

KENTUCKY WAIVER REQUEST FOR PERIOD: OCTOBER 1, 2014 – JUNE 30, 2017

Kentucky requests the following waiver:

8. Waiver request

Trade Act

Required 50 percent employer match for OJT training

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Trade Adjustment Assistance Act is requesting a waiver to change the required 50 percent employer match for OJT Training to match based on a sliding scale. Through this approach, Trade 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 19 USC 2296(c)(5)(H) , please accept the following as a request for a waiver extension.

- A. Statutory Regulations to be Waived:
Kentucky requests the waiver of USC 2296(c)(5)(H)
- 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 Trade. 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 Trade 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 Trade-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/program 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 Trade programs.

E. Description of the Individuals Impacted by the Waiver:

Employers, Trade 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 trade affected workers.

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:

A current waiver for WIA was originally initiated by the local area boards. All ten local areas have committed their support to this Trade waiver request.

H. Public Comment on the Waiver Request:

Notice of this waiver request was incorporated into the State Plan modification and will be 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;>

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