have the most favorable outlook include:

Educational Services:

- Elementary, Secondary, and Postsecondary Teachers
- Teachers and Instructors, All Other
- Teacher Assistants

Health Services:

- Registered Nurses
- Pharmacists
- Nursing Aides, Orderlies, and Attendants
- Occupational, Physical, and Respiratory Therapists
- Medical and Dental Assistants
- Home Health Aides

Food Services and Drinking Places:

- Cooks, Restaurant
- Cooks, Fast Food
- Waiters and Waitresses
- Combined Food Preparation and Serving Workers
- Managers of Food Preparation and Serving Workers

Retail Trade:

- General and Operations Managers
- Retail Salespersons

Transportation and Warehousing:

- Truck Drivers, Heavy and Tractor-Trailer
- Truck Drivers, Light or Delivery Services
- Managers of Transportation, Material-Moving, and Vehicle Operators

Wholesale Trade:

- Sales Representatives, Wholesale and Manufacturing
- Bus and Truck Mechanics
- Mobile Heavy Equipment Mechanics

Professional, Scientific and Technical Services:

- Lawyers
- Paralegals and Legal Assistants
- Accountants and Auditors
- Architects

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

- Civil Engineers
- Computer Software Engineers
- Database Administrators
- Network Systems and Data Communications Analysts

Administrative and Support Services:

- Managers of Office and Administrative Support Workers
- Employment, Recruitment, and Replacement Specialists
- Janitors and Cleaners
- Office Clerks, General
- Laborers and Freight, Stock, and Material Movers, Hand

Social Assistance:

- Social and Community Service Managers
- Child, Family, and School Social Workers
- Social and Human Service Assistants
- Personal and Home Care Aides

Construction and Specialty Trade Contractors:

- Managers of Construction Trades and Extraction Workers
- Carpenters
- Construction Laborers
- Cement Masons and Concrete Finishers
- Operating Engineers and Other Construction Equipment Operators
- Electricians
- Plumbers, Pipefitters, and Steamfitters
- Construction and Building Inspectors
- Highway Maintenance Workers

- C. In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? In what numbers?

Educational attainment is used as a proxy for skill levels. The Bureau of Labor Statistics classifies occupations into eleven different categories:

Postsecondary awards:

- First professional degree;
- Doctoral Degree;
- Master's Degree;
- Bachelor's or higher degree, plus work experience;
- Bachelor's degree;
- Associate's degree;
- Postsecondary vocational awards.

Work-related training:

- Work Experience in a related occupation;

**Kentucky State Plan Modification
July 1, 2009 – June 30, 2010**

- Long-term on-the-job training;
- Moderate-term on-the-job training;
- Short-term on-the-job training.

The following table (Table 7) indicates the number of jobs in each of the education and training categories and their projected levels to 2016. Although the majority of jobs fall in the moderate-term and short-term on-the-job training categories, the highest growth rates are projected to be in occupations requiring some postsecondary award. These occupations are classified as “skilled.”

Education and Training*		Employment				Change		Total Average Annual Job Openings by Occupation Category	
		Number		Percent Distribution		2006-2016		2006-2016	
Category	Code	2006	2016	2006	2016	Number	Percent	Number	Percent Distribution
Total, All Occupations		1,981,056	2,175,207	100.0%	100.0%	194,151	9.8%	69,927	100.0%
First Professional Degree	1	22,981	26,472	1.2%	1.2%	3,581	15.6%	716	1.0%
Doctoral Degree	2	10,542	12,778	0.5%	0.6%	2,236	21.2%	461	0.7%
Master's Degree	3	31,958	37,078	1.6%	1.7%	5,120	16.0%	1,171	1.7%
Work experience plus Bachelor's or higher degree	4	81,375	91,515	4.1%	4.2%	10,140	12.5%	2,551	3.6%
Bachelor's Degree	5	200,122	233,062	10.1%	10.7%	32,940	16.5%	7,156	10.2%
Associate's Degree	6	79,130	98,874	4.0%	4.5%	19,744	25.0%	3,515	5.0%
Postsecondary Vocational Training	7	107,079	123,846	5.4%	5.7%	16,767	15.7%	3,752	5.4%
Work experience in a related occupation	8	161,924	177,679	8.2%	8.2%	15,755	9.7%	4,987	7.1%
Long-term on-the-job training	9	147,266	158,865	7.4%	7.3%	11,599	7.9%	4,442	6.4%
Moderate-term on-the-job training	10	472,368	494,739	23.8%	22.7%	22,371	4.7%	13,466	19.3%
Short-term on-the-job training	11	666,399	720,831	33.6%	33.1%	54,432	8.2%	27,516	39.3%

*The Bureau of Labor Statistics classifies the 753 occupations for which they publish data into eleven education and training categories, allowing for estimates of the education and training needs for the population as a whole and of the outlook for workers with various types of educational and training attainment. An occupation with a particular training category designation generally requires that level of training, but a worker in that particular occupation may not always have that specific level of training.

The primary occupations in the growth industries identified in section IV B have a mixture of skills or educational attainments associated with them:

- **Educational Services:** Growth is expected among both skilled positions and those that require less education.
- **Health Services:** Some of the growth occupations require postsecondary education and others require special certifications or moderate-term on-the-job training.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

- **Food services:** Almost all the jobs in this industry need short or moderate on-the-job training.
- **Retail Trade:** Most of the growth jobs in this industry need short or moderate on-the-job training.
- **Transportation and Warehousing:** Almost all the jobs in this industry need short or moderate on-the-job training.
- **Wholesale Trade:** Most of the growth jobs in this industry need short or moderate on-the-job training.
- **Professional and Technical Services:** Almost all the jobs in this industry require postsecondary education.
- **Administrative and Support Services:** Most of the growth jobs in this industry need short or moderate on-the-job training.
- **Information:** Some of the growth occupations require postsecondary education and others require special certifications or moderate-term on-the-job training.
- **Social Assistance:** Most of the growth jobs in this industry need short or moderate on-the-job training.
- **Transportation Equipment Manufacturing:** Some of the growth jobs in this industry need postsecondary vocational training, while some require moderate to long-term on-the-job training.
- **Specialty Trade Contractors:** Most of the growth jobs in this industry need long- or moderate-term on-the-job training and/or special certifications.

As the economy in Kentucky relies less on agriculture, mining, and simple manufacturing and increases in the demand for services and complex manufacturing, the occupational needs of the state will change. Although the highest number of employees in the state will only need short-term or moderate-term on-the-job training to perform their jobs, these are also the lowest paid positions. However, the projected growth rate of jobs requiring more education is higher than the average projected growth in employment. These positions earn a great deal more than the average worker in the state. (Table 8)

Training Category	Training Code	Total Employment	Average Annual
Postgraduate	1,2,3	65,391	\$77,262
Bachelor's Degree & Bachelor's Degree with Work Experience	4,5	281,497	\$63,587
Associate's Degree or Postsecondary Vocational Training	6,7	186,209	\$36,864
Work Experience in a Related Occupation or Long-Term OJT	8,9	309,190	\$39,614
Moderate-Term OJT	10	472,368	\$31,131
Short-Term OJT	11	666,399	\$21,235

Bureau of Labor Statistics designates eleven training categories ranging from short-term on-the-job training to a first professional degree. In this table, the categories of first professional degree (1), doctoral degree (2), and master's degree (3) have been grouped as Postgraduate. The other three pairings include both titles as designated by BLS.

D. What industries are most critical to the State's economy?

There are several options to determine which jobs are most critical to the overall economy of Kentucky. For this exercise, three methods were used: (1) the NAICS 3-digit sectors that

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

add the most value to the Kentucky economy per job; (2) the NAICS 3-digit sectors that employ the most persons; and (3) the NAICS 3-digit sectors that have the highest annual salaries. The Kentucky Cabinet for Economic Development participated in this portion of the plan. The fifteen NAICS 3-digit sectors that rank the highest based on the three above criteria are as follows:

- (1) Sectors with the most value added to the Kentucky economy (based on a minimum of 1,000 jobs) (Source: Kentucky Cabinet For Economic Development)
 1. Petroleum and coal products manufacturing (NAICS 324)
 2. Beverage and Tobacco product manufacturing (NAICS 312)
 3. Chemical Manufacturing (NAICS 325)
 4. Utilities (NAICS 221)
 5. Water Transportations (NAICS 483)
 6. Oil and Gas Extraction (NAICS 211)
 7. Primary metal manufacturing (NAICS 331)
 8. Telecommunications (NAICS 517)
 9. Rail Transportation (NAICS 482)
 10. Mining, except oil and gas (NAICS 212)
 11. Support activities for mining (NAICS 213)
 12. Air transportation (NAICS 481)
 13. Electrical equipment, appliance, and component manufacturing (NAICS 335)
 14. Management of companies and enterprises (NAICS 14)
 15. Nonmetal mineral production (NAICS 327)

- (2) Sectors with the most employment (Source: Kentucky Quarterly Census of Employment and Wages (QCEW) program)
 1. Food services and drinking places (NAICS 722)
 2. Administrative and support services (NAICS 561)
 3. Ambulatory health care services (NAICS 621)
 4. Hospitals (NAICS 622)
 5. Professional, scientific, and technical services (NAICS 541)
 6. Transportation equipment manufacturing (NAICS 336)
 7. Specialty trade construction contractors (NAICS 238)
 8. General merchandise stores (NAICS 452)
 9. Nursing and residential care facilities (NAICS 623)
 10. Durable goods wholesale trade (NAICS 423)
 11. Credit Intermediation and related activities (NAICS 522)
 12. Food and beverage stores (NAICS 445)
 13. Nondurable goods wholesale trade (NAICS 424)
 14. Insurance carriers and related activities (NAICS 524)
 15. Social assistance (NAICS 624)

- (3) Sectors with the highest annual wage (based on a minimum of 1,000 jobs) (Source: Kentucky Quarterly Census of Employment and Wages (QCEW) program.)
 1. Securities, commodity contracts, and other financial investments and related activities (NAICS 523)
 2. Management of companies and enterprises (NAICS 551)
 3. Petroleum and coal products manufacturing (NAICS 324)

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

4. Electronic markets and agents and brokers (NAICS 425)
5. Computer and electronic product manufacturing (NAICS 334)
6. Utilities (NAICS 221)
7. Chemical manufacturing (NAICS 325)
8. Air transportation (NAICS 481)
9. Beverage and tobacco product manufacturing (NAICS 312)
10. Insurance carriers and related activities (NAICS 524)
11. Water transportation (NAICS 483)
12. Mining (except oil and gas) (NAICS 212)
13. Couriers and messengers (NAICS 492)
14. Transportation equipment manufacturing (NAICS 336)
15. Primary metal products manufacturing (NAICS 331)

Analysis: None of the three-digit NAICS sectors were on all three of the lists. However, there were nine of the three-digit sectors that made two of the three lists. Manufacturing, Trade, Transportation, and Health Services and Social Assistance are the two-digit job sectors that are included the most on all three lists. Many of the occupations in these job sectors require a higher skill level than is needed in other jobs.

E. What are the current and projected demographics of the available labor pool (including the incumbent workforce) both now and over the next decade?

The current and projected demographics of the available labor pool are listed in the following categories.

Current demographics

1. Gender:

Male: 48.9 percent
Female: 51.1 percent

2. Age:

15-19 years old: 7.1 percent
20-29 years old: 13.6 percent
30-39 years old: 13.2 percent
40-49 years old: 15.1 percent
50-59 years old: 13.6 percent
60-69 years old: 9.0 percent
70-79 years old: 5.6 percent
80+ years old: 3.5 percent

3. Race/Hispanic Status:

Minority: 9.6 percent
Hispanic: 2.1 percent

4. Educational Attainment (age 25 and older):

Less than 9th Grade: 247,797 (8.7 percent)

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

9th-12th Grade, no diploma: 316,446 (11.1 percent)
High School, including equivalency: 1,003,985 (35.4 percent)
Some College, no degree: 527,113 (18.6 percent)
Associate Degree: 176,547 (6.2 percent)
Bachelor's Degree: 340,467 (12.0 percent)
Graduate/Professional Degree: 227,671 (8.0 percent)

High School and above: 2,275,783 (80.1 percent) - Kentucky ranks number 47 of 50 states
4-year degree and above: 568,138 (20.0 percent) - Kentucky ranks number 47 of 50 states
Graduate/Professional Degree: 227,671 (8.0 percent) - Kentucky ranks number 37 of 50 states

Projected demographics

1. Gender:

Male: 49.1 percent
Female: 50.9 percent

Analysis: The gender composition of the labor pool is not expected to change significantly over the next decade.

2. Age:

15-19 years old: 6.7 percent (stable)
20-29 years old: 12.9 percent (declining)
30-39 years old: 12.9 percent (stable)
40-49 years old: 12.9 percent (declining significantly)
50-59 years old: 13.2 percent (stable)
60-69 years old: 11.7 percent (very fast growing)
70-79 years old: 6.9 percent (growing)
80+ years old: 3.2 percent (stable)

Analysis: The age composition of Kentucky's labor pool is expected to shift over the next decade. Moreover, the only age groups expected to experience any growth by 2020 are those in 60-69 and 70-79 ranges.

Approximately 42 percent of the current labor pool is between the ages 20-49. By 2020, this same age group is projected to make up less than 39 percent (38.8 percent) of the potential labor pool. On the other end of the spectrum, 22.6 percent of the available labor pool is currently aged 50-69. Over the next decade, this group is expected to grow to comprise approximately one quarter (24.9 percent) of the potential labor pool.

3. Race/Hispanic Status: Unknown

Minority: unknown
Hispanic: unknown

There have not been any official projections made concerning race/minority status.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Analysis: Although minorities still make up relatively small shares of the state's current labor pool, the most recent decennial census (2000) showed high rates of growth among the state's minority population, especially for Asians and Hispanics. Thus, the minority shares of the state's labor pool will be expected to increase in future years.

4. Educational Attainment: There have not been any official projections made concerning educational attainment.

Analysis: Kentucky has made notable improvement in educational attainment over the past 30 years. For example, between the 1990 Census and the 2000 Census, the percentage of adult Kentuckians that had an educational level of high school or above increased from 64.6 percent to 74.1 percent. Further, those with a 4-year college degree or higher saw their percentage increase from 13.6 percent in 1990 to 17.1 percent in 2000. This growth in the educational attainment of Kentuckians has been especially evident in the younger adult population. In fact, Kentucky made the largest jump of any state in the nation in the percentage of high school graduates in the 25-34 age group from 1990 to 2000; and in the future, younger Kentuckians are expected to continue to lessen the educational gap. As the educational efforts that made these significant improvements over the past ten years are strengthened, there is no reason to believe that educational attainment marks in Kentucky will not improve over the next ten years.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

State Vision and Priorities

Question I.C. What is the Governor’s vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§112(a) and (b)(4).)

As a candidate for and as Governor, Steven Beshear has advocated for the advancement of economic development in Kentucky tied to creating well-paying jobs for Kentuckians in the 21st century economy. His vision is for a highly skilled workforce serving new and emerging industries in the energy, healthcare, advanced manufacturing, and technology sectors. Governor Beshear envisions Kentucky as a leader in the manufacture of the vehicles of tomorrow. He also sees the diverse Kentucky landscape as an opportunity to accentuate each region’s resources in a diverse and dynamic economic development arena rich with talent.

As Governor Beshear took office, America’s economy was already showing signs of crisis. Kentucky, like all other states was facing rising unemployment, plant closures, and a slowdown in almost every business sector. In 2008 and 2009, as the federal government took bold steps to address the economy, Governor Beshear understood that federal stimulus dollars presented the Commonwealth with an opportunity to leverage strategic investments to position Kentucky for the future.

KENTUCKY AT WORK: This simple branding identity was created to identify the strategic investments Kentucky was and is making to position the Commonwealth for the future. “Kentucky at Work” unifies the front in the effort to get the economy back on track and embodies the concept that investments in the state’s workforce training, education, transportation, utility, healthcare, energy, and public safety programs will create jobs in the short term and make expanded development possible in the future.

Governor Beshear’s vision raises the bar for education and training in Kentucky and regards learning as a life-long process along a continuum of opportunities which are responsive to individual needs and in tune with the needs of business and industry.

The importance of life-long educational opportunities translates into action:

- Creation of a 27-member Early Childhood Development Task Force to promote greater collaboration among service-providers to young children, bring a renewed emphasis to quality at all levels, and determine a common understanding and definition of “school readiness.”
- Bringing together partners to assist those over 50 with re-entering the workforce is an initiative which includes the creation of a new course, “Making Age an Asset in Your Job Search,” being offered through the Kentucky Community and Technical College System (KCTCS).
- A career transitions initiative also offered through KCTCS designed to assist dislocated workers.
- Numerous and expanded programs for Adult Education, Youth Programs, and Incumbent Worker Training.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Governor Beshear wants to ensure that investments in Kentucky's workforce of today and into the future pay the dividends of sustainable good-paying jobs filled by an educated workforce serving a vibrant and prosperous 21st century business and industrial community. To that end, he has made several bold steps to build a collaborative environment where business, government, community leadership, and workers will work as a team to identify barriers, anticipate future needs, and develop innovative and workable solutions to the challenges faced by each.

- The Kentucky Workforce Investment Board (KWIB) has been reformed, with vital business owners and leaders in the most critical existing and new industry sectors in Kentucky.
- Elevating the KWIB and attaching the KWIB staff as a direct-report to the Secretary of the Education and Workforce Development Cabinet.
- The KWIB has a new Coordinating Council made up of Cabinet Secretaries and agency leaders whose authority and decision making capacities are crucial for successful implementation of the Governor's vision.
- Increased communications through technology will advance initiatives to share best practices and create a virtual clearinghouse of resources and tools to be shared among the KWIB and the Local WIBs.

The mission statement and values expressed by the Education and Workforce Development Cabinet provide insight into the approach Governor Beshear and Secretary Mountjoy take with regard to all aspects of education and training:

Mission Statement

Through the work of its dedicated employees in eight departmental agencies and offices, the Kentucky Education and Workforce Development Cabinet is determined to provide life-long educational and workforce services through seamless, efficient and accessible learning opportunities for all Kentucky's citizens, from pre-school to senior citizens.

