
COMMONWEALTH OF KENTUCKY

DEPARTMENT OF WORKFORCE DEVELOPMENT

GUIDANCE NAME: Transfer of Funds between the Adult and Dislocated Worker Local Formula Funds – Change 2

GUIDANCE NUMBER: 16-008 - Ch. 2

DATE OF ISSUE: 08/17/2026

EFFECTIVE DATE: 10/01/2020

APPLIES TO/INTEREST OF: Kentucky Career Center (KCC) Staff, Local Workforce Development Area (LWDA) staff, and Local Workforce Development Boards

POINT OF CONTACT: WIOA.Finance@ky.gov

PURPOSE:

This guidance provides parameters for transferring up to 100 percent of a program year allocation for adult employment and training activities and up to 100 percent of a program year allocation for dislocated worker employment and training services between the two programs.

HISTORY:

Initially issued 08/19/2016; revised 10/01/2020; reissued 11/1/2021 with an updated attachment (funds transfer request form) and updated POC, but no substantive guidance change thus former effective date remains. Reissued March 1, 2023, and April 1, 2025, with no substantive change, thus effective date remains. Reissued on August 5, 2026, to reflect changes in the request process and guidelines for approval.

BACKGROUND:

Under the Workforce Innovation and Opportunity Act (WIOA) Section 133(b)(4), a local workforce board may transfer up to 100 percent of an area's program year formula allocation between adult and dislocated worker funds. This authority is provided under WIOA and is contingent upon the request meeting the Governor's (or the Governor's designee's) approval.

GUIDANCE:

Governor's Approval:

The Governor, by and through the Commissioner of the Department of Workforce Development as his designee, shall respond to the request to transfer funds in writing. The Governor may approve or deny the request in full or approve a partial transfer for an amount less than the requested amount. Approval of the transfer will be based upon criteria and factors established in a written policy, set out herein. 20 CFR 683.130(c).

Request for funds transfer:

An LWDA shall submit a written request to transfer funds on the Transfer of Funds Request Form (Attachment A), which includes basic funding stream information. Each request shall include the following additional information for the Governor's consideration:

1. Justification for the transfer (e.g., depletion of current funds, why there is a need to transfer, etc.);
2. Transfer's effect on potential recipients of services under each funding stream;
3. Performance data for the last 2 quarters for each funding stream;
4. Description of expected impact on WIOA performance outcomes for both funding streams;
5. Proposed budget of all affected funding streams for the remainder of the program year;
6. Current labor market information to assess justification for the request to transfer the funds;
7. List all WARN (Worker Adjustment and Retraining Notification) Notices issued by employers with the LWDA in the calendar year preceding the transfer request, including the following information:
 - a. Name of employer;
 - b. Number of affected employees; and
 - c. Date issued.

The LWDA may provide additional details regarding layoffs that do not meet the requirements of a WARN issuance.

8. How the transfer will affect the participant levels and cost per participant in each funding stream, and an explanation of how the LWDB has adjusted the cost per participant for the local area; and
9. Summarization and examples of recruitment and outreach efforts made to market the availability of services to participants.

Considerations:

Transfer requests may be submitted at any time during the two-year period in which the funds are available. Funds transferred shall stay within the original year of obligation. Transfer requests shall

also remain within their respective obligation time periods and be expended within the original period of performance. Accordingly, local areas cannot transfer funds between program years.

Local areas must ensure that funds are not overdrawn during the time a transfer is in progress. No expenses may be incurred before the transfer request is approved. If either of these situations occur, the transfer will not be approved.

Consistently transferring funds out of a specific funding stream may result in poor performance in that stream over time. Accordingly, local areas are advised that consistent transfers of funds can affect performance.

The following funds are not subject to transfer:

- Adult or dislocated worker funds reallocated by the Department of Workforce Development;
- Funds awarded to the state under National Dislocated Worker Grants (NDWG);
- Funds reserved under the Governor's 15 percent discretionary fund;
- Rapid Response funds;
- Obligated funds; and
- Youth Funds.

