

Training Today for Jobs Tomorrow

Kentucky Workforce Innovation
and Opportunity Act
Program Year 2015 Annual Report



Kentucky
WORKFORCE
INNOVATION BOARD

Introduction - Secretary Hal Heiner

In 1775, legendary frontiersman Daniel Boone and other early settlers blazed a trail into the Kentucky wilderness through the famed Cumberland Gap. Nearly 250 years later, citizens of the Commonwealth are seeking to pioneer paths to address imposing gaps of another sort.

The expanding achievement gap between our students of differing demographic and geographic backgrounds prevents many young people from achieving their most fulfilled lives. And the persistent skills gap between our existing labor force and the demands of 21st-century employers greatly inhibits personal career opportunity and statewide economic growth.

I am privileged to lead the Education and Workforce Development Cabinet during an exciting season of opportunity as we assess these challenges and chart a bold new course for Kentucky.

In 2016, Gov. Matthew G. Bevin and the General Assembly established the \$15 million Kentucky Dual Credit Scholarship. This program enables our high schoolers, for the first time ever, to enroll in dual credit postsecondary courses at no cost to themselves or their families.

I firmly believe that for every Kentucky student, the choice must be college or college - college on an academic route or college on a career/technical track. We must also provide school choice and specialized forms of education to ensure that all of our students are equipped with the tools they need to succeed.

Also launched this year was the Kentucky Work Ready Skills Initiative, which created a \$100 million statewide bond program aimed at building a highly trained, modernized workforce in the Commonwealth to meet the needs of employers and promote sustainable incomes for Kentuckians.

As we continue with implementation of federal Workforce Innovation and Opportunity Act standards, close partnership with the 10 local workforce development boards across the state is vital; and our Office of Employment and Training, Office for the Blind and Office of Vocational Rehabilitation are seeking increasingly efficient and effective ways of doing business.

Like our pioneer forbearers, we stand today facing imposing obstacles. However, I am confident that this generation of Kentuckians will follow the lead of those hearty trailblazers - rising to meet our challenges and grasp the rewards of the paths less traveled.

Secretary Hal Heiner
Education and Workforce Development Cabinet

Table of Contents

Kentucky Workforce Innovation and Opportunity Act Annual Report - Program Year 2015

Training Today for Jobs Tomorrow	4
State Workforce Development Leadership and Services	5
Kentucky Workforce Innovation Board Members	6
Organizational Highlights.....	7
Office of Employment and Training.....	8
Office for the Blind	10
Office of Vocational Rehabilitation	12
Workforce System Key Initiatives	15
Work Ready Communities	16
KCCGO!.....	17
Sector Strategies	18
Industry Partnerships	19
Co-enrollment.....	20
Evaluation.....	20
Program Results	21
Cost of Program Activities Relative to Outcomes	22
Unemployment Rates	23
WIA Financial Statement	24
WIA Expenditure Summary.....	26
Measuring Success in Difficult Economic Conditions	28
Customer Satisfaction Measures.....	29
Kentucky Waivers.....	31



Training Today for Jobs Tomorrow

The 2015 program year brought about a wealth of changes in Kentucky with implementation of the Workforce Innovation and Opportunity Act, preparation for a new gubernatorial administration and a Kentucky Workforce Innovation Board (KWIB) consisting of 75 percent new membership.

Overall, 2015 was a time of revision and renewal. Stepping back to look at the foundation built for Kentucky's workforce system, the state renewed its vision for the next path of innovation in connecting education, workforce and economic development.

Kentucky is strengthening and engaging business and industry even more than before, aligning all elements of the system. Specifically, development and expansion of regionally-focused partnerships became the basis for work and existed at the forefront of discussions along with development of work-based learning opportunities and understanding the value of and aligning industry recognized credentials.

What does the next path of innovation look like?

The state will be developing teams of industry-led professionals to guide the way in finding best practices, both internally and externally. Stakeholders will have difficult conversations about industry expectations, and next steps will be determined strategically and with much forethought.

The board will commission itself to dive deeper into data, beginning the exploration of the demand and supply side of careers, skills, credentials and job gaps.

The upcoming year will continue to be about this innovation. As an advisory board for the governor, KWIB will create recommendations that will encourage Kentucky's partners to work more cohesively. A large part of the board's desire is to create a metric system that establishes performance measurements to ensure it, as a system, is benefitting Kentuckians.