We are committed to leveraging the many strengths and abilities of our employees, agencies and stakeholders through a cooperative team approach to problem-solving, project development and program delivery. This approach carefully respects the independent nature of agencies and departments within the cabinet, while encouraging productive collaborative programs within them.

Kentucky's citizens deserve nothing less if they are to reach their potential and fulfill their goals.

Our Values

At the Education and Workforce Development Cabinet, we share common values of integrity, teamwork, accountability, trust and transparency that will guide us in our dealings with citizens, stakeholders and other agencies.

Integrity. *We believe in operating with integrity in all our work. We conduct ourselves in a responsible, professional fashion, as outlined in the Code of Conduct of The Executive Branch Ethics Commission.*

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Teamwork. *We believe in leveraging the abilities of our agencies and their employees through a collaborative approach to problem-solving, project development and project implementation. Interaction and alignment of standards with other agencies is a vital part of everyone's job, while honoring and recognizing the independent statutory nature of agencies within the cabinet.*

Accountability. *We also strive to be openly accountable and willing to align our decision-making with the responsibility of improving the educational achievement levels and workforce readiness for all Kentuckians. For Education and Workforce Development Cabinet employees, accountability entails honoring commitments and accepting responsibility for our actions and behavior.*

Trust and Transparency. *At the center of all our actions, there must be trust. We trust that others will do as they say and, in turn, we assure that we will live up to our commitments. To accomplish this we must also be transparent in the way we communicate with all others, providing timely, relevant and concisely accurate information.*

An emphasis of the Beshear administration is the need for effective monitoring and accountability in the conduct of the people's business and investment of tax dollars. This emphasis on transparency, trust and accountability will become evident in all aspects of workforce development.

The American Recovery and Reinvestment Act will provide a much-needed, one-time infusion of dollars that will allow Kentucky to maintain jobs and quality of life through investments in education, health care and public safety; and to make strategic investments now to position Kentucky for the future.

The principles that guide implementation of ARRA must reflect that we cannot retreat in our commitment to vital areas like education, health care, economic development and public safety. At the same time, building roads, bridges, water and sewer lines, as well as new energy programs and health initiatives, will not only create jobs but also enhance the infrastructure that makes future development possible.

The Kentucky at Work initiative, through the Recovery Act, will receive about \$3 billion for strategic investments in health care, education, energy, infrastructure and economic development. In addition, Kentucky intends to compete for future grants available for investments in areas such as energy research, education, green job initiatives and labor market projects.

The majority of Recovery Act funds will help Kentucky mitigate the impact of declining revenues resulting from the deep recession in the state and national economies on our highest priorities of education, healthcare and public safety. Gov. Beshear has stated that it is critical that one-time dollars from the stimulus effort be used wisely and strategically to preserve commitments and save and create jobs and economic opportunities where possible.

Kentucky's economic recovery transformational efforts can be evidenced through the integration of Recovery Act funds received by other U.S. departments. The Governor issued an order that

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

will help create Kentucky jobs utilizing the combination of ARRA funds received from the various U.S. agencies. In efforts to spur the economy and create and preserve jobs in Kentucky, the Governor issued an order that all jobs created with Recovery Act funds must be posted on Kentucky's job bank, e³. The job postings include jobs created through state contracts with businesses and industries performing work under Recovery Act projects. Additionally, available jobs posted on Kentucky's Personnel Cabinet's Web site will be added to the e³ job bank with ARRA-created jobs noted.

In June, 2009, after the recently concluded special called session of Kentucky's legislators, Governor Beshear announced that the Special Session produced significant accomplishments that will save and create thousands of jobs and stimulate hundreds of millions of dollars in investment and economic growth. Legislation was passed that will create significant new investments for Kentucky's citizens in jobs, growth and economic revitalization. Key legislation that will lead to significant job creation in Kentucky includes:

- Economic incentives plan to modernize the state's incentives programs by investing more in local businesses, attracting a NASCAR Sprint Cup Series race to Kentucky, recruiting more films and documentaries to the Commonwealth and help in luring as many as 2,000 jobs to Hardin County through the creation of a advanced battery manufacturing facility; and
- Enacting legislation to create funding mechanisms for mega-transportation projects such as the bridges in Louisville and Western Kentucky. The funding authorities created will also free up revenues and bonding capacity for transportation projects throughout Kentucky.

In order for the Commonwealth to successfully emerge from the current economic downturn, Kentucky must be prepared to provide new and growing companies and industries with the most skilled and educated workers. The Recovery Act funds will support those facing extraordinary challenges by assisting them in upgrading or retooling their skills to enable them to return to the workforce. Recovery Act funds present Kentucky's unemployed and low-income, under-skilled adult population with a unique opportunity to receive training scholarships and acquire new skills to get them back to work now or prepare them for new jobs yet to come. The Recovery Act funds also provide a valuable opportunity for disadvantaged young people, ages 14-24, to engage in summer employment and training, preparing them for entry or re-entry into the workforce.

The training and employment services are made available through Kentucky's One-Stop Career Centers. These centers target services to meet the changing needs of workers and employers. Assistance is provided to find the resources and training required to enable future economic growth and advance the prosperity of the citizens of the Commonwealth.

Services focus on the most efficient and effective ways to assist workers impacted by the current economy. Priority will be given to recipients of public assistance and other low-income individuals. Strategies are being developed to assist adults in adapting their skills and career goals to the rapidly changing economy and employment options.

One-Stop Career Center services include: career and skills assessments, resume writing and interview preparation workshops, adult education, job training, postsecondary education

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

scholarships, academic certifications and licenses, registered apprenticeships, and career advancement and supportive services activities.

Not only will Recovery Act funds be used to improve customer service to job seekers through advanced staff training, but the funds will also be used to assist in the development of highly trained staff at the One-Stop Career Centers who can provide Kentucky employers with assistance in locating qualified job applicants, screen and test job seekers to match the employers' needs, provide funding for eligible on-the-job training and customized training needs and, in some areas, provide space for job interviews and schedule interviews via video conferencing.

Additionally, Kentucky plans to work more closely with Economic Development in providing services to employers considering layoffs or closure. Working together to identify layoff aversion strategies, the Commonwealth will be better positioned to protect and accelerate economic recovery.

Question I.E. What is the Governor's vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training, including the youth most in need of assistance, such as out-of-school youth, homeless youth, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, migrant and seasonal farm worker youth, youth with disabilities, and other youth at risk? (§112(b)(18)(A).)

Early in his term, Governor Beshear focused his attention on ensuring that educational opportunities are afforded to youth at all levels within the Commonwealth. By emphasizing and building upon the importance of education, Kentucky becomes more competitive in the new economy increasing its economic prosperity.

- The administration created the Task Force on Early Childhood Development and Education to promote greater collaboration among service providers to young children, to bring a renewed emphasis to quality at all levels, and determine a common understanding and definition of school readiness.
- A first-ever, statewide Dropout Prevention Summit is planned to share ideas and best practices for reducing the dropout rate and to create a strategic vision for keeping youth engaged in school.
- Kentucky Educational Television is committed to working with Kentucky's P12 schools and adult education to boost student achievement as well as provide GED 2012 programs for Kentucky's youth and adults that have not had the opportunity to finish high school.
- The Council on Postsecondary Education (CPE) launched its Double the Numbers Plan which outlines five statewide strategies for Kentucky to double the number of bachelor's degree holders in the state by 2020.
- A statewide P-16 council under CPE, advises the Kentucky Board of Education and CPE on the preparation of teachers, the alignment of competency standards and the elimination of barriers impeding successful transitions from pre-school through college.
- The Kentucky Community and Technical College System plays a vital role in preparing Kentucky's future workforce. Projects are underway partnering key workforce

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

development and postsecondary institutions focusing on developing and implementing a state-based workforce development strategy for meeting the occupational hiring needs of hospitals, addressing the nursing shortage.

Kentucky shares the Department of Labor's vision that focus should be given to youth needing assistance as they move into the workforce. Many agencies are working cooperatively to assist specifically targeted youth to provide them with the necessary education and training tools to become self-sufficient members of the workforce.

Kentucky's vision includes coordinating efforts among all agencies to ensure the Commonwealth's youth receive unduplicated services, providing them the opportunity to develop and achieve career goals. In April, 2006, Senate Joint Resolution 184 led to the establishment of the Kentucky Youth Development Coordinating Council. Education and Workforce Development Cabinet personnel hold two permanent seats on the Council. The sub-committees' staff support is provided by Cabinet agencies.

Local Workforce Investment Areas are moving toward a more streamlined approach to youth services through coordination and collaboration with many local youth service agencies. Also, through the One-Stop Career Center network, more out-of-school youth and dropouts are being reached and receiving career assistance and training.

The Jobs for America's Graduates (JAG) program, is a national school-to-career model program. Governor Beshear approved funding for three JAG sites, serving approximately 100 out-of-school youth. Youth ages 16-21 are provided basic skills and work readiness training in order to achieve a GED and employment or postsecondary education. Programs are administered by local workforce areas.

Jobs for Kentucky's Graduates (JKG), is an affiliate of Jobs for America's Graduates (JAG). JKG is a dropout-prevention school-based program for disadvantaged and at-risk youth. This WIA funded program is administered by the Kentucky Department of Education, with 24 site locations, serving approximately 400 students. Outcomes for these at-risk Kentucky youth are exemplary and Kentucky JAG programs have received national recognition.

Kentucky expects to serve 6,000 students during the summer of 2009 in the Summer Youth Program. Preparing disadvantaged youth for the workplace through a combination of work experience and training will enhance their ability to see beyond their current circumstances towards a brighter future.

Over \$15 million of Recovery Act funds were distributed to the Commonwealth's 10 local workforce investment boards to provide workforce and training services to the youth identified as most in need of assistance. Approximately 85 percent of these funds will be used to conduct the Kentucky Summer Youth Employment Program (SYEP) providing training opportunities to approximately 6,000 at-risk youth and young adults across the state. The SYEP will make it possible to give Kentucky's young people the valuable work experience they need and an important endeavor to stimulate the economy of our local communities.

The program will offer paid work experience and work-readiness education via the summer 2009 program running from May 1 through September 30. It is available to low-income youth

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

ages 14 to 24 who have one or more of the following barriers: deficient in basic literacy skills; school dropout; homeless, runaway or foster child; pregnant or parenting; offender; or an individual (including a youth with a disability) who requires additional assistance to complete an educational program or to secure and hold employment.

Local and state agencies were contacted to assist in identifying eligible youth. Local areas contacted the local Juvenile Justice, Foster Care, School Boards, or other pertinent agencies to identify eligible youth. Additionally, the state contacted the Department of Education to help identify school children between the ages of 14 through high school receiving free lunch or other assistance. This information was provided to the local areas.

Employment sites can be in the public, private and non-profit sectors. Youth are usually paid minimum wage for a specified workday/workweek. Worksites are coordinated throughout the commonwealth by local workforce investment boards as designated under the Workforce Investment Act (WIA). Local areas should develop work experiences and other activities that expose youth to opportunities in “green” educational and career pathways.

Work experiences are structured to impart measurable communication, interpersonal, decision-making and learning skills in the workplace. Efforts are made to match worksites with the interests and goals of participating youth.

Because all 10 youth program elements are already available through existing WIA Youth funds, local areas are not required to use Recovery Act funds to make all 10 program elements available. Local areas have the flexibility to determine which program elements they provide with Recovery Act funds.

Kentucky recognizes the importance of coordinating efforts to ensure the youth are educated and equipped to meet the workforce challenges of the future. Although linking the youth to academic and occupational learning is not required for all summer youth participants, local areas may determine whether academic learning should be directly linked to a summer employment opportunity. If deemed suitable, local areas may choose to establish a link between academics and summer employment, especially for youth without a high school diploma or GED.

As in many instances, the youth population served under the SYEP, may need supportive services in order to attend class or work. These services include: transportation, child or other dependent care, housing assistance, uniforms or other appropriate work attire, and referrals to medical services, in order to participate in the program. Stipends and incentives for attaining defined benchmarks and/or outcomes may be provided as part of the general strategy to help participants earn and learn.

A copy of Kentucky’s Child Labor Laws provided by the Kentucky Labor Cabinet was issued to each of the local workforce investment areas. And, information was issued to the local areas regarding SYEP wages affecting TANF, Food Stamps, and Medicaid. In some instances, Kentucky’s laws regarding eligible wage limits for the aforementioned programs created a barrier to serving some youth. A statement issued by the Division of Family Support, Cabinet for Health and Family Services is as follows:

- TANF/K-TAP

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

If a child is under age 19 and in school or under age 18 and has graduated, the earnings are excluded.

- Food Stamps
Per Food Stamp federal regulations, the income is excluded for any child that is under age 19 regardless of whether they are in school or not.
- Medicaid
Policy states that earnings received from a child under the age 19, regardless of whether they are in school or not, is excluded for a period of 6 cumulative months within a calendar year. If the MA case, also has a K-TAP case, then K-TAP policy is followed.

Upon reaching the designated age in the three programs, the income is then counted in the case.

Question II. Identify the Governor’s key workforce investment system priorities for the state’s workforce investment system and how each will lead to actualizing the Governor’s vision for workforce and economic development. (§§111(d) and 112(a).)

Governor Beshear’s key priorities for workforce development and investment are:

Building a well-educated, highly-skilled workforce. This priority relates specifically to Kentucky’s desire to maintain a foothold in the nation’s manufacturing sector as it evolves, and to raise the bar for training to provide industrial and business leaders with the workforce they require to compete in the 21st century. Also in preparation for the changing economic environment, opportunities for “green” entrepreneurs are being encouraged throughout Kentucky’s educational and workforce development systems. Developing these opportunities will further enhance Kentucky’s competitiveness for innovation, economic development and jobs in the 21st century.

Focus workforce development on emerging industries and employers that represent Kentucky’s future. Meeting this challenge will require increasing the educational and training opportunities available to all Kentuckians. It will also require modernizing the state’s approach to developing a skilled workforce to meet the demands of these emerging industries.

Strengthening our career readiness certificate program. Refinements to this important program will focus on providing businesses with a better sense of the knowledge and skills potential workers have when they are engaged in the hiring process.

Create an integrated workforce-training delivery system. To effectively and efficiently provide Kentuckians and our business community with a world-class workforce, statewide education, economic development and workforce strategies will be aligned and integrated. Emphasis will be placed on eliminating duplication of services, accountability and transparency. The delivery system for workforce training will be responsive to regional diversity within the high standards established at the state level.

Governor Beshear has responded to the current economic crisis by integrating these priorities into the Commonwealth’s recovery programs and investments under the “Kentucky at Work” initiatives described earlier in this document. With an understanding that sustainable recovery

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

and future growth will depend on both short term and long term solutions, programs like the expanded youth summer employment program and educational opportunities for seniors re-entering the workforce, all segments of the population are being afforded opportunities to meet the current demands of the new economy and prepare for the jobs of the 21st century.

The recent announcement of a lithium battery research consortium between the private sector and the state's two largest universities exemplifies Governor Beshear's priorities of focusing on emerging industries and creating an integrated system by bringing together education and economic development. This integrated approach has already produced results in the National Alliance for Advanced Transportation Batteries' (NATTBatt) selection of Kentucky as the preferred site for development of a \$600 million plus production facility, which is anticipated to result in more than 2,000 green jobs.

As the economy recovers and strategic priorities take the form of programs and projects, a world-class workforce will emerge and more results like the NAATBatt project can be expected.

Overarching State Strategies

Question V.B. What strategies are in place to address the national strategic direction discussed in [Section 4] of this guidance, the Governor's priorities, and the workforce development issues identified through the analysis of the State's economy and labor market? (§112(b)(4)(D) and 112(a).)

The Kentucky Workforce Investment Board (KWIB) was originally established under Executive Order 99-226. In order to meet the changing needs of Kentucky's workforce and business and industrial communities, Governor Beshear restructured the KWIB under Executive Order 2009-355. The new board will advise the Governor on issues of workforce investment. The restructured board will be better equipped to provide state-level insight into linking emerging industries, business needs and workforce characteristics in today's dynamic economic environment. Their input will guide activities designed to:

- increase employment;
- retain jobs;
- raise the earnings and occupational skill attainment of the workforce;
- respond to emerging trends and changing requirements of businesses;
- improve the overall quality of the workforce;
- reduce welfare dependency; and,
- enhance the productivity and competitiveness of the Commonwealth.

The KWIB is comprised of 42 members appointed by the Governor, including the 11-member coordinating council described above in accordance with section 111(b)(1). Members are appointed for four years in staggered terms. The Governor considers minority, gender, and geographical representation when making appointments. Each member serves the appointed term and until a successor has been appointed and duly qualified. The state board accomplishes its work through regular board meetings, an executive committee and ad hoc committees or task forces with singularly-focused missions. The ad hoc and singular focus characteristics of the committees and task forces are explicitly designed to maintain the interest

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

and participation of private-sector leaders. All committees are comprised of state board members appointed by the state board chair. Regular board meetings are held quarterly; minutes are taken, approved, and made available on the Website as well as included in the agenda packet for the next quarterly meeting.

The KWIB is comprised of the following:

A Coordinating Council comprised of the Governor and senior policy and administrative officers who will serve as the steering committee for the Workforce Investment Board as follows:

- Governor or designee
- Secretary of the Cabinet or designee
- Chief of Staff to the Governor or designee
- Secretary of Economic Development
- Secretary of Education and Workforce Development
- Secretary of Labor
- Secretary of Tourism, Arts and Heritage Cabinet
- Commissioner of Education
- Commissioner of Workforce Development
- President of Kentucky Community and Technical College System
- President of Council on Postsecondary Education

Twenty-one (21) additional members are appointed by the Governor in accordance with section 111(b)(1). These members must represent a business as a high-level executive such as an owner, CEO, or COO, of a company that represents the employment opportunities in the state, and are appointed from among individuals nominated by a state business organization or trade association.

Two (2) chief elected officials representing municipalities and counties.

Two (2) representatives of labor organizations.

One (1) representative of individuals and organizations who has experience with respect to youth activities.

One (1) representative of individuals and organizations who has experience in the delivery of workforce investment activities.

The lead state agency official with responsibility for the programs and activities of the state One-Stop delivery system.

Two (2) members of each chamber of the General Assembly.

