



EDUCATION and WORKFORCE DEVELOPMENT CABINET
OFFICE OF THE SECRETARY
DEPARTMENT OF WORKFORCE INVESTMENT

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Commissioner

April 10, 2012

Division of WIA Adult Services and Workforce System
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, NW, Room S-4209
Washington, DC 20210

Attention: Heather Fleck

Dear Ms. Fleck:

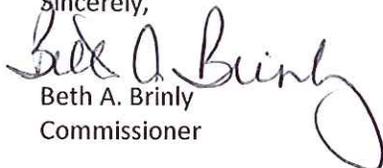
The Commonwealth of Kentucky submits this letter in accordance with TEGL 21-11 to request an extension of Kentucky's current Workforce Investment Act and Wagner-Peyser Plan (July 1, 2011 – June 30, 2012) through September 15, 2012. The Commonwealth also requests the continuation of the current negotiated performance targets (Attachment A - WIA/Wagner-Peyser Performance Goals-PY 2011) and all current waivers (Attachment B - Waiver Decisions – PY 2011) through the same time period. Kentucky intends to submit the required five-year Plan on or about September 14, 2012.

Over the past two years, the Kentucky Cabinet for Economic Development and the Kentucky Education and Workforce Development Cabinet have concentrated on efforts to cultivate and nurture a stronger relationship. The two cabinets have worked to align targeted state sectors and develop a coordinated strategic approach to service delivery.

To develop a comprehensive strategy to service delivery, unified planning among workforce partners must occur. This time extension will allow for increased coordination in the state's planning process in resetting executive, regional and local policies and operations and practices as needed; understanding the business climate and development needs; promoting the Kentucky brand; supporting sustainability, innovation and technology; and fostering an entrepreneurial culture—resulting in improved efficiency in service delivery.

We appreciate the Department of Labor's consideration of this request and look forward to the approval of a time extension for submission of the five-year state plan.

Sincerely,


Beth A. Brinly
Commissioner

cc: Helen Parker, Regional Administrator



ATTACHMENT A – WIA/WAGNER-PEYSER PERFORMANCE GOALS – PY 2011

WIA			
	PY 2010	PY 2011	
Adult Measures			
Entered Employment Rate	83.5	83.5	
Employment Retention Rate	86	86	
Avg. Six Month Earnings	\$11,200	\$11,200	
Dislocated Worker			
Entered Employment Rate	84	84	
Employment Retention Rate	89	89	
Avg. Six Month Earnings	\$13,200	\$13,200	
Youth			
Placement in Employment or Education	65	65	
Attainment of a Degree or Certificate	54	54	
Literacy and Numeracy Gains	48	48	
Wagner-Peyser			
Entered Employment Rate	60	60	
Employment Retention Rate	75	75	
Avg. Six Month Earnings	\$11,400	\$11,400	

Kentucky requests the continuance of the following previously approved waivers.

1. **Waiver of WIA Section 133(b)(4) and WIA Regulations §667.140 to increase the allowable transfer amount between adult and dislocated worker funding streams allocated to a local area.**

Local boards have the option to continue to transfer up to 50 percent of a program year allocation for adult employment and training activities and up to 50 percent of a program year allocation for dislocated worker employment and training activities between the two programs.

The waiver will provide LWIBs 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.

2. **Waiver of 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.

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.

3. **Waiver of WIA Section 134(a)(1)(A) and WIA Regulations 20 CFR 665.310 through 20 CFR 665.330 to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.** 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.

This waiver promotes maximum investment of available funds as well as increases levels of service. It 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.

ATTACHMENT B – WAIVER DECISIONS – PY 2011

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

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 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 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.

5. **Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training (OJT).** 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 more than 250 employees would be reimbursed at the 50 percent rate.

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 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.

6. **Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).** Through this waiver, 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

ATTACHMENT B – WAIVER DECISIONS – PY 2011

for employers with 51-250 employees. Businesses with more than 250 employees would be charged the 50 percent rate.

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.

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 of the prohibition at 20CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth 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 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 of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.** 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.