There is much work to be done, and Kentucky remains ready and excited to move forward.

**Melissa Aguilar,
KWIB Executive Director**

State Workforce Development Leadership and Services



Hal Heiner, Secretary
Education and Workforce
Development Cabinet

Education and Workforce Development Cabinet

The role of the Education and Workforce Development Cabinet is to oversee the work of educating, preparing and training Kentucky's current and future workforce.

The goal is to help all Kentuckians excel in academics and life. Lifelong learning through school, work and other training opportunities is a cornerstone philosophy of the cabinet as it supports the programs and work of its agencies.

Department of Workforce Investment

The Department of Workforce Investment is a link to employment services, workforce information, education and training for job seekers, employers, youth and people with disabilities.

Its offices, the Office of Employment and Training, Office for the Blind and Office of Vocational Rehabilitation along with the local Workforce Investment Boards, work together as the Kentucky Career Center to provide seamless unified services to customers statewide.

Kentucky Workforce Innovation Board

The 42-member Kentucky Workforce Innovation Board (KWIB) serves as an advisory board to the governor on workforce training and development issues.

KWIB is charged with creating a statewide vision for workforce development and adopting a plan to move Kentucky forward through workforce training and development.



Beth Kuhn
Commissioner
Department of Workforce
Investment



Melissa Aguilar
Executive Director
Kentucky Workforce
Innovation Board

Education and Workforce Development Cabinet

300 Building, fourth floor

300 Sower Blvd.

Frankfort, KY 40601

502-564-0372

Kentucky Workforce Innovation Board Members

PY 2015 Board Members

Jared Arnett
John Baines
Gov. Matthew G. Bevin
David Boggs
Jay Box
Ruth Brinkley
Larry Clark
Erik Dunnigan
Peter Feil
Sharon Fields
Sharon Furches
Parvin Gibbs
Michael Hale
Hugh Haydon, chair
Hal Heiner

Jimmy Higdon
Rodney Hitch
Marlin Jiranek
Robert King
Kurt Krug
Jason Luring
Amy Luttrell
Heidi Margulis
Ashley Miller
Debbie Morris
Pat Murphy
James Neihof
Lynn Parrish
Freddy Peralta
Scott Pierce

Mike Price
Stephen Pruitt
Derrick Ramsey
Madison Silvert
Robert Southard
Terry Spears
George Steele
Bob Stewart
John Thacker
David E. Thompson
Carla Webster
Bill Weier
Danette Wilder
Steven Willinghurst



Organizational Highlights

OFFICE OF EMPLOYMENT AND TRAINING

The Kentucky Office of Employment and Training (OET) was successful in providing vital facilitation and support for the many strategic initiatives underway in Kentucky's workforce system during PY 2015.

Overseeing the network of Kentucky Career Center (KCC) offices, the "storefront" of its workforce system, OET strives to deliver job services, unemployment insurance services, labor market information and training opportunities for Kentuckians and anyone looking to work or hire within the state.

Individual Customer Services

Within the Employment and Services Division, OET has the Individual Customer Service branch that houses the Focus Suite application team, veteran services and the regional program managers.

The Focus Suite underwent application upgrades in PY14.

In November 2015, a new version of the Focus Suite was implemented. The staff service delivery module was greatly enhanced by giving staff additional tools to facilitate job matching, career guidance, case management and messaging. The Service Seeker module also offers many enhanced features such as Focus Explorer, a self-service career guidance tool, and an enhanced resume upload feature. The employer self-service module Focus Talent also received several enhancements such as a multiple job upload feature and the ability for employers to send out multiple invitations for interviews to qualified candidates.

Focus Talent, Kentucky's online job-match system for employers, and Focus Career, which helps job seekers search for career opportunities, are free tools that use the latest technology to match skilled workers with employers in need of those skills.

Focus Assist is a tool for staff members enabling them to effectively help both job seekers and employers use the online systems. Focus Assist

For the Report Period July1, 2015 - June 30, 2016		
		Total
Total Number of Job Seekers Registered in the system		79,208
Total Number of Employers posting jobs during the period		5,348
Total number of Jobs posted by employer on Focus site		104,753
Total number of external jobs made available to seekers		Not Available in V3
Following data broken down by statewide (Ky.)		
Total number of returning seekers		130,884
EDUCATION LEVEL		
		Total Seekers
Less than high school		13,190
High School diploma		46,344
Some College		24,055
Vocational Degree		4,271
Associate Degree		11,617
Bachelor's Degree		12,402
Master's Degree		3,581
Doctoral Degree		446
GED		14,626
Other		352
	Total	130,884
Following data broken down by statewide (Ky.)		
The number of job order posted (active)(Ky.)	8,669	
The number of job openings (active)(Ky.)	21,741	
Average Years of work Experience of job Seekers(Ky.)	10	
Average age of registered job seekers(Ky.)	39 Years	

also allows staff to review applications for job seekers and edit new job orders for our employer accounts.