The business leadership is integral to achieving a demand-driven workforce system that provides the strategic framework for workforce investment in Kentucky. These business leaders assist the state board and the system to focus primarily on the Governor's priorities for the system, such as identifying and assisting industries with statewide labor shortages, understanding and planning for emerging industries, and providing the needed perspective to develop and continually improve a demand-driven delivery system for workforce development.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

By including representation from each of the Commonwealth's diverse regions, the KWIB is able to provide the broad perspective needed to successfully implement the statewide vision.

Through the restructuring of the KWIB, workforce development issues will be clearly defined and creative responses to the specific and unique needs of Kentucky's job seekers and employers will be delivered. The KWIB is now positioned to bring the expertise and additional partnerships together to more effectively meet the needs of Kentucky's workforce. The KWIB will address national strategies that will increase the competitiveness of the economy and increase the skill level of the Commonwealth's workforce.

The Office of Employment and Training is currently working with a consultant to provide asset mapping to identify the resources in eight Kentucky regions and bordering states. Expected results will show the availability of leveraged resources to support regional integrated workforce and economic development initiatives. The asset map will provide leaders and decision makers with an inventory of key resources that can be incorporated into a regional development effort. The goal of this project is to provide to regional stakeholders what components exist in the region in an effort to create a foundation for regional economic development.

The Research and Statistics Branch of the Office of Employment and Training completed a statistical analysis of the makeup of the ten local Workforce Investment Area boards. The analysis provides valuable information aligning the investment areas' industry clusters with the industry cluster's representation on the local board. The analysis provided information concerning the demographics of the area and what sectors of the workforce each board member represented and what key sectors were not represented.

In order to more accurately assess workforce development issues, it has been determined that staff training and technology enhancements are key elements to meeting this goal. Recovery Act funds will be utilized to provide the necessary training to current workforce staff and implement technology upgrades/enhancements in the Office of Employment and Training's tracking and reporting systems.

Service Delivery Strategies, Support for Training

Question IX.G. Describe innovative service delivery strategies the state has or is planning to undertake to maximize resources, increase service levels, improve service quality, achieve better integration or meet other key state goals. (§112(b)(17)(A).)

The Commonwealth is exploring a number of ways to increase services to workers in need. Kentucky is considering several technological innovations to provide job-seekers with an automated, self-initiated work search. The Commonwealth is exploring a new interactive system that would engage the customer by prompting him for information and developing a comprehensive picture of the job-seekers in the applicant pool. This profile of the customer would allow for more wide-ranging and appropriate job-matches due to the extensive background information it gleans by the question-response mode. By enhancing registration and resume-building software, the customer is assured of being appropriately identified and recognized for his/her full-range of career interests, job skills, educational achievements, and work history. This level of automation would allow for speedier access for those job-seekers

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

who are more accustomed to electronic portals, while providing guidance to those customers who are not as comfortable with computer-based services.

Kentucky's local workforce investment areas have identified a number of ways to encourage and support customers utilizing the workforce system. Many local areas are targeting marketing and recruitment to those most-in-need of One-Stop Career services. Outreach efforts are being coordinated with One-Stop partners and other agencies that serve the same or similar target groups. These agencies include probation and parole, community-based services, foster care, family resource centers, veterans programs and others.

The state will meet the needs of under-skilled adults by offering a full-range of services and service providers at the comprehensive One-Stop Career Centers. Adults needing basic educational skills will be afforded core services by all partners in the One-Stop Center and, if appropriate, referred for remedial education to partnering agencies. By recognizing the basic educational needs of under-skilled adults and providing them with a gateway to specialized instruction and a GED diploma, Kentucky's local areas are elevating the educational base in their communities and encouraging continued instruction for those pursuing additional training opportunities.

Several local workforce investment areas have designed methods of ensuring that even self-directed customers are reminded of the full menu of services available through the One-Stop environment. For example, customers may receive a follow-up letter, or email, to determine whether or not they have found employment and, if not, what intensive services (i.e., job search workshop, resume assistance) or retraining might be of interest to them. Also, by attending forums and training sessions Kentucky's local areas gain a more nationalized perspective, allowing them to augment their own policies and procedures with other successful practices.

Kentucky is considering increasing reemployment services to customers through kiosk locations. Since kiosks can be positioned at any number of locations such as libraries, community centers, schools, municipal buildings, etc., the access points for the job-seeker become almost limitless. Not only could the number of job seekers increase, but the service to those populations in remote locations would increase. Meetings have taken place between the Office of Employment and Training and the Kentucky Department of Libraries and Archives to discuss the possibilities of local libraries becoming access points to better meet the growing workforce demands of Kentucky's communities.

One way in which Kentucky strives to support the full range of One-Stop Career Center customers is by encouraging cross-training and diversity training within its Centers. Since the inception of the Workforce Investment Act, Kentucky's One-Stop Career Centers and their various partners have recognized the need to not only co-locate, but to develop an understanding of one another's customers and services. While this training and discussion has been on-going at the local level, the inclusion of new and additional staff, as well as the continued outreach to additional partner agencies, has made the mandate of staff/cross-training and diversity education a constant necessity. Each One-Stop Career Center and the local workforce investment area maintain a training schedule and planned events which are sensitive to fluctuations in the community's need for services.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Kentucky will also encourage its local workforce investment areas to consider the reinstatement of needs-related payments and supportive services in those areas which may have suspended those services due to a lack of funds. In those areas which continued to offer the services, Kentucky will encourage an increase in the amount of support offered to participants. Increasing supportive systems allows participants to enter training opportunities with the knowledge that assistance is available to help sustain them throughout their program.

For those customers of the One-Stop who require basic skills remediation or English-as-a-second-language support, Kentucky plans to re-engage those partnering agencies who are best suited to provide these types of specialized services.

Kentucky will ensure that education and training delivered through the workforce system results in education and workforce skills of demonstrated value by continuing to support the labor market research and system-studies conducted by its ten local workforce investment areas. Kentucky's diverse topography, demographics, and concentrations of populations yield drastically different workforce results from one end of the state to the other. Therefore, the local workforce investment areas are best suited to measure their own unique labor market needs, high-growth indicators and to evaluate their own educational system to gauge the appropriate training certifications for those students hoping to compete for future job openings.

Local workforce investment areas continue to coordinate with business and industry and local economic development agencies to identify current and emerging workforce needs. Collaboration with these agencies is helping to prepare for more competitive and higher wage jobs as new "green" sectors are identified. Both statewide and locally, Kentucky is working with the Kentucky Community and Technical College System in the development of new classes targeted to special populations and expanding available training opportunities. Short-term, credential-based training options are being developed that offer flexible entrance and exit points. Local areas are working closely with providers to consider staggering traditional semester/quarter start and end dates to better accommodate the needs of training customers.

Kentucky's local areas seek to capitalize on the benefits of short-term training in high-growth occupations. Several areas are investigating the option of sharing both staff and resources, with educational providers in order to offer convenient classroom locations. Several local areas have expressed an interest in exercising the opportunity of contracting with institutions of higher learning to design education and training curricula to meet the immediate needs of both job seekers and employers. Local workforce investment areas are working to identify options for incumbent worker training and On-the-Job training, since "earn-while-you-learn" will remain an attractive, if not essential method, for small employers during lean economic times.

Local areas are working to ensure that training programs, which do not lead to a certificate, degree or license, are in line with the workforce goals of the community and region. By validating the need for a particular skill, local areas can have some level of assurance that training customers engaging in non-credentialed programs are viable in their local labor market.

The Commonwealth will strategically use youth, dislocated worker and adult statewide funds to quickly deliver innovative services. Kentucky is currently accepting proposals from agencies and organizations across the Commonwealth. The Education and Workforce Development Cabinet is reviewing each proposal to analyze the immediate and long-term impact on

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Kentucky's economy and increase the skill level of the workforce. The qualified proposals will then be reviewed by the Governor's Office staff.

Kentucky will encourage local workforce investment areas to respond to new industry workforce needs and the demand for workers in high-growth occupations by promoting the advantages of both apprenticeship training and on-the-job training. In a time when employers are investigating the benefits of "hire-and-train," offering them the time-tested plan of registered apprenticeship and/or on-the-job training can alleviate a costly investment in staffing.

The Kentucky Workforce Investment Board (KWIB) has been reformed with vital business owners and leaders in the most critical existing and new industry sectors in Kentucky. From the newly appointed members, various committees will be formed. One of the committees will be assigned to work with Kentucky's Registered Apprenticeship Program through the Kentucky Labor Cabinet to discuss an integration plan for building support and inclusion of the Registered Apprenticeship Program in the Commonwealth's workforce development system. Furthermore, a federally-funded, time-limited staff member hired with Recovery Act funding will be assigned to research and provide information concerning Registered Apprenticeship and report to the KWIB committee.

The summer work experience for Summer Youth participants will be varied and unique with expected placement in worksites in all allowable work sectors. Expectations are to serve nearly 6,000 youth and young adults. Programs are designed to assist those ages 14-24 and provide paid work experience, which, in turn, provides valuable experience for the youth, a valuable service to the businesses, and provides income for the young people. Programs are designed to help the young participants identify careers best suited to them. Kentucky youth are expected to be working in both the public and private sectors, including: local and state parks, YMCAs, community action agencies, libraries, schools, health departments, cities, counties, community colleges, hospitals, housing authorities, employment offices, rural electric co-ops, recycling centers, etc.

The state will continue to encourage the local workforce investment areas to creatively align their education strategies and economic/community development initiatives to meet the skill-needs of jobs and industries important to the local and regional economies. Local areas work closely with the state's labor market/research and statistics branch to ascertain employment trends in their areas and in adjacent areas. Kentucky's local workforce investment areas which border neighboring states have long-recognized the necessity of working in conjunction with multi-state planning agencies to maximize the quality of life, work and education in living and commuting areas.

The Commonwealth will align workforce activities with education strategies and economic and community development strategies to meet skill needs of jobs and industries important to the local and regional economies and will meet the needs of under-skilled adults by offering a full-range of services and service providers at the comprehensive One-Stop Career Centers. Kentucky is in the process of contracting with a vendor to complete an asset mapping project to identify workforce "supplies and demands" not only in just Kentucky regions, but encompassing surrounding states. Local workforce investment areas develop strategies that positively impact the educational level of the workforce of their regions. This goal requires the cooperation of all partners in the workforce development system. The Education and Workforce Development

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Cabinet secretary has convened several meetings to bring together the policy and decision makers from the various workforce and education agencies. Future meetings are planned to continue the ongoing strategy sessions to improve Kentucky's economic development strategies to meet the skill needs of Kentucky's businesses.

Section II. Service Delivery

State Governance and Collaboration

Question III.A.2 Describe how the agencies involved in the workforce investment system interrelate on workforce, economic development, and education issues and the respective lines of authority. (§112(b)(8)(A).)

Governor Beshear's vision of workforce development as a major player in both economic development and education is evidenced by:

- Renaming the Education and Workforce Development Cabinet
- Attaching the KWIB to the Secretary's office for administration
- Creating a coordinating council to link a wide variety of cabinets and agencies involved in the delivery of, or with a vested interest in the results of workforce development.

The modifications to this structure are intended to maximize the coordination of the agencies involved in employment, training, and education with the Cabinets for Economic Development, Tourism, Arts and Heritage, and Labor. The Education and Workforce Development Cabinet houses the Kentucky Department of Education and the Department for Workforce Investment. The Department for Workforce Investment (DWI) includes the Office of Vocational Rehabilitation, the Office for the Blind, the Office of Career and Technical Education, and the Office of Employment and Training (OET).

Office of Employment and Training staff frequently provide information to the Cabinet for Economic Development when companies are considering relocating to Kentucky. Information requests usually include: average wage data, the number of job seekers registered in specific occupations, and skill levels of potential applicants.

OET staff and those partner staff involved in workforce activities play a major role in assisting businesses in recruitment and other services. The Local Workforce Investment Areas have become increasingly important to the highly competitive environment of economic development. As more states and communities are able to match financial and infrastructure incentives, workforce readiness and skill sets are becoming some of the most important differentiators economic development professionals can make. These efforts go far beyond soliciting job orders and offer a more holistic approach to development, including working within a regional framework, determining the needs of businesses, and involving all One-Stop partners in crafting innovative solutions to meet those needs.

Perhaps the most significant structural enhancement made to link workforce with economic development activities is the formation of the coordinating council. This council serves on the

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

KWIB as members, but follows up on KWIB direction to implement policies and build synergy between cabinets, agencies and programs. The coordinating council includes:

- Governor or designee
- Secretary of the Cabinet or designee
- Chief of Staff to the Governor or designee
- Secretary of Economic Development
- Secretary of Education and Workforce Development
- Secretary of Labor
- Secretary of Tourism, Arts and Heritage Cabinet
- Commissioner of Education
- Commissioner of Workforce Development
- President of Kentucky Community and Technical College System
- President of Council on Postsecondary Education

The KWIB assists the Governor with creating an integrated statewide strategic plan for workforce development which will link workforce policies, education and training programs, and funding streams with the economic needs of the Commonwealth and its regions. The Board is attached to the Office of the Secretary of the Education and Workforce Development Cabinet for administrative purposes.

The duties of the Board include assisting the Governor in complying with the provisions and requirements of the Workforce Investment Act of 1998 pursuant to 29 U.S.C. 2822 and any and all other duties and functions pursuant to 29 U.S.C. 2821 and 29 U.S.C. 2822 and to assist the Governor in developing and implementing the state Perkins Plan set forth in 20 U.S.C. 2341 and 20 U.S.C. 2342.

KWIB staff is attached directly to the office of the Secretary of the Education and Workforce Development Cabinet. Additional staff providing direct assistance to the local workforce investment boards is attached to the Office of Employment and Training under the Department for Workforce Investment. The KWIB office is the repository for state KWIB materials and records, and is funded out of the five percent administrative allowance. Staff organizes, plans, develops, and implements each state board meeting. Staff carry out recommendations as assigned by the state board. The KWIB Executive Director is an integral part of the state board, contributing as a facilitator and participant in the state board meetings.

All KWIB board meetings and committee meetings are open to the public, as required by KRS 61.820 and 61.823. All meetings are conducted in handicapped accessible buildings. All meeting notices and meeting minutes are accessible on the KWIB website (www.kwib@ky.gov), providing members and the public with direct access to information on a variety of workforce issues.

The issue of Conflict of Interest by Board members is dealt with in the *Statement of Executive Authority and Rules of Procedure* of the Kentucky Workforce Investment Board as follows:

A member of the Kentucky Workforce Investment Board may not vote on a matter under consideration by the Board: regarding the provision of services by such members (or an

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

entity that such member represents) or that would provide direct financial benefit to such member or the immediate family of such member.

In addition, Executive Order 2008-454 paragraphs 6, 7, and 8 address conflicts of interest for boards and commissions with regard to contracts, disclosure, and gifts respectively.

The process the State used to identify State Board members is as follows:

Interested individuals desiring to serve on the KWIB submit their name and complete an information form via the state's web site for consideration by the Governor's Office of Boards and Commissions. The Boards and Commissions Office reviews each submission and determines qualifications and the desire of the governor. Cabinet staff review proposed appointments in conjunction with the Office of Boards and Commissions to determine compliance with the Workforce Investment Act and to ensure that all areas of the Commonwealth are represented geographically and with appropriate business representation.

Question III.C.1. Describe the steps the state will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A) of WIA, at both the state and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and agencies eliminate any existing state-level barriers to coordination? (§§111(d)(2) and 112(b)(8)(A).)

The workforce system is part of the Education and Workforce Development Cabinet. Within the Cabinet, the Department for Workforce Investment houses the Office of Vocational Rehabilitation, the Office for the Blind, the Office of Career and Technical Education, and the Office of Employment and Training. The Office of Employment & Training administers the following activities authorized under Section 112(b)(8)(A): Title I of the Workforce Investment Act, activities authorized under chapter 2 of title II of the Trade Act of 1974, programs authorized under the Wagner-Peyser Act, and programs authorized under State unemployment compensation laws (in accordance with applicable Federal law). Integration of components of the Trade Act program with the WIA dislocated worker program further enhances operational collaboration of workforce investment activities. By housing education and other training initiatives, duplication of services is reduced.

In addition to these opportunities for collaboration, the state board encourages collaboration among state and local public and private entities through state board membership by ensuring, in addition to WIA requirements, broad geographic representation on the state board and encouragement for state board members to be engaged in their community workforce investment activities. Attendance at and participation in state board committee meeting discussions by local workforce investment area board members, local business leaders, local and state partner representatives, and other workforce stakeholders with a vested interest in workforce issues are encouraged. Information about meeting dates and locations is made available to local board staff and members as well as to the general public and business community through state meeting notification procedures and the state board's website. Further, the state board chair meets with local board chairs to discuss local board concerns and how the state board can support and enhance their activities.

***Kentucky State Plan Modification
July 1, 2009 – June 30, 2010***

New initiatives to promote collaboration include:

- Meetings of the local board chairs with the state board chair;
- Monthly meetings between state staff and local staff; and,
- Addition of a Best Practices section to the KWIB web site.

A Coordinating Council comprised of the Governor and senior policy and administrative officers who will serve as the steering committee for the Workforce Investment Board as follows:

Governor or designee
Secretary of the Cabinet or designee
Chief of Staff to the Governor or designee
Secretary of Economic Development
Secretary of Education and Workforce Development
Secretary of Labor
Secretary of Tourism, Arts and Heritage Cabinet
Commissioner of Education
Commissioner of Workforce Development
President of Kentucky Community and Technical College System
President of Council on Postsecondary Education

This council will also serve as the primary communication link among state agencies engaged in workforce activities. The presence of Cabinet Secretaries on this council afford the group authority, while the Commissioners and Presidents provide direct access to the implementing organizations, offices and departments.

For example, multiple workforce investment related agencies are grouped in the Education and Workforce Development Cabinet, adding another opportunity for administrative review and interaction regarding workforce investment within the Cabinet. Further, within the Cabinet, the Commissioner of Workforce Investment meets with the executive directors of the various offices within the department, specifically the Office of Employment and Training, the Office for the Blind, the Office of Vocational Rehabilitation, and the Office of Career and Technical Education to discuss workforce investment related issues and concerns. Within the Office of Employment and Training, the executive director meets with the directors of the Division of Workforce and Employment Services and the Division of Unemployment Insurance specifically regarding workforce investment. In addition, KWIB membership is represented by individuals having knowledge and expertise in the area of workforce investment.