Local Workforce Development Boards (LWDBs) should be aware that the lack of, or a limited number of, participants in a particular funding stream does not automatically justify a transfer of funds from one program to another. Requests for transfers shall be made by email and must be signed by the designated fiscal agent. LWDBs should consult with the local directors of the Adult and Dislocated Worker programs to ensure that funding requests align with local and regional plans regarding the ability to serve adult and dislocated workers, based on area needs and percentages.

Implications of transferring 100 percent of funds:

Local areas may not apply for additional assistance funds based on insufficient formula allocation of dislocated worker funds resulting from a transfer. However, if a local area transfers 100 percent of its dislocated worker formula funds and a dislocation event occurs in the local area, (e.g., a specific employer layoff or a disaster that changes local economic conditions), the state will consider a local area's request for additional assistance funds on a case-by-case basis.

If 100 percent of funds are transferred, a local area may not increase the original 10% administrative cost amount budgeted for the receiving funding stream.

Monitoring:

At the local level, the workforce development area and/or the fiscal agent shall oversee the transfer of WIOA Adult and Dislocated Worker funds to ensure the transfer is completed pursuant to this guidance. Through the state's monitoring system, fiscal monitors will review the area's transfer of

adult and dislocated worker funds during the annual onsite monitoring review for compliance with federal and state laws and regulations. Any issues will be handled through the state's monitoring resolution process.

Submission Process:

LWDAs shall submit the completed form and supporting documentation to WIOA.Finance@ky.gov for processing.

The Commissioner of the Department of Workforce Development shall issue a response to all requests to transfer funds in writing no less than Sixty (60) calendar days after the request is submitted.

REFERENCES:

Workforce Innovation and Opportunity Act (WIOA) Section 133(b)(4), (29 USC 3173(b)(4))

20 CFR 683.130(c)

FUNDS TRANSFER REQUEST

Grant Information:

LWDA: _____

Originating Grant Number: _____

Select the appropriate Transfer of Funds:

☐ Adult to Dislocated Worker☐ Dislocated Worker to Adult

Original Allocation \$ _____

Prior Transfers \$ _____

Amount currently obligated for this grant \$ _____

Amount currently unobligated for this grant \$ _____

Transfer Amount Requested \$ _____

Justifications and Considerations:

Provide a justification for the transfer (e.g., depletion of current funds, need to transfer, etc.).

Detail the transfer's impact on potential service recipients under each funding stream.

Detail the performance data of both funding streams for the two quarters preceding the request.

Describe the expected impact on WIOA performance outcomes for both funding streams.

Provide a proposed budget of all affected funding streams for the remainder of the program year.

Provide current labor market information to assess justification for the request to transfer the funds.

List all WARN (Worker Adjustment and Retraining Notification) Notices issued by employers with the LWDA in the calendar year preceding the transfer request, including the following information:

- a. Name of employer;
- b. Number of affected employees; and
- c. Date issued.

The LWDA may provide additional details regarding layoffs that do not meet the requirements of a WARN issuance.

Explain how the transfer will affect participant levels and the cost per participant in each funding stream, and provide an explanation of how the LWDB has adjusted the cost per participant for the local area.

Provide a summarization and examples of recruitment and outreach efforts made to market the availability of services to participants.

Assurances (Please initial each statement):

_____ The funds are not overdrawn at the time of the request and will not be prior to the approval of the request.

_____ No expenses have been incurred before the transfer request was submitted and will not be incurred prior to the written approval of the transfer.

_____ The funds subject of this transfer request are not any of the following:

- Funds reallocated by the Department of Workforce Development;
- Funds awarded to the state under National Dislocated Worker Grants (NDWG);
- Funds reserved under the Governor's 15 percent discretionary fund;
- Rapid Response funds;
- Obligated funds; or
- Youth Funds.

_____ The original 10% administrative cost amount budgeted for the receiving funding stream will not be increased using funds from this transfer.

_____ Consistent transfers of funds may affect the performance goals of the originating grant

LWDA Approval Signature

Date

Printed Name

Title

Transfer request to be submitted with supporting documentation to the WIOA Grants Management Team e-mail box at WIOA.Finance@ky.gov