The next generation of Focus has been developed and offers a host of new elements for job seekers, employers and staff. Focus Career has been upgraded with Focus Explorer, a career guidance and exploration navigator that helps job seekers make career decisions based on skills and education demands in their area in real time.

Focus Talent will allow employers to upload multiple job postings and invite groups of eligible job seekers to apply to these postings. Focus Assist has many new features that will help staff more efficiently problem solve issues for customers. There is a new reporting feature that allows for real-time data collection.

Veterans services met or exceeded nine of 13 veteran employment measures in three of the four quarters during PY 2015.

The local veterans employment representatives increased the number of businesses using the Focus Talent portal by 730. They helped organize several job fairs around the state with recruiting companies as well as veterans to attend the fairs. The Disabled Veterans Outreach Program specialists provided one-on-one services to



2,381 veterans resulting in 1,229 of them gaining employment.

Information on veterans receiving services by employment staff shows that the six-month average wages remained consistent with last year's wages.

The National Chamber of Commerce held one Hiring Our Heroes job fair in Lexington. Approximately 400 veterans attended these events with 20 veterans hired.

The Ashland area located in the TENCO workforce development region held its fourth annual veterans expo. Veterans staff in Kentucky and West Virginia, along with federal, state and local civic agencies from both states, attended along with 31 businesses. More than 400 veterans and their spouses attended.

Employer Customer Services

The Employer Customer Services branch houses the Kentucky Career Center Tax Credit Unit that administers the Work Opportunity Tax Credit (WOTC) and the Kentucky Unemployment Tax Credit (UTC) programs. These programs provide direction, planning and organization for statewide implementation, execution and continuation.

Kentucky Career Center Tax Credit Unit accomplishments for PY 2015 included the certification of 41,098 WOTC requests and 528 Kentucky UTC program requests. Also, the unit

is working on implementation of the new WOTC long-term unemployed target group, a tax credit for employers who hire individuals who are long-term unemployed.

Another service under the Employer Customer Services branch is the Rapid Response team. Rapid Response assists workers and businesses through the inevitable periods of economic transitions that will occur throughout the business cycle.

Fundamentally, its goal is to prevent layoffs when possible, limit their impact on workers should they occur and help dislocated workers transition to new employment as quickly as possible.

During PY 2015, Rapid Response processed and responded to 63 Worker Adjustment and Retraining Notification Act (WARN) claims. WARNs provide workers with sufficient time to seek other employment or retraining opportunities before losing their jobs. Rapid Response is also provided on request to employers laying off employees.

Also in PY 2015, Rapid Response continued updating communication processes regarding WARNs. The original WARN notice(s) and worker layoff information are posted on the KCC website. Notices are by year and go back to 1998.

For 2015 and 2016, you can download the WARN report with a hyperlink to the notice submitted by the employer.

Another successful initiative under the Employer Customer Services branch is the National Career and Readiness Certificate (NCRC) program.

In PY 2015, the initiative generated 23,782 NCRCs throughout the state; 18,987 of which were Silver Level or greater.

Through the work of OET and partners Kentucky Adult Education, Kentucky Community and Technical College System, the Department of Corrections, WIOA partners and the Kentucky Department of Education (KDE), the state has eclipsed the 125,000 NCRC threshold.

During PY 2015, the NCRC coordinator

conducted four WorkKeys administrator training opportunities; 27 WorkKeys administrators and proctors received comprehensive training or refresher training.

WorkKeys training consists of ACT and Kentucky NCRC coursework in both paper and pencil and internet version administration, as well as the Kentucky NCRC system and how to use the NCRC as an employability tool.

Presentations were given to Kentucky Association of Manufacturers, the Kentucky Association for Health Care Providers and for community partner gatherings across the state.

Additionally, in cooperation with Kentucky Adult Education, two Kentucky Career Center offices became certified as Authorized Pearson VUE GED Test Centers.