The inclusion of the Cabinet Secretary from Economic Development and the Commissioner of Education are anticipated to bring new opportunities for increased communication and collaboration on a variety of issues of mutual interest.

The Education and Workforce Development Cabinet Secretary and the Governor or his designee on the KWIB ensure open and effective sharing of information at the highest levels of state government regarding workforce activities.

The coordinating council and the administrative structure provide extensive opportunities for policy input and communication about WIA-related issues and concerns.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

The KWIB will continue to assist and collaborate with local workforce investment boards through KWIB staff attending LWIB meetings and local directors meetings, to assure quality and continuous improvement at the local level. The KWIB encourages consolidated planning and delivery of services through a coordinated and interactive process involving the local workforce investment boards. An effort to highlight best practices within the Commonwealth as well as from other states is currently underway. By facilitating interaction among LWIB staff and board members through case studies, the KWIB intends to improve efficiency, innovation and coordination.

A new emphasis will be placed on the use of the KWIB web site as a communication tool when the site is redesigned with additional interactive features and a best practices forum.

The KWIB also encourages attendance and participation from local board members, staff, business leaders, and other stakeholders at regular meetings of the state board and its committees.

The Education and Workforce Development Cabinet, Department for Workforce Investment, Office of Employment and Training administers Title I of the Workforce Investment Act; thereby providing information, guidance, and action memoranda. These memoranda are issued in written and electronic formats. Federal guidance issuances are disseminated in written and electronic formats as well.

Semi-annual management meetings and monthly teleconference calls are held with state and local staff representing Title I, Wagner-Peyser, Trade Act (Trade), and Unemployment Insurance. In addition monthly meetings are held between local Title I management staff and state program staff. Various committees (youth, technology, Eligible Provider Training List (ETPL), business relations group and rapid response) allow for open communication and exchange of information.

Under the new KWIB structure one of the 10 local board chairs will serve as a member of the state board. Also, on a regular basis, the local chairs will have the opportunity to meet with the KWIB chair and/or the executive committee to discuss local concerns. Concerns identified may be researched and assigned to a KWIB committee for action. All meetings are open to the public. Information is disseminated by electronic format, and appropriate documents will be posted on the KWIB web site.

Reemployment Services and Wagner-Peyser Act Services

Question IX.C.4.b. Describe the reemployment services the state provides to Unemployment Insurance claimants and the worker profiling services provided to claimants identified as most likely to exhaust their Unemployment Insurance benefits in accordance with section 3(c)(3) of the Wagner-Peyser Act. (§112(b)(17)(A)(iv).)

The governor wants to ensure that investments in Kentucky's workforce of today and into the future pay the dividends of sustainable good-paying jobs filled by an educated workforce serving a vibrant and prosperous 21st century business and industrial community. The Cabinet, along with the governor, are determined to provide life-long educational and workforce services through seamless, efficient and accessible learning opportunities for all Kentucky's citizens.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Governor Beshear's key priorities for workforce development include meeting the challenges that require increasing the educational and training opportunities available to all Kentuckians. To meet these challenges, Kentucky must modernize and revamp the state's approach to developing a skilled workforce—this includes ensuring all unemployed workers are aware of all services provided in the One-Stop Career centers. Providing only basic Wagner-Peyser core services is not enough to meet Kentucky's workforce needs.

It has become increasingly clear that the traditional re-employment services will not provide the necessary results to ensure the governor's workforce objectives are met. It is not "business as usual." Over the past year, the number of jobs available has decreased and the demand for employment has increased. Many of the jobs lost will never come back. The need for training has never been greater and the time is now for all partners to come together to educate job seekers on the need for training and create a referral process that is transparent.

To meet the increased demand for services, Kentucky will utilize Recovery Act Wagner-Peyser funds to hire 60 federally-funded time-limited (FFTL) staff. Forty will be strategically placed in the One-Stop Career Centers across the Commonwealth to provide re-employment services. All FFTLs will receive specialized training before beginning work in the Centers. Although duties will vary from area to area, the focus of the majority of the FFTLs will be on reemployment of unemployment insurance claimants. Identifying those drawing unemployment and matching those individuals with services that will move them towards reemployment is the overall theme. Turning an unfortunate downturn in the economy into an opportunity to strengthen the Commonwealth's workforce is the goal. Ensuring the availability of a full spectrum of services in the One-Stop Career Centers and raising awareness of services beyond the One-Stop is a critical piece.

Ten additional FFTLs will be strategically placed across the state and in the Office of Employment and Training to assist in statewide training workshops, participate in business services teams and coordinate community assistance fairs. The remaining ten will provide support for Recovery Act initiatives in the OET central office.

The Office of Employment and Training developed an informational "business card" that contains One-Stop services and access information that all customers, including unemployment insurance (UI) claimants may keep readily available in order to access any of the One-Stop Career Center services. Additional information will be provided to all UI claimants on the availability of services through mass mailings and emails. Raising UI claimants' awareness of the availability of funding for training opportunities, the FAFSA application process, Pell and Dislocated Worker Programs will be emphasized.

Kentucky will implement a new and more aggressive worker profiling process and other Reemployment Services (RES) which seek to predict those UI recipients who are most likely to exhaust their claims and who would benefit from reemployment services in order to obtain employment.

RES will be coordinated with other services provided at the One-Stop Career Centers. Partner-agency staff will receive cross-training to identify when/how each UI claimant can be directed to the appropriate services. The training will focus on transparency so that each partner will be available to provide referral services while the UI claimant is in the local One-Stop Center office.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Due to several retirements, Kentucky is currently in the process of having to replace approximately 30 percent of its workforce in the local offices; therefore training will be a priority across the state.

UI claimants will be identified earlier for service through the profiling model. This will allow Kentucky to provide services earlier to help claimants re-enter the workforce in a more timely manner, thereby decreasing the average duration of their unemployment claim. To help the claimant, the eligibility review process will be decreased from 12 weeks to six weeks to be able to provide more immediate job matching services.

RES will include more intensive services to claimants and will go beyond the three-hour job workshop that is currently offered to those who are selected for reemployment assessments. Intensive services will be available to assist those who need to make a vocational choice or overcome barriers to employment. Skill assessment, testing, job searches, resume assistance, interviewing skills, and basic workshop training are proven methods to assist in finding employment. Recovery Act funded workers will assist in these intensive training services and will also assist in employer recognition to improve business services. Recovery Act funded FFTLs will also assist in training selected claimants, conducting follow-up classes using intensive services, and business development.

The Commonwealth intends to integrate information technology in the upgrading of Kentucky's profiling system, improving data quality and communication between EKOS and Kentucky's UI computer system, Kentucky's Electronic Workplace for Employment Services (KEWES). Technology funding will be used to bridge the gap between system issues that inhibit serving UI claimants in a timely manner. Kentucky plans to also introduce new software that will enhance job matching skills across the state.

Labor Market Information will be a key part in assisting each local area with identifying careers and job objectives available for the local UI claimants not only in Kentucky but also in bordering states. Increasing agency partners and providing additional business services will achieve positive results in assisting UI claimants with new employment opportunities.

Question IX.C.1.b. Describe how the State will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act includes: (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service, and is accessible and available to all customers at the local level. (§112(b)(17)(a)(i).)

Employers and job seekers seeking assistance will want different kinds of services and will use the system in different ways. Kentucky's workforce system accommodates these differences by individualizing its services.

The majority of individuals in the Commonwealth contact the workforce system seeking information and readily available labor market services to help them find a job or make career-related decisions, or for the employer, to assist with job referrals. Information and services, through self-service, facilitated self-help, and staff assisted service are accessible and available to all customers at the local level. These services are available in the Career Centers or

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

electronically through a variety of user-friendly self-help systems in their homes, schools, or libraries.

A wide range of basic labor market information is offered at this level. Individuals are able to get information on current job opportunities, identify rapidly growing industries and occupations in the area, and generate occupational profiles that describe the job and specify the education, skill, and experience requirements. Those looking for immediate employment can review current openings listed in the job bank. Those recently unemployed can use the system to file their unemployment insurance claims and explore retraining options as well as look for jobs.

Kentucky will continue to provide labor exchange services to job seekers and employers for all three levels. Self-service labor exchange services are accessed by job seekers using self registration on the EKOS system at www.oet.ky.gov. Job seekers can choose the level of services needed. They can be completely self sufficient and register on-line through the self registration portal. They can receive facilitated services through the resource rooms in each of the local One-Stop Career Centers around the state or, if more assistance is needed, case management will be available through Recovery Act Reemployment Specialists.

Software upgrades using Recovery Act funding may be used to enhance assessment of initial needs for customers and suggest referrals to local One-Stop Career Centers for specific services. Kentucky will update resource rooms with additional staff and modern office equipment to assist in facilitated self-help service and staff assisted services. Service delivery in a more efficient and timelier manner will be a priority within the Commonwealth, not only in the local Career Centers, but for any claimant that accesses Kentucky's services by computer.

Kentucky's job bank, accessed through e3 (e3.ky.gov), has been updated to collect Recovery Act job data from employers who offer stimulus funded jobs. These new data fields will be populated into EKOS so each Recovery Act funded job can be tracked and used in reporting on both state and local levels. Job seekers can also access e3 to search for jobs, post a resume and access valuable information to obtain employment.

Adult and Dislocated Worker Services

Question IX.C.1.a. Describe state strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2).

Kentucky's service strategy to ensure adults, dislocated workers, target populations, and those given preference in the WIA Adult program in the Recovery Act, recipients of public assistance and other low-income individuals, have universal access to core services is within Kentucky's service delivery infrastructure that involves its 31 comprehensive One-Stop Career Centers, their affiliate and satellite sites. Information and services, through self-service, facilitated self-help, and staff assisted service are accessible and available to all customers at the local level. These services are available in the Career Centers or electronically through a variety of user-friendly self-help systems in their homes, schools, or libraries.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Several local workforce investment areas are developing One-Stop marketing strategies to promote “early engagement” of customers. By eliminating the stigma of unemployment and, instead, embarking on a re-employment search, job seekers experience a more positive impression of the overall workforce system.

In order to ensure that families that are struggling in the current economic climate have access to core services in their communities, some local areas have placed staff and/or information about core services in crisis centers or in agencies providing assistance for food, housing and other basic needs.

With additional funding provided under ARRA, local workforce investment boards are focusing on low-income youth and adults receiving public assistance under the Kentucky Transitional Assistance Program (K-TAP) and/or Food Stamps or are 70 percent of the Lower Living Standard Income Level or are homeless, public assistance recipients of housing assistance, medical cards, or Supplemental Security Income (SSI). Local areas also provide priority service to persons with disabilities and unemployed individuals who are not at a level of self sufficiency (level defined by local area) or other individuals who require assistance to obtain employment leading to self-sufficiency. Veterans and eligible spouses who are members of the priority group receive the highest priority within that priority group, followed by non-veteran members of the group.

Core services are determined by local memoranda of understanding between the One-Stop partners. All partner agencies are assisting with the provision of core services to offset the extraordinary time that Wagner-Peyser staff have been asked to devote to unemployment insurance claims-taking and eligibility review. Kentucky’s rural topography necessitates the use of electronic access to core services in extremely remote locations.

The integration of these shared resources, coupled with direct agency resources, provides a systematic approach to receiving core services at the local One-Stop Career Center. Adults and dislocated workers are able to enter the system from numerous points of entry and may receive core services through several delivery methods either on site at the local One-Stop Career Center or off site through an affiliate One-Stop location and/or online.

All adults and dislocated workers have access to the minimum required core services at 31 comprehensive One-Stop Career Centers. Core services include, but are not limited to, outreach and intake, information about partner programs, access to labor market information, job search and placement assistance, career counseling, information on filing UI benefits, and information on training providers.

Question IX,C.1.c. Describe how the state will integrate resources provided under the Wagner-Peyser Act and WIA Title I for adults and dislocated workers, as well as resources provided by required One-Stop partner programs, to deliver core services. (§112(b)(17)(a)(i).)

Core services are available to all customers in the Commonwealth’s 31 comprehensive One-Stop Career Centers and in affiliated One-Stop locations based on community need. Core services are provided primarily by both Wagner-Peyser and Workforce Investment Act staff

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

through Memoranda of Understanding (MOU). Office of Employment and Training (OET) Field Office Managers, and other partner agency heads, participate on local boards, working with private industry leaders to address integration issues to better serve the public through the workforce system. In some cases OET staff and partner agency staff participate in a consortium, acting as an operator of a One-Stop. Such consortiums address issues related to system integration, collaborative marketing, capacity building, services, staffing, accountability, universal access, administrative decisions, and how to best provide funding for low-income and low-skilled workers that can help them access the services and training needed to pursue family-supporting jobs.

Wagner-Peyser funds received through The Recovery Act will allow Kentucky to hire 60 federally-funded time-limited (FFTL) staff. All local workforce investment areas, along with Office of Employment and Training local office staff, have created a reemployment plan with the goal of improving the way services are provided to adults and dislocated workers at all of Kentucky's One-Stop Career Centers. A major focus of the plan is to ensure that customers are served seamlessly and efficiently and are made fully aware of all services available in order for them to make informed decisions concerning their career paths.

Many of the reemployment plans identified the need to improve referral and assessment processes. For example, one plan instituted a requirement that Wagner-Peyser staff complete initial assessments on any customer seeking reemployment and make the referral to an appropriate partner to better assist them in becoming job ready. Examples would be long-term UI claimants who have limited opportunities in the local markets and should be referred to WIA. Any customer who does not have a high school diploma or GED should be referred to adult education and informational materials of all One-Stop Career services provided.

Partner staff training with a focus on what programs and services are offered through each partnership, will be conducted in each of the local areas. This will allow for better referrals and provide valuable insight to assist staff in recognizing potential barriers for the customer. Re-employment teams in each of the ten local areas, comprised of One-Stop partners and led by OET office managers, will continue to meet and assess One-Stop Career services to maintain high levels of customer service. Local office managers will be tasked to seek input from all staff to clearly understand the goals and objectives of the Center, and place focus away from UI to re-employment. WIA and Wagner-Peyser staff, along with other Center staff, will continue discussions to further identify local area training needs with a focus on short term training.

The Commonwealth intends to integrate information technology in the upgrading of Kentucky's profiling system, improving data quality and communication between EKOS and Kentucky's UI computer system, Kentucky's Electronic Workplace for Employment Services (KEWES). Technology funding available through WIA and Wagner-Peyser will be used to bridge the gap between system issues that inhibit identifying UI claimants in a timely manner. Kentucky plans to also introduce new software that will enhance job matching skills across the state.

Recovery Act funds may be used to implement new reemployment services and aid in funding training services for dislocated workers to assist the claimants in reentering the workforce or provide skills upgrading. Follow-up classes which include intensive services and outreach to businesses in the area are an integral part of the new system. A priority is to update our

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

current profiling model by basing it on fewer variables to improve accuracy and the profiling selection process.

Question IX.C.3.a. Describe the Governor’s vision for increasing training access and opportunities for individuals including the investment of WIA Title I funds and the leveraging of other funds and resources. (§112(b)(17)(a)(i).)

As stated previously, Governor Beshear has advocated for the advancement of economic development in Kentucky tied to creating well-paying jobs for Kentuckians in the 21st century economy. His vision is for a highly skilled workforce serving new and emerging industries in the energy, healthcare, advanced manufacturing, and technology sectors. Governor Beshear’s vision raises the bar for education and training in Kentucky and regards learning as a life-long process along a continuum of opportunities which are responsive to individual needs and in tune with the needs of business and industry.

Several projects are currently underway to increase training access. Programs such as “Making Age an Asset in Your Job Search,” is a new course to assist those over 50 with re-entering the workforce. Partners came to together to create this program through the Kentucky Community and Technical College System (KCTCS).

To address the needs of the growing population of dislocated workers, another initiative currently being developed through KCTCS is the Career Transitions Program to assist unemployed individuals return to college to obtain skills needed to gain re-employment. KCTCS will provide a single point of contact at each KCTCS location to assist eligible unemployed individuals navigate through the admissions and enrollment process. Tuition waivers will be offered for 50 percent of the tuition up to six credit hours per term for spring, summer, and fall 2009 for Kentucky workers who have become unemployed and filed for unemployment benefits since October 1, 2008. Local workforce investment areas will coordinate with KCTCS to identify individuals who may not be eligible for WIA services and provide referrals to the Career Transition Program.

Currently in the planning phase, the Kentucky Breaking Through Initiative, aligns with the Commonwealth’s goals of increasing college access and completion of programs for low income and under skilled adults that lead to economic development benefits for students and Kentucky’s employers. The initiative is proposed for implementation in 2009-2010. Essential partners identified are: KCTCS, Workforce Investment Boards, Kentucky Adult Education, and Area Technology Centers/Secondary Education. WIA Statewide Reserve funds have been committed to this initiative.

Governor Beshear wants to ensure that investments in Kentucky’s workforce of today and into the future pay the dividends of sustainable good-paying jobs filled by an educated workforce serving a vibrant and prosperous 21st century business and industrial community. To that end, he has made several bold steps to build a collaborative environment where business, government, community leadership, and workers will work as a team to identify barriers, anticipate future needs, and develop innovative and workable solutions to the challenges faced by each.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Local areas facilitate discussions with various training providers to address specific labor demands within their respective regions. In particular, local areas are addressing the need for increased short-term training opportunities that will provide adults and dislocated workers with marketable occupational skills that will assist them in securing new or better employment. Through the network of partner programs at the local One-Stop Career Centers, training funds can be identified and leveraged to meet the fullest extent of training available.

Local workforce investment areas may provide supportive services for adults and dislocated workers, including needs related payments. All such payments are made in accordance with the Workforce Investment Act and the local policies established by the local workforce investment boards. In most areas, such payments are only provided if such funds are not otherwise available through the referral to or assistance from coordinating agencies.

Local areas continue to recognize the empowerment of customer choice through the utilization of Individual Training Accounts (ITAs) to offer a comprehensive list of eligible training providers for the individual's selection as well as varied training options. Under the Recovery Act, local areas may utilize the option to fund class-size projects with the community colleges to gain access to special compressed training opportunities or customized training timelines. This may also allow customer choice to available training opportunities that would otherwise be full and not available.

Kentucky encourages and supports the development of partnerships through use of Incentive Funds and WIA Statewide Reserve funds. Examples include incumbent worker initiatives involving private sector and post secondary partners. In addition partnerships between secondary technical education and WIA exist to increase training opportunities to individuals.

Question IX.A.5. What models/templates/approaches does the state recommend and/or mandate for service delivery in the One-Stop Career Centers? For example, do all One-Stop Career Centers have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every One-Stop Career Center? Are all One-Stop Career Centers required to have a resource center that is open to anyone? (§§112(b)(2) and 111(d)(2).)

While there are no mandated models or templates for service delivery in the One-Stops, there is consistently high-quality service to participants and businesses because of extensive sharing of information among the workforce areas in the Commonwealth.

In an effort to establish models, templates, and approaches to the service delivery in the One-Stop Career Centers, in March, 2009, the Office of Employment and Training (OET) implemented a Re-employment Team in each of the ten local workforce investment areas. Recognizing that OET is a key partner in all of the One-Stop Career Centers, one local OET manager or a key OET staff person representing each area, was assigned the task of organizing One-Stop partner meetings to discuss service delivery, customer service, intake process, referral and assessment process, business services, resource room operations, etc. Each team leader conducted their respective meetings and, in April of 2009, presented the results to local OET managers and local workforce investment area directors.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

During the managers' meeting, barriers and recommendations to alleviate the barriers were discussed. The most reported barrier was the lack of knowledge of all services available by One-Stop partners. Recommendation was a resounding call for cross-training and customer service training. Plans are to implement cross-training and customer service training in all One-Stop Career Centers. The task of development of One-Stop Career Center training will be assigned to FFTLs hired under the Recovery Act Wagner-Peyser funds. A goal of the Recovery Act FFTLs is to create a positive impact on the workforce system.

Another key issue presented was the referral and assessment process. There is no common individual referral and assessment process utilized in every One-Stop Career Center. Recommendations include standardized referral and assessment process; all partners receive cross-training in all One-Stop services; create system-based referral process; and all partners have access to EKOS, Kentucky's case management system. Implementation of recommendations is being reviewed and addressed by the Reemployment teams. FFTLs will assist in implementing new processes and solutions.

The third issue was the transparency of services to the public. Again, staff cross-training was identified as a key barrier. Specific transparency needs include:

- A need to have partners present in the One-Stop Career Centers on a regular basis;
- Common branding (marketing) of the centers statewide;
- The need for community meetings to introduce One-Stop services and expanding web-based information regarding all partner services under one roof.

The common branding issue is being addressed at the Cabinet level, and as previously stated, staff cross-training is a top priority.

The last issue addressed was how to substantially increase the number of WIA and Wagner-Peyser participants under the Recovery Act. Solutions included a standardized referral system, utilizing mass mailings, email blasts and the profiling model to increase customer awareness of the services, work with community-based organizations and other public assistance agencies, marketing, short-term training, and good job postings. All of these strategies are currently being evaluated. Local workforce areas are working with community-based organizations to identify potential customers that could benefit from One-Stop services.

Nearly all of the areas have business services coordinators who provide personal outreach to the employer community. Coordinated business services are generally shared between OET and WIA staff. However, in some instances, other One-Stop partners continue to duplicate what OET and WIA staff are doing. More coordinated efforts are being explored to eliminate duplicated business services.

Resource Rooms are located in each of the comprehensive One-Stop Career Centers and provide universal access to all customers. In most areas, WIA and Wagner-Peyser staff the resource room, but in other areas, other partners share this responsibility. Because of the shared Resource Room staffing, the need for cross-training is even more imperative in order to provide the customer with the full array of services available.

In addition to the regular Reemployment partner meetings, the ten local workforce investment area directors meet on a monthly basis to communicate future plans, develop service strategies,

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

and to share successful experiences and best practices. Education and Workforce Development Cabinet staff and OET staff are invited to share in the meetings and address, among other issues, One-Stop concerns.

In order to ensure that families that are struggling in the current economic climate have access to core services in their communities, some local areas have placed staff and/or information about core services in crisis centers or in agencies providing assistance for food, housing and other basic needs. Core services are offered to these families with the intent of helping them find employment in order to help left themselves out of their tough financial situations.

With additional funding provided under ARRA, local workforce investment boards are focusing on low-income youth and adults receiving public assistance under the Kentucky Transitional Assistance Program (K-TAP) and/or Food Stamps or are 70 percent of the Lower Living Standard Income Level or are homeless, public assistance recipients of housing assistance, medical cards, or Supplemental Security Income (SSI). Local areas also provide priority service to persons with disabilities and unemployed individuals who are not at a level of self sufficiency (level defined by local area) or other individuals who require assistance to obtain employment leading to self-sufficiency. Veterans and eligible spouses who are members of the priority group receive the highest priority within that priority group, followed by non-veteran members of the group.

Youth Services

Question IX.E.1. Describe the state's strategy for providing comprehensive, integrated services to eligible youth, including those most in need. (§112(b)(18).)

The state delegates responsibility to each local area to develop youth programs and services, including the Summer Youth Employment Programs (SYEP) under the Recovery Act, to assist youth in accessing services that will enhance and/or expand their education, employment skills and opportunities in a demand driven workforce. Kentucky's ability to focus on reconnecting disconnected youth through multiple pathways to education and training is greatly enhanced by the expanded and expedited services provided by the American Recovery and Reinvestment Act. The funding allocated to the local areas provides the tools for them to greatly expand the work experience opportunities provided under WIA.

Local areas employ creativity in program design and acquiring unique and appropriate worksites and experiences. Rural programs strive to match youth with available sites within the youth's county, as there are little or no organized transportation services. Some areas will place specific emphasis on incorporating green work experiences in worksite selection and in procurement guidelines. One area has set a goal to secure a minimum number of green worksites. The increased efforts are resulting in greater collaboration with community entities and partners as worksites are developed and work readiness measures and procedures are established. Proposed linkages with the community college system (KCTCS) will focus on short-term skills-based learning for older youth who may have the option of transferring to connecting skills under adult programs. Work experience will be added to these skills-based project activities.

***Kentucky State Plan Modification
July 1, 2009 – June 30, 2010***

Each of the ten Local Workforce Investment Areas (LWIAs) will be conducting the SYEP. These programs are made available under the Recovery Act to eligible youth ages 14-24. The local areas will place the youth in meaningful work experience placements during the summer to gain work readiness skills. Areas of employment include, but are not limited to, community service learning projects, occupational skills training/work experience projects, green jobs projects, or private, public and non-profit work experience placements with local employers. Work experience opportunities will not displace current workers or supplant the availability of unsubsidized employment opportunities.

All LWIAs have indicated SYEPs will be completed in the summer of 2009. In line with DOL's direction to expend a large portion of Recovery Act youth funds in the first year, no Recovery Act funds are expected to be utilized to conduct a SYEP in 2010. Kentucky expects that 80 percent of currently allocated Recovery funds will be expended during summer 2009. This distribution should allow for further Recovery Act services to be provided in a more intensive fashion over the remaining months. Emphasis will be placed on "green" occupations and a high quality work experience that will provide both income as well as an exposure to the world of work. It is anticipated that approximately 6,000 youth will be placed in age-appropriate, meaningful employment during the summer.

Flexibility in the Recovery Act allows local areas to address the needs of the older out-of-school youth. Strategies are being developed that complement the summer older youth employment experience including transitional job models and appropriate activities beyond the summer months. These include training opportunities, as appropriate, and reconnecting to academic opportunities for those who do not return to school and whose job prospects may not be good.

The state submitted two youth waivers: 1) Waiver to expand or extend existing competitively procured contracts by a percentage to be determined by the local area for Recovery Act funds for summer 2009, not to exceed 200 percent; and alternatively, this waiver requests an expedited, limited competition to select service providers for Recovery Act funds for the summer of 2009, and 2) waiver of youth common measures for out-of-school youth ages 18-24 served with Recovery Act funds who participate in work experience only beyond the summer months (October 2009 – March 2010).

Upon completion of the summer employment component, youth who are interested in transitioning into education or unsubsidized employment may enroll in WIA youth or adult services, as appropriate.

LWIAs seek innovative and flexible programs to meet the needs of youth in the emerging workforce. An example of this is in one area where plans are underway to expand a current program that began with a local hospital to include other hospitals and additional high schools in a Health Career Exploration Day. These linkages assist the youth in preparing for in-demand jobs as they move toward self-sufficiency and help meet the needs of local employers in targeted employment clusters. Youth One-Stops report high usage with increased focus on acquiring GEDs, attaching out-of-school youth to higher education opportunities and careers, and targeting specific populations.

To meet the needs of youth, each local area links with appropriate partners and service agencies to provide a full array of opportunities. Each LWIA has a referral system in place to

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

ensure youth with specific barriers are aware of services tailored to meet their needs, such as pregnant and parenting youth and youth with disabilities.

Kentucky LWIAs continually seek to maximize regular WIA youth funds by skillful and selective use of connections to education and training service providers. Local workforce boards, youth councils, and providers maintain careful oversight of allotted funds as they meet the needs of the hardest to serve youth in their communities. Local workforce areas have forged strong community partnerships, especially with community colleges, to incorporate the Department of Labor's (DOL) shared youth vision.

Kentucky local workforce areas, under the guidelines of the Act, have tailored their plans to meet their community's needs, based on guidance and DOL's strategic vision.

A tool currently utilized to provide information and best practices to the LWIAs is the youth extranet site. This site provides current and on-going information regarding best practices, grant opportunities, publications and reports, and links to other helpful websites. This site is reviewed and critiqued continually to improve its effectiveness.

Veterans' Priority of Service

Question IX.C.5.b. What policies and strategies does the state have in place to ensure that, pursuant to the Jobs for Veterans Act (P.L.107-288) (38 USC 4215), priority of service is provided to veterans (and certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the Department of Labor?

All Kentucky One-Stops and satellite offices have been issued 20 CFR Part 1010, dated December 19, 2008. Additionally, the Office of Employment and Training issued Veterans' Program Memo #2, dated April 30, 2009 to OET Local Office Managers, One Stop Career Center Managers, and Local Workforce Investment Area Directors describing the regulatory changes precipitated by 20 CFR Part 1010. The issuance ensured that each point of entry for workforce and job training programs must meet compliance stipulations. This issuance reinforced the April 2009 OET Managers/LWIA Directors Meeting where technical assistance and guidance was provided on Priority of Service. At this April meeting, managers and directors also received their display posters and advance copies of the desk-aid to be utilized by front desk staff to determine the applicant's eligibility for Priority of Service. These posters outline the provisions of the Priority of Service requirement and direct eligible "covered persons" to seek assistance at the front desk. Finally, managers and directors were advised that, as grant sub-recipients, this Priority of Service requirement is mandated and cannot be waived.

For applicants entering the local office, the front desk staff utilizes a desk-aid, which consists of a series of questions, in accordance with 20 CFR 1010, used to determine the applicant's eligibility for Priority of Service. The Jobs for Veterans Act does not recognize "age" as a special veteran category. Therefore, priority of service is ensured to all "covered persons" regardless of age. Once the applicant is determined eligible for Priority of Service, a "covered person," the front desk staff, then, references the desk-aid in order to refer the customer to the appropriate One-Stop Career Center staff, either Wagner-Peyser or veteran staff. If the

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

applicant registers electronically, he/she will be asked a series of questions to determine eligibility for Priority of Service. If the applicant is determined to be a “covered person,” a screen will appear informing them that they are eligible for Priority of Service and direct them to the local office for additional information. This electronic update is under development and will be incorporated into the system in the near future.

All “covered persons” receive a Priority of Service Fact Sheet, tailored to the local office. This fact sheet outlines the Department of Labor funded services and programs available at the local office. The fact sheet also details additional services and programs available at the local office, as well as any eligibility requirements which may apply.

Currently, the Commonwealth of Kentucky’s policy requiring Local Workforce Investment Boards to provide Priority of Service is as follows: “One-Stops housing Wagner-Peyser staff provide covered persons with priority employment and training services in accordance with federal law, U. S. Code Title 38, Chapters 41 and 42, 20CFR 1001.120(a)(b), and 20 CFR Part 1010 as amended by the Jobs for Veterans Act (P.L. 107-288). The full array of core, intensive and training services will be made available to “covered persons.” Referred to, in the policy, is 20 CFR Part 1010, which describes Priority of Service as the process of identifying covered persons and ensuring that those persons are entitled to priority over non-covered persons for the receipt of employment, training, and placement services provided under new or existing qualified job training programs.

Each local workforce investment board addressed Priority of Service in their WIA Local Plan, which describes how priority of service is provided to “covered persons” who otherwise meet the eligibility requirements for all employment and training programs funded by the United States Department of Labor. Additionally, each local area addressed service delivery to targeted populations, including veterans and any persons with disabilities, which may incorporate disabled veterans. The existing Memorandums of Understanding, between Kentucky’s Education and Workforce Development Cabinet/Office of Employment and Training and the Local Workforce Investment Areas, will be amended to include the provision for full compliance with 20 CFR Part 1010, as subject to the state’s monitoring and oversight procedures.

Service Delivery to Targeted Populations

Question IX.C.4.a. Describe the state’s strategies to ensure that the full range of employment and training programs and services delivered through the state’s One-Stop delivery system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals, migrant and seasonal farm workers, women, minorities, individuals training for nontraditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, limited English proficiency individuals, and people with disabilities). (§112(b)(17)(A)(iv).)

Kentucky will continue to develop and refine strategies to identify and meet the needs of targeted populations in the workforce. Services are evaluated for effectiveness and responsiveness based on targeted needs. Strategies to expand outreach and marketing to customers include press releases, public notices, visits to community meetings and public

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

schools, direct mailing, email messages, electronic voice messages, and job fairs. Staff are encouraged to build partnerships with public and private entities that work with the targeted groups. These strategies will support success in individual goals and state and local performance outcome goals and will ensure non-discrimination and equal opportunity.

Local areas' frontline staff, equal opportunity officers, and selected state staff continue to take advantage of learning opportunities to address the needs of special populations in the One-Stop Career Centers. National, regional, and local training events sponsored by DOL and partner agencies provide up-to-date information.

Local areas enjoy the latitude to forge unique community integration initiatives to meet individual needs. For example, several of Kentucky's local areas have embarked on partnerships with faith-based organizations, as they are quite often the first point of contact within the community environment for targeted populations. Areas are furthering their partnerships with agencies such as Goodwill Enterprises and Helping Hand, which are well-suited to establish initial contact with those in need of basic assistance and, ultimately, opportunities for both educational and employment growth.

Dislocated workers: The Education and Workforce Development Cabinet will exchange information and coordinate programs with economic development agencies at state and local levels to develop strategies that may avert plant closings or mass layoffs and accelerate the re-employment of affected individuals. Marketing and outreach efforts will increase awareness of available services to groups such as potential dislocated workers, employers, organized labor, state and local economic development agencies, chambers of commerce, and social service agencies. Oftentimes, the first contact with this population is the unemployment claim. Increasing awareness of workforce and educational programs and other services at the time of unemployment insurance claim filing will be a critical component to Kentucky's success. Early identification and timely referrals will maximize effectiveness of the workforce investment system for dislocated workers.

Displaced homemakers: Local workforce investment areas may provide services to displaced homemakers as additional dislocated workers. As identified in the Carl D. Perkins Vocational and Applied Technological Act or in WIA, displaced homemakers may be served through access to quality vocational education programs that are high skill, high wage occupations. Employment and training needs will be made available through eligible service providers under WIA. Such institutions may provide skill training, guidance and career counseling, assessment, job placement assistance, and support services such as tuition and crisis counseling. Displaced homemakers will also receive counseling on career opportunities in nontraditional fields.

Low-income individuals: Cabinet for Health and Family Services is the chief administrative entity for welfare reform (TANF block grant and the Food Stamp Employment and Training Program). In every Kentucky county, local welfare reform planning has brought together a broad spectrum of businesses and public and private agencies. These planning efforts are the basis for the development of local partnerships designed to serve the needs of indigent individuals who are working to achieve self-sufficiency. Recognizing the value of the One-Stop Career Center concept and services for meeting these goals, CHFS became involved in the

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

One-Stop system during its implementation and maintains involvement in One-Stop activities in certain areas of the state.

Migrant Seasonal Farm workers: The Office of Employment and Training central office H-2A staff are responsible for conducting outreach activities in the central region of the state. Activities include posting printed materials in areas where farm workers may congregate (i.e., shopping centers, gas stations, general stores, etc.). Materials may also be posted at community service agencies (i.e., public health departments, Community Action Agencies, etc.). By providing knowledge through printed materials and advising workers of where to seek services, Kentucky is assisting both employers and employees in gaining legally documented workers to meet Kentucky's agricultural demand.

Women and Minorities: The Commonwealth encourages local workforce investment areas to continue their expansion of services in growing segments of the job-seeking population. Women and minorities continue to comprise more of the workforce and thus, more of the adversely affected workforce during economic downturns. These groups are offered the full-array of customer services, both in-person and through virtual pathways, in order to access unemployment insurance benefits, job search registration and job referral, training opportunities (traditional and non-traditional), career and occupational information, and locations of workforce counseling staff to assist them in navigating what may, at first, appear to be a complex system of agencies and programs.

Individuals training for nontraditional employment: Nontraditional employment is defined as employment in occupations for which individuals from one gender comprise less than 25 percent. To encourage the training and retaining of individuals in such employment, nontraditional training programs and related services to support entry into nontraditional employment will be provided as appropriate. The statewide eligible providers list specifies providers who offer nontraditional training services. The goal for training low-income individuals for non-traditional employment is to provide statewide coordinated approaches, including model programs to train, place, and retain low-income persons in non-traditional employment. The services that may be solicited to achieve this goal are: coordination of the recruitment of low-income individuals into occupations through a network of agencies and programs; the provision of the following: non-threatening experimental personal assessment through activities that develop critical thinking skills; determination of the base of personal knowledge related to the numbers of occupations and opportunities in a changing economy; expansion of personal knowledge of the vast number of occupations that are non-traditional for low-income individuals; and discussion of the barriers that have kept low-income individuals in limited occupations with low pay.