Unemployment Insurance

The Unemployment Insurance (UI) Program was created by the Social Security Act of 1935 and offers the first economic line of defense against the effects of unemployment.

UI is a social insurance program but unlike other safety net programs, UI eligibility is not means tested.

All qualified workers, regardless of means, are entitled to UI benefits. Entitlement is established only if the claimant has sufficient employment history. UI is designed to provide benefits to eligible individuals who are unemployed due to non-disqualifying reasons.

To qualify for benefits, claimants must demonstrate workforce attachment, must be able and available for work and generally must meet other eligibility requirements while they seek work.

Numerous studies have found that during times of high unemployment, each dollar of UI benefits paid will result in up to \$2 of economic activity.

In 2015, OET continued to see a decrease in UI initial claims, as is consistent with nationwide trends due, in large part, to the overall health of the economy.

This workload decrease has allowed staff the opportunity to shift the primary focus of work back to continuous improvements toward quality.

The Appeals Branch exceeded the percentages necessary to be taken off corrective action by the U.S. Department of Labor. Additional trainings were implemented in addition to peer reviews, all of which were factors leading to the tremendous improvements.

OET continued to promote the State Information Data Exchange System (SIDES), an e-filing system that allows employers to file responses to the Division of Unemployment Insurance notices electronically, decreasing the time necessary to receive the response and preventing the risk of mishandling documents.

By means of the Interstate Reciprocal Overpayment Recovery Arrangement, Kentucky began requesting the collection of UI overpayments by other states and also began collecting overpayments for other states. OET continued efforts to identify misclassified workers in the employer community. To date, Kentucky's Division of Unemployment Insurance Tax Audit Branch has conducted 936 audits. These audits have resulted in the identification of 1,102 misclassified workers with a combined total of gross unreported wages of nearly \$8.2 million.

OFFICE FOR THE BLIND

The Office for the Blind (OFB) assists individuals who are blind or visually impaired to obtain and maintain employment and to live independently





in their communities. Services are provided through programs with highly qualified rehabilitation staff from 10 field offices across the state serving all 120 counties.

In PY 2015, 1,565 individuals received vocational services through OFB with 282 placed in employment. Of those, 571 were legally blind; 898 were visually impaired; 48 were deaf-blind; and three had other primary disabilities. Average weekly earnings rose from \$7.62 per hour at application to \$13.71 at the closure of their cases for an average increase of \$6.09 per hour with the average number of hours worked per week at 33.17.

The educational levels of individuals achieving employment show that 86 percent of them have a high school diploma, bachelor's degree or some postsecondary education coursework.

The Independent Living Program served 759 individuals across the state. The Older Blind program for people 55 years and older served 600 individuals while the Independent Living Program for people under the age of 55 years served 153.

At the Charles W. McDowell Rehabilitation Center in Louisville, residential services are designed to assist individuals who are blind or visually impaired in achieving their educational, vocational and independent living goals.

In 2015, 91 individuals were served at the

center. To increase employment outcomes in PY 2015, OFB implemented a formal pre-employment program at the center specific to students with disabilities in high school to meet the unique needs of this population. OFB staff worked with Karen Wolffe, an expert in the area of pre-employment training for individuals with a visual impairment and creator of the Employability Skills Program. The three-week session occurred in July 2015 with seven individuals participating.

The agency's Bioptic Driving Program allows an individual with low vision to complete driver training using an individualized bioptic device and test for his or her Kentucky driver's



license. Since its inception in 2004, the Bioptic Driving Program has licensed more than 380 individuals in Kentucky. This has allowed for greater independence in a state where public transportation, specifically in rural areas, isn't always readily available.

In April 2015, OFB hosted its first annual Employer Conference, "An Untapped Labor Pool: Recruiting and Retaining Workers with Disabilities," with 153 business and industry participants in attendance. It was an exciting two-day event designed to increase knowledge and awareness and provide current information on employment and reasonable accommodations for blind and visually impaired individuals.

The Business Enterprises Program provides training and certifies Kentuckians who are legally blind in food service and licenses them to operate snack bars, dining facilities and automated vending facilities in public or private state and federal locations. The program provides full-time employment and career opportunities for Kentuckians who are legally blind, while providing high-quality vending and food service for government and business. In PY 2015, OFB served 54 vendors in 145 locations.

Annually, OFB does a customer satisfaction survey of all individuals served whose cases are closed both successfully and unsuccessfully.

Overall, the results of the study indicated that consumers expressed high degrees of satisfaction with their experiences. Nearly 90 percent of all participating consumers rated the services that they received as a one or two on a five-point scale where one is excellent and five is poor. In addition, for those with a case closed successfully, more than 93 percent indicated that their needs were met through the services received.

OFFICE OF VOCATIONAL REHABILITATION

In PY 2015, the Office of Vocational Rehabilitation (OVR) assisted 3,957 individuals with a disability in finding gainful employment, an increase in positive employment outcomes (PEO) of 7 percent when compared to 2014 and an 11.6 percent increase since FY 2010.



Most notable in PY 2015 was the reauthorization of the Workforce Investment Act, now called the Workforce Innovation and Opportunity Act (WIOA), which included amendment to the Rehabilitation Act of 1973 in Title IV of the act. WIOA revolutionizes the delivery of workforce services to improve access and coordination among the various workforce partners and improve customer outcomes. To allow better system accountability, Title I of WIOA included performance measures consistent among all workforce partners. WIOA also includes requirements for unified or combined planning among partners on a statewide level, which is intended to ensure maximum cooperation and efficiencies within the workforce system.

In terms of changes to the Rehabilitation Act, the law clearly increased expectations of the vocational rehabilitation (VR) program to increase and improve services to transition-age students with disabilities, with an increased expectation of improved employment outcomes.

The reauthorization now requires VR agencies to set aside 15 percent of federal funds to provide pre-employment transition services to students with disabilities. WIOA also requires state agencies to increase their interaction with employers to ensure a career pathway for individuals with disabilities into high-quality employment opportunities. Another notable change, which is an effort to expedite services to eligible individuals with disabilities, is a 90-day limit on development of the Individualized Plan for Employment.



Carl D. Perkins Vocational Training Center

PY 2015 marked the 42nd year for the Carl D. Perkins Vocational Training Center. This year staff from the Perkins Center revised its vision and mission toward the service of Kentuckians with disabilities. In addition, the Tobacco Free Executive Order stimulated health initiatives geared toward both students and staff.

Highlights of PY 2015 Perkins Center programming include changes in the enrollment process for the Food Service occupational skill training program as well as the addition of NCRC testing and a cash register curriculum through Point of Sale University. The center served 661 Kentuckians during the fiscal year and received 292 new referrals from OVR counselors in the Division of Program Services. Despite slightly lower overall numbers, the center served 280 individuals who were transition age (21 or younger) and 313 individuals who were considered youth (24 or younger), respectively 42 percent and 47 percent of the total number served. Program completion rates were at an all-time high with seven out of 15 programs having a 100 percent completion rate. The Academic and Lifeskills Program of Higher Achievement (ALPHA) had the highest enrollment since program inception (21) earning a collective grade point average of 2.94 on a 4.0 scale.

The vocational evaluation unit earned a three-year reaccreditation from the Committee on

Accreditation of Rehabilitation Facilities. The onsite day care center, Growing Together Day Care Center, maintained a three-star rating after inspection. Further, both the cosmetology training program and the center cafeteria consistently earn perfect scores on state inspections. Customer satisfaction remained high at a 94 percent rate.

Ky. Assistive Technology Loan Corporation

The Kentucky Assistive Technology Loan Corporation (KATLC) processed 110 applications for assistive technology, approving 57 applications for a total of \$431,963.33. Hearing aids and vehicles with modifications remained the most requested items. The program enables qualified applicants to borrow funds to purchase assistive technology.

The impact it has on an individual's life is reflected in this comment received from one borrower: "I purchased a vehicle with modifications. I can now travel freely without depending on theirs to get me there or for the bus to come. I now have some additional time in my day to do 'me things' - whatever I want and when I want to do it. I feel like I am no longer wasting my life away waiting for those to take me places. I can do it on my own."

Rehabilitation Technology

The Rehabilitation Technology Branch continues to assist consumers in reaching their vocational goal by assessing, recommending and providing appropriate assistive technology solutions.

A total of 1,320 consumers received equipment and services that helped them prepare for, gain or maintain employment. Of that number, 104 received modifications to their personal vehicles at a total cost of slightly more than \$1 million.

Also, 159 individuals received driver evaluations, and 100 received driver's training, providing yet another step to employment. A total of about \$2.12 million was spent on assistive technology equipment and services for OVR consumers.