Veterans: Currently, the Commonwealth of Kentucky's policy requiring Local Workforce Investment Boards to provide Priority of Service is as follows: "One-Stops housing Wagner-Peyser staff provide covered persons with priority employment and training services in accordance with federal law, U. S. Code Title 38, Chapters 41 and 42, 20CFR 1001.120(a)(b), and 20 CFR Part 1010 as amended by the Jobs for Veterans Act (P.L. 107-288). The full array of core services will be made available to covered persons." All Kentucky One-Stops and satellite offices have been issued 20 CFR Part 1010, dated December 19, 2008. Additionally, each office received a "Priority of Service Poster" prominently displayed at the entrance. These posters outline the provisions of the Priority of Service requirement and direct eligible "covered

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

persons” to seek assistance at the front desk. All “covered persons” receive a Priority of Service Fact Sheet, tailored to the local office. This fact sheet outlines the DOL funded services and programs available at the local office. The fact sheet also details additional services and programs available at the local office, as well as any eligibility requirements which may apply.

Public assistance recipients: In the event that the funds allocated to local areas for adult employment and training activities are limited, priority shall be given to recipients of public assistance and other low-income individuals for intensive services and training services. Persons with disabilities will be afforded opportunities for training activities designed to improve participation in the workforce and lead to higher earnings for participants who successfully complete them. Individuals with multiple barriers to employment and training such as basic skills deficiency, school drop outs, recipients of cash welfare payment, offenders, individuals with disabilities, and/or homelessness, will be afforded opportunities for participation in training activities designed to improve participation in the workforce and lead to higher earnings for individuals who successfully complete them. Training activities for persons in these groups will be provided in the context of the state’s vision to provide universal access for all customers.

Other Individuals with Multiple Barriers to Employment: Kentucky will enhance the employability and increase the earning potential of individuals with multiple barriers to employment. Strategies to address individual needs will include literacy and basic skills programs, occupational skill training, job analyses, job accommodations, disability awareness training and other activities that may address barriers and support achievement of positive employment outcomes. Individuals with multiple barriers to employment will be offered a continuum of education, job training, career counseling and development to enhance achievement and retention of employment. To enhance the employability skills of individuals with disabilities, local boards, One-Stop operators, and providers will assure:

- that staff receive training on how to work with individuals with disabilities;
- that centers maintain current rehabilitation technology and staff receive ongoing training;
- that outreach programs are available for individuals with disabilities;
- specific staff, service goals, and expectations;
- technical assistance to employers including information regarding ADA requirements and available tax credits; and
- outcome measures of goals and expectations.

Training activities for older individuals will be designed to improve participation in the workforce and lead to higher earnings for participants who successfully complete them.

In order to ensure that families that are struggling in the current economic climate have access to core services in their communities, some local areas have placed staff and/or information about core services in crisis centers or in agencies providing assistance for food, housing and other basic needs. Core services are offered to these families with the intent of helping them find employment in order to help left themselves out of their tough financial situations.

With additional funding provided under ARRA, local workforce investment boards are focusing on low-income youth and adults receiving public assistance under the Kentucky Transitional Assistance Program (K-TAP) and/or Food Stamps or are 70 percent of the Lower Living

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Standard Income Level or are homeless, public assistance recipients of housing assistance, medical cards, or Supplemental Security Income (SSI). Local areas also provide priority service to persons with disabilities and unemployed individuals who are not at a level of self sufficiency (level defined by local area) or other individuals who require assistance to obtain employment leading to self-sufficiency. Veterans and eligible spouses who are members of the priority group receive the highest priority within that priority group, followed by non-veteran members of the group.

Section III. Operations

Transparency and Public Comment

Instruction from Section II of State Planning Guidance Plan Development Process: Include a description of the process the state used to make the Plan available to the public and the outcome of the state’s review of the resulting public comments. (§§111(g) and 112(b)(9).)

Governor Beshear made the statement that the Recovery Act funds are tax dollars and the public deserves to know how their money is being spent. He created an inter-agency workgroup, led by the Executive Cabinet Secretary to ensure Kentucky pursues every possible dollar and that the Commonwealth is spending every dollar wisely.

In line with the governor’s administration’s tradition of transparency and openness, a new Web site was designed, Kentucky At Work. The Web site (<http://kentuckyatwork.ky.gov>) provides Kentuckians with detailed information on how the Commonwealth uses the American Recovery and Reinvestment Act funding.

The WIA regulations at 20 CFR 661.230(d) provide that modifications to the State Plan are subject to the same public review and comment requirements that apply to the development of the original plan.

The WIA and Wagner-Peyser Strategic Plan was made available for public review and comment on the Kentucky Education and Workforce Development Web site and also on the Kentucky Workforce Investment Board’s Web site. No comments were received. On June 11, 2009, the Kentucky Workforce Investment Board voted to accept the State Plan Modification.

Increasing Services for Universal Access

Question VI.C. What state policies are in place to promote universal access and consistency of service statewide? (§112(b)(2).)

Utilizing the Recovery Act Wagner-Peyser Act, 40 federally-funded time-limited (FFTL) staff will be hired to meet the increased demand for services in the One-Stop Career Centers. The

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

FFTLs will receive specialized training before beginning work in the Centers. Twenty additional FFTLs will be hired and strategically placed across the state and in the Office of Employment and Training to assist in statewide training workshops, perform high-level job matching and referrals, and provide Recovery Act activity support.

Kentucky continues to focus on expanding universal access and consistency of service to both individuals and employers. Each local area One-Stop Career Center is striving to deliver more services by adding new providers/agencies in their communities with the goal of making it easier to bridge the gap between employers and jobseekers. The vision of expanding the access to services would include the development of Virtual One Stops (VOS) through the use of community facilities such as libraries, community centers, faith based facilities, and K-12/tech schools. This concept would exponentially increase the points of entry for individuals seeking system services especially in remote communities. Consideration would be given to computer hardware needs at the VOS. Additionally, Recovery Act funded temporary staff would be utilized in the VOS to assist individuals in using the PCs, UI claims filing, resume writing, and job searches. The temporary staff would also be charged with increasing public awareness of the locations of the VOS and provide training for personnel located at the VOS. Increasing business services to employers by using Recovery Act funded staffing to promote local One-Stop Career Centers in their area will be a major goal during the first year. Involvement in community activities, giving presentations to local Chambers of Commerce and visibility to employers will be a major key to employer universal access.

Kentucky will continue to work toward a statewide system of standardization in all local One-Stop Career Centers by improving equipment, training and professional consultation. Kentucky will continue to expand universality by making facilities user-friendly for all groups by ensuring the availability of technology, equipment, and trained staff and encouraging the provision of fully accessible computers in comprehensive centers.

Local Planning Process

Question VIII.D. Describe the state-mandated requirements for local areas' strategic planning, and the assistance the state provides to local areas to facilitate this process. (§112(b)(2) and 20 CFR 661.350(a)(13).)

The Office of Employment and Training (OET) provides oversight and technical assistance to the ten local workforce investment areas throughout the strategic planning process and the writing phase of their local plans. OET issues guidance related to the required elements of the local plans. Recently, in order to ensure that the local plans address topics similarly treated at the state level under the Recovery Act, the Commonwealth issued a comprehensive local plan template which encouraged each local area to consider and respond to individual strategies, processes and economic conditions unique to their region. The template was issued electronically to allow the most expeditious response time possible.

In order to distribute ARRA funds as quickly and as efficiently as possible, while also incorporating the new guidance principles and reemployment initiatives associated with the Recovery Act, the Commonwealth designed a two-tiered approach, mirroring the states' instructions from DOL. The state first requested the local areas to submit letters expressing their intention to extend their current local plans. By issuing this request, almost immediately

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

upon receipt of TEGL 14-08, the state created an efficient mechanism to allow for local utilization of Recovery Act funds as quickly as possible. Secondly, the state requested the local workforce investment areas to submit a modification to their current local plans. By following the extension letter with a plan modification, Kentucky aligned its local planning instructions with those received from the federal level.

In their local plan modification process, the Commonwealth encouraged its ten areas to address how the national economic downturn has impacted their own area and, in some cases, adjacent regions. Local areas were also encouraged to identify new workforce needs, provide for new programs and initiatives, and align training opportunities with growing occupations and industries.

Since issuing this two-tiered guidance on March 25, 2009, the state has provided local area staff with substantive assistance on how to fashion their current programs and planned initiatives into a local implementation strategy responsive to the elements and momentum of the American Recovery and Reinvestment Act.

State staff has followed up with discussions of the local plan requirements on subsequent conference calls, which are conducted to provide updates on the Recovery Act legislation and other pertinent federal initiatives.

Procurement

Question VIII.F.5. Describe the competitive and non-competitive processes that will be used at the state level to award grants and contracts for activities under Title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16).) (Note: All procurements must comply with OMB requirements codified in 29 CFR Parts 95.40-95.48 and 97.36.)

Local Workforce Investment Boards (LWIBs) will follow local area and state procurement policies to provide summer youth employment activities as described under the American Recovery and Reinvestment Act of 2009. However, the state and local areas explored the most expeditious and effective options in addressing procurement as allowable under The Recovery Act. Kentucky qualifies, as do most LWIBs, under Kentucky's Model Procurement Code to contract with other state-related agencies such as community colleges, state universities, school boards, etc., without competitive procurement.

The Commonwealth also submitted waiver requests to the Department of Labor relating to procurement requirements for youth services as they apply to ARRA funds for the summer employment program element for summer 2009. The waiver requested expansion and extension of existing competitively procured contracts by a percentage to be determined by the local workforce investment area for ARRA funds for summer 2009, not to exceed 200 percent. Alternatively, the waiver requested an expedited, limited competition to select service providers for ARRA funds for summer 2009.

Additionally, under The Recovery Act, the Commonwealth supports and encourages LWIBs to award contracts to institutions of higher education, such as community colleges, or other eligible training providers, if the board determines it would facilitate the training of multiple individuals in

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

high-demand occupations and if the contracts do not limit customer choice. This provision is in addition to the existing methods for providing training and is intended to help increase education and training enrollments at a time when many of Kentucky's educational institutions are experiencing budget shortfalls, by allowing LWIBs to pay for the full cost of training at the beginning of the course.

State-level competitive procurement will follow the Kentucky Model Procurement Code.

Office of Employment and Training (OET) Process for competitive procurement of goods or services

Personal Services Contracts (does not include state universities or state agencies)

- The scope of work for Professional Services Contracts is developed within OET by the Division/Branch requiring services.
- A Request for Proposal (RFP) is written according to state guidelines for services by the Division/Branch requiring services.
- The RFP is sent to Education and Workforce Development Cabinet Administrative Services Procurement Section to post on the e-Procurement Website. The RFP should be posted at least 7 business days.
- Upon completion of Vendor selection, an Executive Order is written requesting to execute a contract and submitted to the Finance Cabinet for approval.
- Upon approval from the Finance Cabinet, all RFP original documents (vendor proposals, agency scoring records and method of selection) are submitted to the Education and Workforce Development Cabinet Administrative Services Procurement Section to begin the Contract process.
- The Legislative Research Commission Contract Review Committee must review and give final approval.

Kentucky Model Procurement Code [Kentucky Revised Statutes (KRS), Chapter 45A] for the procurement of all goods and services by state agencies. These methods for awarding contracts are contained within the Model Procurement Code:

- competitive sealed bidding (KRS 45A.080);
- competitive negotiation (KRS 45A.085 and 45A.090);
- noncompetitive negotiation (KRS 45A.095);
- small purchase procedures (KRS 45A.100); and
- responsibilities of bidders and offerors (KRS 45A.110).

Kentucky prescribed and implemented procurement standards in accordance with Section 184(a)(3) of the Workforce Investment Act. Section 184(a)(3) requires states, local areas, and providers receiving funds under this Act to comply with the Uniform Administrative Requirements as promulgated in circulars or rules by the Office of Management and Budget. The Uniform Administrative Requirements, codified by the Department of Labor in 29 CFR Part 97, provides the standards and procedures for procurement of goods and services in Section 97.36, *Procurement*.

The administrative regulation 29 CFR 97.36(a), reads as follows: "When

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

procuring property and services under a grant, a state will follow the same policies and procedures it uses for procurements from its non-federal funds.”

To ensure ARRA funds are managed and expended so as to achieve the purposes outlined in the Recovery Act, the Finance and Administration Cabinet issued procurement requirements specifically for ARRA funds. Any contracts awarded or purchase costs incurred have strict guidelines imposed. Contracts awarded through the Recovery Act require specific language to be incorporated into the contracts. Statements include, but are not limited to: ARRA compliance, Buy American, prohibitions such as *“none of the funds made available under this contract may be used for any casino or other gambling establishment, aquarium, zoo, golf course, swimming pools, or similar projects,”* wage requirements, and Whistleblower Protection. Additionally, the Cabinet has issued guidance that all procurement documents which involve the use of federal stimulus funds shall note “Federal Stimulus.”

Technical Assistance

Question VIII.G.2. Describe how the state helps local areas identify areas needing improvement and how technical assistance will be provided. (§112(b)(14).)

Kentucky anticipates utilizing Recovery Act funds to provide meaningful training and technical assistance to the ten (10) local workforce investment areas. The Commonwealth immediately responded, upon passage of the Act, to inform the local areas of the need to extend their current local plans in order to begin accessing Recovery Act funds. The state workforce agency issued formal guidance to outline this process and to offer the local areas direction on formatting their plans, documenting the required public comment period, and meeting the timeline for remittance.

Through weekly teleconference calls, OET local office managers and WIA staff are advised of new state and federal directives concerning the Recovery Act. Commencing in March, weekly calls have been devoted to preparing for and maintaining new regulations and processes necessary to implement WIA Recovery Act policies. OET central office staff convene, along with other key OET staff and local workforce investment area representatives across the state in person and by teleconference. Technical assistance has been and will continue to be provided through this venue to assist local workforce investment areas in the implementation of new Recovery Act reporting requirements and other directives. Since March, through the weekly calls, technical assistance has been provided in the areas of tracking and reporting participants, participant performance, summer youth, new forms and data elements, financial tracking and reporting, etc. These calls are not only a time to provide information, but also a time to get input on various needs. It is a collaborative approach to ensure readiness to meet the Recovery Act challenges.

In an effort to provide expediency in new front-line staff training in the area of data entry of Recovery Act participants and, simultaneously, other program participants, OET provided an advanced “train-the-trainer” session for the “super” users of EKOS. The super users have the expertise to train new staff in participant data entry. Previously, only staff trained by OET central office staff would be given access to the system. Allowing local workforce investment area staff to provide the training will meet the needs of the One-Stop Career Centers to handle

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

the influx of additional customers. Additionally, many summer youth will be working in the Career Centers and will require the basic EKOS training to immediately begin assisting customers and other staff.

In addition to the WIA “train-the-trainer” session, OET provided the same training for OET Wagner-Peyser staff. The OET super users have the expertise to assist the new FFTLs employed in their respective areas. Also, beginning in March, weekly teleconference meetings took place with OET central office staff and OET local office managers. Technical assistance is provided through this medium in areas of handling unemployment insurance claims, new Recovery Act system data elements, re-employment issues, progress of partner meetings, etc.

As information and directives are received from the Department of Labor, OET provides the information to the LWIAs. Notification of Workforce3One webinars are forwarded to all local workforce investment directors. Follow-up information on webinars, specifically information focusing on ARRA, is also forwarded.

OET’s youth program coordinator maintains dialog and information portals for LWIAs and youth program staff. Examples of work readiness assessment tools have been shared. The state youth coordinator attended the DOL Orlando SYEP Forum to gain additional information. This has proven valuable to state administrators and LWIA staff. The youth coordinator also attended the St. Louis U.S. Conference of Mayors in February. Copies of the technical guide “Maximizing the New Federal Youth Dollars: How to Quickly Implement a Successful Summer Jobs Program” were copied and distributed to LWIAs.

Local areas are in the practice of contacting state staff with issues and concerns ranging from eligibility and acceptable documentation, to case management and accurately reporting services provided to a customer. State staff responds, expeditiously, to these inquiries and, if appropriate, shares the response with other local areas to offer guidance to the entire group.

Kentucky has initiated a tracking system to catalog all formal agency issuances relating to the American Recovery and Reinvestment Act. Scanned copies of formal guidance will be added to the intranet site, currently maintained to provide in-house information to agency staff and to offer electronic copies of policy guidance and procedural information to the staff of the local workforce investment areas.

OET has integrated monitoring and technical assistance into a unilateral, cohesive unit in order to provide compliance information, as well as ideas for improvement and enhancement that is responsive to local needs. By expanding compliance monitoring to beyond the local workforce investment area, to include the operations of the One-Stop, innovative knowledge and ideas can be shared with all the partner agencies.

The Office of Employment and Training hosts semi-annual meetings for OET local office managers and Local Workforce Investment Area directors. New initiatives are shared, issues are discussed and resolved and “best practices” are encouraged for replication. The last meeting was held in April with a focus on One-Stop Career Center re-employment processes and best practices, along with Recovery Act program implementation, veterans’ priority of services, personnel issues, and WIA and Wagner-Peyser performance. Department of Labor staff attended and provided technical assistance in several areas. The next meeting is

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

scheduled in October 2009. However, additional ad hoc meetings are created as needed to address other program issues such as Trade and VETS.

Monitoring and Oversight

Question VIII.H. Describe the monitoring and oversight criteria and procedures the state utilizes to move the system toward the state's vision and achieve the goals identified above, such as the use of mystery shoppers, performance agreements. (§112(b)(14).)

Kentucky reviews its ten (10) Local Workforce Investment Areas on-site, once annually. The on-site compliance review consists of a programmatic and fiscal evaluation of the area's WIA program.

The program review has evolved, substantially, over the last couple of years. For example, to achieve a random sample of participant files, the review team requests fifty (50) participant files from each program area: adult, dislocated worker/trade and youth. Once onsite, the team condenses its sample to only (10) files in each program area. Documentation in the files, including eligibility criteria, is compared to the data maintained in Kentucky's management information system, the Employ Kentucky Operating System (EKOS). Deficiencies are noted and reported to the local workforce investment area during the exit conference. Unresolved findings are documented in the resulting monitoring report, which allows the local area the opportunity to make corrective action and to provide evidence of the correction.

The fiscal review examines the area's Memorandum of Understanding and Resource Sharing Agreement between the local workforce investment board and the One-Stop operator. The fiscal review also measures the area's accounting practices and audit processes. The fiscal monitor also tracks one (1) participant file in each program area (Adult, Youth, Dislocated Worker and TRADE) to ensure that the corresponding Individual Training Account (ITA) funding, and expenditures reported for the participant has been spent appropriately.

Prior to the inception of the American Recovery and Reinvestment Act, Kentucky had begun considering system-wide changes to its compliance review process. Recent changes to the WIA compliance monitoring tool included the addition of a One-Stop Partner Summary. Each local workforce investment area lists their participating partners by One-Stop location, therefore, creating a more comprehensive picture of which partners are on-site, versus which partners are electronically linked. Further enhancements to the compliance review process will entail a more intensive review of all programs administered by the Office of Employment and Training. Additional compliance review staff will be added to measure the linkages between WIA Title I and Wagner Peyser. Kentucky is committed to not only measuring compliance with regulations, but to improving the coordination of agencies and processes to better serve employers and job-seekers.

A review of the summer employment worksites will commence in May of 2009. Local workforce areas will be asked to provide a description of their summer employment activities to include the following: the number of participants they expect to serve, the dates they will operate their summer employment program, the vendor(s) they will utilize, and whether or not those vendors are private or public. The compliance review will measure the local workforce investment area's adherence to the information provided through OET guidance and stated in the local workforce investment area

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

plans. Also under review will be their payment methods and compensation agreements with the program participants. The summer employment compliance monitor will visit at least one (1) worksite location in the area. The results of the summer employment review will be documented in a report, with a copy provided to the local area. Any deficiencies will be noted and corrective action will be requested.

Concurrent with the monitoring of summer employment initiatives, the state will engage in compliance reviews of the National Emergency Disaster Grant, effective February 5, 2009. The Commonwealth applied for, and was awarded the grant, as a result of the damage sustained from ice and high-wind in January 2009.

Along with conducting the current year's WIA compliance monitoring, the review team also engages in the annual Data Validation process, as prescribed by the Department of Labor.

Monthly financial oversight is performed through the Budget and Support Section of OET. Budget and Support staff process contracts and issue Notices of Fund Availability (NFAs) to local areas. The NFAs are the official notice of funds available and allowed to be expended. LWIBs report accrued expenditures and obligations monthly through a web-based financial reporting system, WIA Online Reporting of Kentucky (WORK). For each funding stream - adult, dislocated worker and youth – expenditures are tracked separately for funds received through the Recovery Act. The WORK system contains edits that do not allow LWIAs to exceed administrative expenditure requirements, nor allow LWIAs to report expenditures greater than funds available. Periodic reviews are completed to ensure that reported expenditures tie to cash drawdown requests.

Currently the WORK system tracks total adult, dislocated worker, and youth funds by program and administrative expenditures. Proposed changes to the system include a more defined program expenditure reporting. OET will track program expenditures by training, customized training, OJT training, core and intensive services, and supportive services. LWIA summer youth expenditures and contracts will be monitored separately from the annual on-site compliance reviews to ensure appropriate expenditures, tracking, and accounting processes are in place and are being followed.

New accounting codes have been established in the state's accounting system, eMARS. OET is able to track and report all Recovery Act expenditures by DOL programs – Wagner-Peyser, Workforce Investment Act, VETS, Unemployment Insurance, and Trade. Expenditures will be monitored to ensure accountability of funds as defined in the Recovery Act.

Accountability and Performance

Question X.C.1 Describe the state's performance accountability system, including any state-system measures and the state's performance goals established with local areas. Identify the performance indicators and goals the state has established to track its progress toward meeting its strategic goals and implementing its vision for the workforce investment system. (§112(b)(3) and 136(b)(3).)

Kentucky's Program Compliance and Support Branch provides oversight for the statewide and local Workforce Investment Areas' performance, monitors for accountability, and provides

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

technical assistance to ensure continuous improvement. In the past six months, much emphasis has been added on the development of policy and procedures with regard to the quality of data, and development of more efficient data collection systems to provide timely performance-related information for management decisions, greater accountability and transparency.

Kentucky was granted a waiver by USDOL of the 17 performance measures under WIA Section 136(b), and the performance measures authorized by the Wagner-Peyser Act, the Jobs for Veterans Act, and the Trade Adjustment Assistance Act. In their place, the State reports using the common measures. This flexibility allows the State to report integrated performance in a way that corresponds to aligned and integrated policy which is more meaningful for management and accountability. The state has also removed some of the time-consuming data entry requirements for unnecessary administrative data and now relies more heavily on technological systems and wage records to measure employment-related outcomes. This gives staff more time to provide services to customers.

The Kentucky Office of Employment and Training has worked with the local Workforce Investment Boards to negotiate performance standards to hold Boards accountable for performance in the programs for which they receive funds and to encourage continuous improvement in serving the employers and job seekers in their respective areas. LWIBs have been encouraged to use Recovery Act funds to serve populations heavily impacted by the recession that face particular challenges in regaining employment. Analysts will monitor key employment indicators to project the impact that the recession will have on the labor market and the result on performance rates, both statewide and by local workforce area. For this type of analysis, staff must access, interpret and produce reports on data including current active participants and those who have recently exited.

Kentucky utilizes Crystal Reports, which is a reporting application that allows staff to review participant information that has been entered into the state's shared information system, the Employ Kentucky Operating System (EKOS). EKOS is used by all LWIBs, OET, and several of the One-Stop partners to create a truly transparent system which greatly enhances service delivery through an integrated workforce system. This combination of a shared information system and custom reporting tools provide staff a means to monitor participant enrollment and the activities and services that are provided. Crystal Reports allows staff to obtain reports on a wide range of criteria, such as customers, services, providers, specific time periods, specific cohorts of participants (Adults, Dislocated Workers, Youth, Summer Youth, and Trade) registrants, or exiters, etc. It also allows staff to design reports based upon the elements and parameters they select. Changes were implemented in EKOS and also in the reports generated by Crystal Reports to identify, track and report services provided to customers under the Recovery Act. Jobs created and jobs retained by ARRA funds will be identified, as well as industry sectors, and targeted "green" jobs.

Kentucky prepares WIA Quarterly Reports for each LWIA, similar to the required Quarterly Reports for the State. These reports allow LWIBs and OET staff to track progress toward meeting performance goals throughout the year and to identify which individuals are contributing to the LWIBs meeting their goals.

***Kentucky State Plan Modification
July 1, 2009 – June 30, 2010***

New monthly performance reports for WIA Adult and Dislocated Worker Programs and National Emergency Grants have been created for each individual LWIB that mirror the required monthly ARRA reports. OET performance specialists will identify areas at risk of failing to satisfy the local area needs and technical assistance will be provided.

New data element fields, funding streams, programs and activities have been added to EKOS to report on the WIA Youth Recovery Act services. The system will capture all customer characteristics, job placement name, occupational codes, industry sector, and green job placements. The system will also track progress toward the participants' achievement goal. The information will be useful in assisting the participants to overcome obstacles and to prepare to enter the workforce.

System changes have been implemented to report current activities, on a monthly basis, for the Wagner-Peyser Program, and Reemployment Services Grants. The reporting elements will be the same as the current performance reporting system; however the ARRA customers will be identified in order to report the impact of the Recovery Act.

Performance for the Trade Program is reported on the Trade Adjustment Participant Report (TAPR). To provide greater transparency, the state will begin posting monthly program data on the new TAA website. The State's information system will undergo substantial changes to report on additional data elements required under the new rules governing administration of the Trade Program. Kentucky designed and developed an automated waiver tracking system, template and customer notification for the training waiver which will greatly streamline this portion of the Trade process and provide better customer service. The system will ensure that Trade Readjustment Allowances are stopped if a participant fails to meet the waiver requirements, thus saving thousands of dollars in potential over-payments.

OET will provide technical assistance to a local area that is not making satisfactory progress toward their goal or fails to meet a performance measure for two consecutive years. Sanctions will be considered according to Federal Register §666.420. Performance evaluation is also available to the State Board which has authority to make recommendations to the full Board for review and consideration.

LWIBs report accrued expenditures and obligations monthly through a web-based financial reporting system, WIA Online Reporting of Kentucky (WORK). For each funding stream - adult, dislocated worker and youth – expenditures are tracked separately for funds received through the Recovery Act. Additionally, within the youth grant, the Summer Youth Employment Program expenditures are tracked by in- and out-of-school independently of other youth Recovery Act funds.

Currently the WORK system tracks total adult, dislocated worker, and youth funds by program and administrative expenditures. Proposed changes to the system include a more defined program expenditure reporting. OET will track program expenditures by training, customized training, OJT training, core and intensive services, and supportive services.

New accounting codes have been established in the state's accounting system, eMARS. OET is able to track and report all Recovery Act expenditures by DOL programs – Wagner-Peyser,

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

Workforce Investment Act, VETS, Unemployment Insurance, and Trade. Expenditures will be monitored to ensure accountability of funds as defined in the Recovery Act.

OET will be communicating with local workforce areas to ensure assessments tools are measurable and that each LWIA has clearly articulated guidelines on when their SYEP participants have achieved their area's defined work readiness indicator.

Kentucky's Summer Youth Employment Monitoring Tool, to be distributed to LWIAs with the SYEP monitoring schedule, asks how work readiness skills are to be measured; the LWIA definition of measurable progress for their participants and outcomes of pre- and post-assessment tools. Local areas will convey and monitor work readiness tools and how they are to be measured to providers, sub-contractors and/or worksites supervisors.

**Kentucky State Plan Modification
July 1, 2009 – June 30, 2010**

2009 Performance

Table 9. WIA and Wagner-Peyser 2008-2009 Performance

WIA	PY 2008	PY 2009
Adult Measures		
Entered Employment Rate	83.5	83.5
Employment Retention Rate	86.0	86.0
Avg. Six Month Earnings	\$11,200	\$11,200
Dislocated Worker		
Entered Employment Rate	84.0	84.0
Employment Retention Rate	89.0	89.0
Avg. Six Month Earnings	\$13,200	\$13,200
Youth		
Placement in Employment or Education	65.0	65.0
Attainment of a Degree or Certificate	54.0	54.0
Literacy and Numeracy Gains	48.0	48.0
Wagner-Peyser		
PY 2008		
Entered Employment Rate	69.0	69.0
Employment Retention Rate	82.0	82.0
Avg. Six Month Earnings	\$11,400	\$11,400

As stated in the State Plan extension letter dated April 6, 2009:

Performance Goals

Request to maintain PY 2008 WIA and Wagner-Peyser performance levels for PY 2009.

The process of establishing agreed-upon levels of performance for the common measures for the WIA and Wagner-Peyser programs was determined by considering the anticipated economic climate, as well as prior-year performance outcomes. The 12 common measures include three WIA Adult measures, three Dislocated Worker measures, three Youth measures, and three Wagner-Peyser performance measures. After a review of the current and anticipated economic climate, we are requesting the option to renegotiate WIA and Wagner-Peyser performance levels established in Program Year 2008 for the Program Year 2009.

Kentucky will continue to analyze labor market information to determine the true picture of the Commonwealth's economic condition. Based on the analysis of statistical and trend data, a determination to renegotiate may be made in the first quarter of PY 2009.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2009 - JUNE 30, 2010

Kentucky requests continuance of previously approved waiver:

1. Waiver Request
Workforce Investment Act
Transfer Authority

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to increase the transfer authority of local workforce investment boards to 100 percent in Adult and Dislocated Worker funds. Kentucky believes that empowering the local boards to transfer larger amounts of funds than the Act currently permits, will provide them greater flexibility to respond to changes in the local labor market. THIS WAIVER REQUEST DOES NOT APPLY TO THE AMERICAN RECOVERY AND REINVESTMENT ACT FUNDS.

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

- A. Statutory Regulations to be Waived:
WIA Section 133(b)(4) and WIA Regulations §667.140 state that a local board may transfer, if such a transfer is approved by the Governor, not more than 20% of the funds allocated to Adult and Dislocated Worker employment and training activities.
- Kentucky requests that the local boards have the option to continue to transfer up to 100% of a program year allocation for adult employment and training activities and up to 100% of a program year allocation for dislocated worker employment and training activities between the two programs.
- B. Goals to be Achieved by the Waiver:
Continue to allow increased local flexibility to manage funding and respond to changes in the labor market.
- C. State or Local Statutory or Regulatory Barriers:
There are no existing state or local statutory or regulatory barriers to this waiver request extension.
- D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:
The waiver will provide local workforce investment boards the continued ability to better respond to changes in the economic environment and the local labor market. The only programmatic impact will be the flexibility to channel resources to the population with the greatest need at that time. With the increased Trade-affected layoffs and closures in PY07 and PY08, Kentucky was able to serve this population with Trade dollars, which resulted in excess dislocated worker funds. The transfer authority allowed for the

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

transfer, in some local areas, of 100 percent of dislocated workers funds to meet the growing demand of the Adult population.

- E. Description of the Individuals Impacted by the Waiver:
All Adult and Dislocated Workers will be positively impacted by the waiver since local boards will be able to move significant funding to reflect the needs of the area.
- F. Description of the Process to Monitor Progress:
The Office of Employment and Training, Division of Workforce and Employment Services (DWES), will be the entity responsible for monitoring all transfers of funds. This waiver extension will be incorporated into DWES's current monitoring procedures.
- G. Opportunity for Local Boards to Comment on Waiver Request:
This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request.
- H. Public Comment on the Waiver Request:
Notice of this waiver request was incorporated into the State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

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

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2009 - JUNE 30, 2010

Kentucky requests continuance of previously approved waiver (with modifications):

2. Waiver Request

Workforce Investment Act

Use up to 10% of Local Dislocated Worker Funds to Serve Incumbent Workers

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension, with modifications, of the current waiver to allow up to 10 percent of local dislocated worker funds as described by WIA Section 133(b)(2)(B) to be expended on incumbent worker training activities pursuant to the rules adherent to statewide activities described by WIA Section 134 (a) (3). These funds will be connected to layoff aversion activities. In compliance with WIA Section 189(l)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension, with modifications.

A. Statutory Regulations to be Waived:

Should the above request related to incumbent worker training funds be deemed to be not in accord with any provision of WIA Section 134 or WIA federal regulations at 20 CFR 667.160, 663 or 665, Kentucky requests waiver of the federal regulations.

B. Goals to be Achieved by the Waiver:

Promotes maximum investment of these limited funds as well as increases levels of service. Focuses on employer and worker layoff aversion and competitiveness through skills upgrade training, therefore, strengthening regional economies and promotes flexibility of local workforce investment areas to further expand incumbent worker activities.

C. State or Local Statutory or Regulatory Barriers:

There are no state or local statutory or regulatory barriers.

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

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill-upgrading, businesses will be able to remain viable and prevent layoffs and closures. With this waiver, Kentucky will be able to strengthen the regional economy and retain and train the current workforce. Creating more flexibility within WIA regulations through this waiver is critical to meeting Kentucky's goals related to layoff aversion, skill enhancement and business services.

By upgrading the skills of incumbent workers, they will quickly move into more specialized jobs within their industries, creating new job possibilities for the lower skilled workforce to enter.

The average incumbent worker will gain a great deal from this waiver. The worker will retain employment thus avoiding the mental, physical, and financial stress that comes from unemployment. The worker will gain upgraded skills that will allow him/her to better

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

work within an expanding and more complicated economy. And in the event that a worker does get laid off after receiving incumbent worker training, they will need fewer (if any) dislocated worker program dollars to get them back on their feet and in a new career.

It is expected that the measures and standards will be developed in the areas of post-training retention, promotion, and wage increase. Specific skill enhancements, productivity gains and layoff avoidance will also be intended outcomes. The use of dislocated worker funds will not diminish the ability of Kentucky to provide dislocated worker services as needed.

E. Description of the Individuals Impacted by the Waiver:

Employers and incumbent workers will be impacted by the waiver. Employers will have the human resources to remain competitive, and perhaps expand. Workers will keep good jobs, improve their skills, and increase their confidence that they can compete in a more technologically sophisticated, knowledge-based global economy.

The state and local areas continue to assess the essential needs of businesses and industries facing layoffs or closures and the economic impact such action would have on the community and/or state. Requests from businesses and industries to provide assistance with upgrading the skills of their employees are reviewed on a case-by-case assessment. The state and local areas consider the type of training to be delivered and the skills that will result. The assessment includes an analysis of the needs of the employer and how to best meet those needs and provide a positive impact for the community and/or state. Before a commitment to incumbent worker training is made, other One Stop Career Center services are considered. Additionally, services provided by other partners, especially economic development, educational institutions and other training providers, are examined to evaluate the most practical and profitable avenue to address the employers' needs.

Criteria considered before awarding funds to provide incumbent worker training include, but are not limited to: 1) will the training provide the employer with the skilled workforce to maintain operations and avoid layoffs or closure; and, 2) commitment from the employer to either retain the employee, increase the employee's wages, or provide some benefit to the employee.

Incumbent Worker Training in Kentucky continues to prove successful in many areas and diverse economic sectors. It plays a vital role in Kentucky's workforce development transformation by keeping job skills updated and supplying businesses with the needed skill sets to make workers more competitive. Positive impact is achieved in both large and small businesses. The following are only a few of the examples of incumbent worker training provided:

- Ford Motor Company - Louisville: Incumbent Worker training provided to the Ford Motor Company in 2003-2004 to upgrade employees in Lean Manufacturing resulted in the company maintaining its operations in Kentucky while some other states experienced closure of their Ford facilities.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

- Titan – Owensboro: There continues to be a great demand for high-skilled welders in the energy industry. Through incumbent worker training, Titan was able to graduate 46 entry level welding students and 13 from a specialty welding class. Entry level welders started at \$8.00 per hour and are now earning \$18.00 per hour. The specialty welders received a two to five percent wage increase. (2008)
- Stidham Cabinet, Inc. – Corbin: A family-owned business with 55 employees. The company was experiencing a decline in business that could result in layoffs. Incumbent worker training provided the up-grade in skills of the employees in the operation of multiple machines. The results were the ability to competitively compete for contracts and hire additional employees. (2009)
- Monomoy-Fortis Plastics – Henderson: An incentive package was developed by the local WIB and partner agencies to save 147 production jobs slated to leave the area. Through a proposal of incumbent worker training and other valuable services, the industry made the decision to invest in retaining and retraining the existing workforce. A successful layoff aversion! (2009)
- Proposed Incumbent Worker Training in southwest Kentucky: A construction company specializing in installing steel girders is facing numerous layoffs. Incumbent worker training is planned to provide carpentry skills and certifications in green job construction to the employees. The results will be continued employment and new skill sets gained in another area of the construction trades. (2009)

F. Description of the Process to Monitor Progress:

This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met. Incumbent Worker funds are tracked by funding stream. Quarterly Incumbent Worker reports are required to be submitted to the Office of Employment and Training. The reports contain the number of companies and participants served in addition to the grant number, funding amount and expenditures. Incumbent Workers are entered and tracked in Kentucky's MIS system, Employ Kentucky Operating System. Performance outcomes for incumbent workers served under this waiver are reported in the Workforce Investment Act Standardized Record Data (WIASRD).

G. Opportunity for Local Boards to Comment on Waiver Request:

This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request. Local boards will receive a copy of this request.

H. Public Comment on the Waiver Request:

Notice of this waiver request was incorporated into the State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver, with modifications, will continue to

***Kentucky State Plan Modification
July 1, 2009 – June 30, 2010***

empower the local boards to be even more responsive to the volatile economic situations they are experiencing. In addition to layoff aversion, this waiver will enhance the state's efforts toward job retention and rapid re-employment as well as provide new job prospects for presently employed individuals. The state and national economy will benefit from the increased productivity and upward mobility of workers.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2009 - JUNE 30, 2010

Kentucky requests continuance of previously approved waiver:

3. Waiver Request
Workforce Investment Act
Use up to 20% of Rapid Response Funds to Serve Incumbent Workers

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to allow up to 20 percent of Rapid Response funds to be shifted, as needed, to local workforce investment areas for the purpose of providing incumbent worker training. In compliance with WIA Section 189(l)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

- A. **Statutory Regulations to be Waived:**
Kentucky requests the waiver of WIA Section 134(a)(2)(A) and WIA Regulations 20 CFR 665.310 through 20 CFR 665.330 that establish allowable statewide Rapid Response activities and uses for set-aside Rapid Response funds.
- B. **Goals to be Achieved by the Waiver:**
Promotes maximum investment of available funds as well as increases levels of service. Focuses on employer and worker layoff aversion and competitiveness through skills upgrade training, therefore, strengthening regional economies and promoting flexibility of local workforce investment areas to further expand incumbent worker activities.
- C. **State or Local Statutory or Regulatory Barriers:**
There are no state or local statutory or regulatory barriers.
- D. **Description of the Goals of the Waiver and Expected Programmatic Outcomes:**
With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill-upgrading, businesses will be able to remain viable and prevent layoffs and closures. With this waiver, Kentucky will be able to strengthen the regional economy and retain and train the current workforce. Creating more flexibility within WIA regulations through this waiver is critical to meeting Kentucky's goals related to layoff aversion, skill enhancement and business services.

By upgrading the skills of incumbent workers, they will quickly move into more specialized jobs within their industries, creating new job possibilities for the lower skilled workforce to enter.

The average incumbent worker will gain a great deal from this waiver. The worker will retain employment thus avoiding the mental, physical, and financial stress that comes from unemployment. The worker will gain upgraded skills that will allow him/her to better work within an expanding and more complicated economy. And in the event that a worker does get laid off after receiving incumbent worker training, they will need fewer (if

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

any) dislocated worker program dollars to get them back on their feet and in a new career.

It is expected that the measures and standards will be developed in the areas of post-training retention, promotion, and wage increase. Specific skill enhancements, productivity gains and layoff avoidance will also be intended outcomes. The use of rapid response funds will not diminish the ability of Kentucky to provide dislocated worker services as needed.

E. Description of the Individuals Impacted by the Waiver:

Employers and incumbent workers will be impacted by the waiver. Employers will have the human resources to remain competitive, and perhaps expand. Workers will keep good jobs, improve their skills, and increase their confidence that they can compete in a more technologically sophisticated, knowledge based global economy.

The state and local areas continue to assess the essential needs of businesses and industries facing layoffs or closures and the economic impact such action would have on the community and/or state. Requests from businesses and industries to provide assistance with upgrading the skills of their employees are reviewed on a case-by-case assessment. The state and local areas consider the type of training to be delivered and the skills that will result. The assessment includes an analysis of the needs of the employer and how to best meet those needs and provide a positive impact for the community and/or state. Before a commitment to incumbent worker training is made, other One Stop Career Center services are considered. Additionally, services provided by other partners, especially economic development, educational institutions and other training providers, are examined to evaluate the most practical and profitable avenue to address the employers' needs.

Criteria considered before awarding funds to provide incumbent worker training include, but are not limited to: 1) will the training provide the employer with the skilled workforce to maintain operations and avoid layoffs or closure; and, 2) commitment from the employer to either retain the employee, increase the employee's wages, or provide some benefit to the employee.

Incumbent Worker Training in Kentucky continues to prove successful in many areas and diverse economic sectors. It plays a vital role in Kentucky's workforce development transformation by keeping job skills updated and supplying businesses with the needed skill sets to make workers more competitive. Positive impact is achieved in both large and small businesses. The following are only a few of the examples of incumbent worker training provided:

- Ford Motor Company - Louisville: Incumbent Worker training provided to the Ford Motor Company in 2003-2004 to upgrade employees in Lean Manufacturing resulted in the company maintaining its operations in Kentucky while some other states experienced closure of their Ford facilities.
- Titan – Owensboro: There continues to be a great demand for high-skilled welders in the energy industry. Through incumbent worker training, Titan was able to graduate 46 entry level welding students and 13 from a specialty welding

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

class. Entry level welders started at \$8.00 per hour and are now earning \$18.00 per hour. The specialty welders received a two to five percent wage increase. (2008)

- Stidham Cabinet, Inc. – Corbin: A family-owned business with 55 employees. The company was experiencing a decline in business that could result in layoffs. Incumbent worker training provided the up-grade in skills of the employees in the operation of multiple machines. The results are the ability to competitively compete for contracts and hire additional employees. (2009)
- Monomoy-Fortis Plastics – Henderson: An incentive package was developed by the local WIB and partner agencies to save 147 production jobs slated to leave the area. Through a proposal of incumbent worker training and other valuable services, the industry made the decision to invest in retaining and retraining the existing workforce. A successful layoff aversion! (2009)

Proposed Incumbent Worker Training in southwest Kentucky: A construction company specializing in installing steel girders is facing numerous layoffs. Incumbent worker training is planned to provide carpentry skills and certifications in green job construction to the employees. The results will be continued employment and new skill sets gained in another area of the construction trades. (2009)

F. Description of the Process to Monitor Progress:

This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met. Incumbent Worker funds are tracked by funding stream. Quarterly Incumbent Worker reports are required to be submitted to the Office of Employment and Training. The reports contain the number of companies and participants served in addition to the grant number, funding amount and expenditures. Incumbent Workers are entered and tracked in Kentucky's MIS system, Employ Kentucky Operating System. Performance outcomes for incumbent workers served under this waiver are reported in the Workforce Investment Act Standardized Record Data (WIASRD).

G. Opportunity for Local Boards to Comment on Waiver Request:

This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request. Local boards will receive a copy of this request.

H. Public Comment on the Waiver Request:

Notice of this waiver request was incorporated into the State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver, with modifications, will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing. In addition to layoff aversion, this waiver will enhance the state's efforts toward job retention and rapid re-employment as well as provide new job prospects for presently

***Kentucky State Plan Modification
July 1, 2009 – June 30, 2010***

employed individuals. The state and national economy will benefit from the increased productivity and upward mobility of workers.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2009 - JUNE 30, 2010

Kentucky requests new waiver approval:

4. Waiver Request
Workforce Investment Act
Required 50 percent employer match for OJT training

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting a waiver to change the required 50 percent employer match for OJT Training to a match based on a sliding scale. Through this approach, WIA would reimburse up to 90 percent to employers with 50 or fewer employees and up to 75 percent of the costs for employers with 51-250 employees. Businesses with over 250 employees would be reimbursed at the 50 percent rate. In compliance with WIA Section 189(l)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

- A. Statutory Regulations to be Waived:
Kentucky requests the waiver of WIA Section 101(31)(B).
- B. Goals to be Achieved by the Waiver:
Will create a better opportunity for smaller businesses or businesses with smaller budgets to take advantage of the opportunities available through WIA. Grants optimal flexibility to local areas to better serve businesses and their needs.
- C. State or Local Statutory or Regulatory Barriers:
There are no state or local statutory or regulatory barriers.
- D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:
OJT training optimizes the resources available under workforce development initiatives to meet the needs of employers, as well as job seekers. OJT training focuses on employers' and job seekers' needs while minimizing programmatic barriers. The current 50 percent employer contribution requirement limits the ability to market OJT training programs to employers, especially those from small businesses. Oftentimes, employers conclude that the 50 percent contribution requirement creates costs that outweigh the benefits of participating in a WIA OJT training program.

The proposed sliding scale for the cost reimbursement will create the necessary flexibility for employers to provide the required contribution at a rate that more appropriately fits the small employer budget. Local areas will be able to more effectively market WIA-funded OJT training services to the private sector in support of building relations with employers in high demand, high growth industries.

The specific goals to be achieved by the waiver are to: 1) Improve the ability of the Commonwealth to respond to changes in employer and industry needs; 2) Increase employer/Board collaboration to address industry needs and worker training; 3) Allow the smaller employer to grow and expand; 4) Provide the employer with a trained

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

workforce; and 5) Provide greater flexibility in designing and implementing WIA programs.

- E. Description of the Individuals Impacted by the Waiver:
Employers, WIA customers, and job seekers will be positively affected through this waiver. Kentucky's smaller employers will benefit due to the increased reimbursement rate. The time the employer has to devote to the OJT employee, will make them more valuable to the present and future employers. As more employers are able to access OJT training, it will provide training to more adults and dislocated workers eligible for services under WIA.
- F. Description of the Process to Monitor Progress:
This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met.
- G. Opportunity for Local Boards to Comment on Waiver Request:
This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request. Local boards will receive a copy of this request.
- H. Public Comment on the Waiver Request:
Notice of this waiver request was incorporated into the State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of this waiver will empower the local boards to be even more responsive to the volatile economic situations they are experiencing. This waiver will enhance the state's efforts toward job retention and provide new job prospects for the presently employed individuals. The state and national economy will benefit from the increased productivity and upward mobility of workers.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2009 - JUNE 30, 2010

Kentucky requests continuance of previously approved waiver (with modifications):

5. Waiver Request
Workforce Investment Act
Required 50 percent employer match for customized training

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to change the required 50 percent employer match to a match based on a sliding scale. Through this approach, the employer match would range from a minimum of 10 percent to a maximum of 50 percent, based on the employer's size. Specifically, Kentucky shall establish the required portion of the costs, which shall not be less than 10 percent of the costs for employers with 50 or fewer employees and not less than 25 percent of the costs for employers with 51-250 employees. Businesses with over 250 employees would be charged the 50 percent rate. In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

- A. Statutory Regulations to be Waived:
Kentucky requests the waiver of WIA Section 101(8)(C)
- B. Goals to be Achieved by the Waiver:
Will create a better opportunity for smaller businesses or businesses with smaller training budgets, opportunities available through WIA. Grants optimal flexibility to local areas to better serve businesses and their needs.
- C. State or Local Statutory or Regulatory Barriers:
There are no state or local statutory or regulatory barriers.
- D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:
Customized training optimizes the resources available under workforce development initiatives to meet the needs of employers, as well as job seekers. Customized training focuses on employers' and job seekers' needs while minimizing programmatic barriers. The current 50 percent employer contribution requirement limits the ability to market customized training programs to employers, especially those from small businesses. Oftentimes, employers conclude that the 50 percent contribution requirement creates costs that outweigh the benefits of participating in a WIA Customized training program.

The proposed sliding scale for the employer contribution will create the necessary flexibility for employers to provide the required contribution at a rate that more appropriately fits the small employer budget. Local areas will be able to more effectively market WIA-funded customized training services to the private sector in support of building relations with employers in high demand, high growth industries.

The specific goals to be achieved by the waiver are to: 1) Improve the ability of the Commonwealth to respond to changes in employer and industry needs; 2) Increase

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

employer/Board collaboration to address industry needs and worker training; 3) Allow the smaller employer to grow and expand; 4) Provide the employer with a trained workforce; and 5) Provide greater flexibility in designing and implementing WIA programs.

- E. Description of the Individuals Impacted by the Waiver:
Employers, WIA customers, and job seekers will be positively affected through this waiver. Kentucky's smaller employers will benefit due to the reduced contribution requirement. The training provided to individuals will make them more valuable to current and future employers. As more employers are able to access customized training, it will provide training to more adults and dislocated workers eligible for services under WIA.

- F. Description of the Process to Monitor Progress:
This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met.

- G. Opportunity for Local Boards to Comment on Waiver Request:
This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request. Local boards will receive a copy of this request.

- H. Public Comment on the Waiver Request:
Notice of this waiver request was incorporated into the State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver with modifications will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing. This waiver will enhance the state's efforts toward job retention and provide new job prospects for presently employed individuals. The state and national economy will benefit from the increased productivity and upward mobility of workers.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2009 - JUNE 30, 2010

Kentucky requests continuance of previously approved waiver (with modifications):

6. Waiver Request

Workforce Investment Act

Minimize the collection of participant data for incumbent worker training programs

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver, with modifications, to reduce the data collection burden for employers served under WIA-dislocated worker funded and rapid response funded incumbent worker training programs. In compliance with WIA Section 189(l)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

A. Statutory Regulations to be Waived:

Reporting requirements at 20CFR 667.300(a) to permit the Commonwealth 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). Under the waiver, the Commonwealth will continue to collect and report information on incumbent workers trained with local WIA dislocated worker funds and rapid response funds awarded to local areas for layoff aversion, in the WIASRD Section II, Program Activities and Services Information, and Section III, Program Outcomes Information, to account for the use of funds.

B. Goals to be Achieved by the Waiver:

The waiver will minimize collection of data that do not supply significant program information. The waiver will apply to incumbent worker participants served through rapid response and formula funds. This waiver will simplify the process of serving businesses and incumbent workers and allow positive program outcomes to be captured without the burden of extensive collection of data not applicable to incumbent workers or incumbent worker training.

C. State or Local Statutory or Regulatory Barriers:

There are no state or local statutory or regulatory barriers.

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

The goal of this waiver is to minimize the data capture requirements impacting skills upgrade training programs through incumbent worker training so that employers are not unnecessarily burdened with federal data collection requirements that do not provide relevant program information. The goal is to simplify the process of serving businesses and industries and the incumbent workers. Expected program outcomes include allowing local area flexibility to offer incumbent worker services and enhancing services to businesses along with increasing flexibility to engage and work with businesses in improving skills of the employer's workforce. Additionally, eliminating the requirement to

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

capture information that does not impact program outcome, this waiver will allow local areas to timely assist employers in averting layoffs and improving employer customer satisfaction.

- E. Description of the Individuals Impacted by the Waiver:
All incumbent worker trainees, employers seeking incumbent worker training services, and the local workforce investment boards. Incumbent worker services will be positively affected by the adoption of the proposed waiver. Services will be provided to increased numbers of the employed workers who are in need of skills upgrading and retraining. Local boards will improve linkages with employers and economic development in their areas and assist in layoff aversion.
- F. Description of the Process to Monitor Progress:
This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met.
- G. Opportunity for Local Boards to Comment on Waiver Request:
This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request. Local boards will receive a copy of this request.
- H. Public Comment on the Waiver Request:
Notice of this waiver request was incorporated into the State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing and eliminate the burden of collection of federal data that do not provide relevant program information.

*Kentucky State Plan Modification
July 1, 2009 – June 30, 2010*

KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2009 - JUNE 30, 2010

APPROVED WAIVERS

WAIVERS SUBMITTED WITH LETTER TO EXTEND AND EXEMPT FROM REQUIREMENT TO SUBMIT FULL WAIVER PLAN BY JUNE 30 SINCE THEY HAVE BECOME FUNDAMENTAL ASPECTS OF THE OPERATION OF THE WORKFORCE SYSTEM (TEGL 14-08).

- 7. Waiver to permit the Commonwealth to replace the performance measures at WIA Section 136(b) with the common measures.** The waiver facilitates system integration and streamlines the reporting process across partner programs.

- 8. Waiver to utilize Individual Training Accounts (ITAs) for Older Youth program participants.** The waiver allows for continued flexibility in using Youth funds to provide training services to Youth, while retaining the limited Adult funds to be used for Adult training services. The waiver has increased the efficiency and customer choice for older youth. Additionally, the waiver has enhanced the efficiency and ease in tracking of funds for each funding stream.

- 9. Waiver to extend the period of initial eligibility for training providers on Kentucky's Eligible Training Provider List (ETPL).** The waiver has allowed training providers to offer continuous, uninterrupted service to WIA customers. WIA customers continue to have the ability to choose their training providers and access training services in their local areas with the highest degree of informed customer choice possible.

Kentucky State Plan Modification
July 1, 2009 – June 30, 2010

SUMMER YOUTH RECOVERY ACT WAIVERS SUBMITTED MAY 2009

- 10. A waiver of the youth common measures for out-of-school youth ages 18 to 24 served with Recovery Act funds who participate in work experience only beyond the summer months (e.g. May 1 to September 30).** This waiver would use the Work Readiness Indicator as the only indicator of performance for youth ages 18 to 24 served with Recovery Act funds who participate in work experience only during the time period October 2009 to March 2010. Same program design flexibility that is articulated in TEG 14-08, Section 16A for summer youth, apply to youth ages 18 to 24 served with Recovery Act funds who participate in work experience only beyond the summer months
- 11. A waiver relating to procurement requirements for youth services as they apply to ARRA funds for the summer employment program element for summer 2009.** This waiver requests expansion and extension of existing competitively procured contracts by percentages to be determined by the local workforce investment area for ARRA Funds for summer 2009, not to exceed 200%. Alternatively, this waiver requests an expedited, limited competition to select service providers for ARRA funds for summer 2009.