Transition

A total of 8,966 consumers on counselor

caseloads in PY 2015 were referred from secondary schools, or 24.5 percent of the 36,662 consumers. Of the agency's 4,498 PEOs, 692 (15.4 percent) had been referred by secondary schools.

In PY 2015, OVR continued to provide high quality services to transition-aged students and youth with disabilities in all 173 school districts in the state.

According to the Kentucky Post School Outcomes Study, OVR once again ranked as the agency that most often provided services to students with disabilities covered by an Individualized Education Program.

Many OVR efforts are enhanced through partnerships with 53 school districts in the Community Based Work Transition Program (CBWT) that helps students with the most significant disabilities obtain competitive, integrated employment prior to exiting high school with the assistance of a job coach.

OVR collaborative efforts were also visible at the state level through involvement with:

- Kentucky Department of Education's College and Career Readiness Initiative for the 1 percent;
- Kentucky Interagency Transition Council;
- Kentucky Post School Outcomes Project Advisory Committee;
- State Advisory Panel for Exceptional Children;
- University of Kentucky's Human Development Institute's Postsecondary Inclusion Project Committee;
- Kentucky Partners in Transition Team;
- Kentucky Workforce Investment Board Strategic Planning High School Outreach Committee;
- Commission for Children with Special Health Care Needs-Autism Subcommittee;
- Department of Behavioral Health's Healthy Transitions TAYLRD (Transition Aged Youth Learning to Realize Dreams) five-year grant;

- State Interagency Council; and
- PepNet2 Capacity Building Transition Services for Deaf and Hard of Hearing grant.

Supported Employment

OVR counselors and consumers who needed supported employment services (SES) developed 781 Individualized Plans for Employment this year. Three consumers were identified as needing SES, but had none available in their areas. More than 90 supported employment vendors affiliated with the agency delivered services for 1,525 individuals, resulting in 554 positive employment outcomes.

The Dartmouth Supported Employment Initiative serving OVR consumers in all 14 community mental health centers throughout the state had another successful year with 263 job starts and 128 positive employment outcomes. This project is a collaborative venture with the Kentucky Division of Behavioral Health and the University of Kentucky, Human Development institute.

The SES staff has continued to work with the Division of Developmental and Intellectual Disabilities (DDID) on the implementation of supported employment in the new SCL 2 Medicaid waiver that will enhance supported employment services to consumers. OVR continues to partner with DDID to create funding mechanisms that will allow the shifting of funds from OVR to Medicaid Waiver funding to be as seamless as possible.



Workforce System Key Initiatives

Work Ready COMMUNITIES

The Kentucky Work Ready Communities certification program from the Kentucky Workforce Innovation Board (KWIB) and the Kentucky Education and Workforce Development Cabinet assures employers that a local workforce has the talent and skills necessary to staff existing jobs and to master the innovative technologies new jobs will require.

The highly successful Work Ready Communities effort depends greatly on the input of state and local economic development professionals as well as the contributions of adult education, the community college system and several key business organizations.

Labor and county government associations also brought expertise to the table. The resulting framework that demonstrates the high quality of the workforce is directly attributed to the collaborative spirit of this group from concept through implementation.

Since certification began in February 2012, 29 counties have achieved Kentucky Work Ready status and 39 counties have been certified as Work Ready Communities in Progress. Other counties have submitted letters-of-intent, meaning that they have formed a work-ready committee and intend to submit an application for certification.

Kentucky Work Ready (29)

Boyd, Boyle, Boone, Bullitt, Campbell, Carlisle,

Clark, Daviess, Fleming, Greenup, Hardin, Henderson, Hopkins, Kenton, Madison, Marshall, McCracken, Mercer, Montgomery, Nelson, Oldham, Pulaski, Rowan, Shelby, Trigg, Union, Warren, Washington and Woodford counties

To be designated Kentucky Work Ready Communities, a county must gather local support and commitment and apply for the certification. Counties have to meet criteria

in six areas including high school graduation rate, NCRC holders, demonstrated community commitment, educational attainment, soft-skills development and digital literacy.

"The Kentucky Work Ready Communities program momentum is growing as more communities learn about the certification and how it can help them achieve a higher level of competitiveness among business and industry," KWIB Chair Hugh Haydon said.

Kentucky Work Ready in Progress (39)

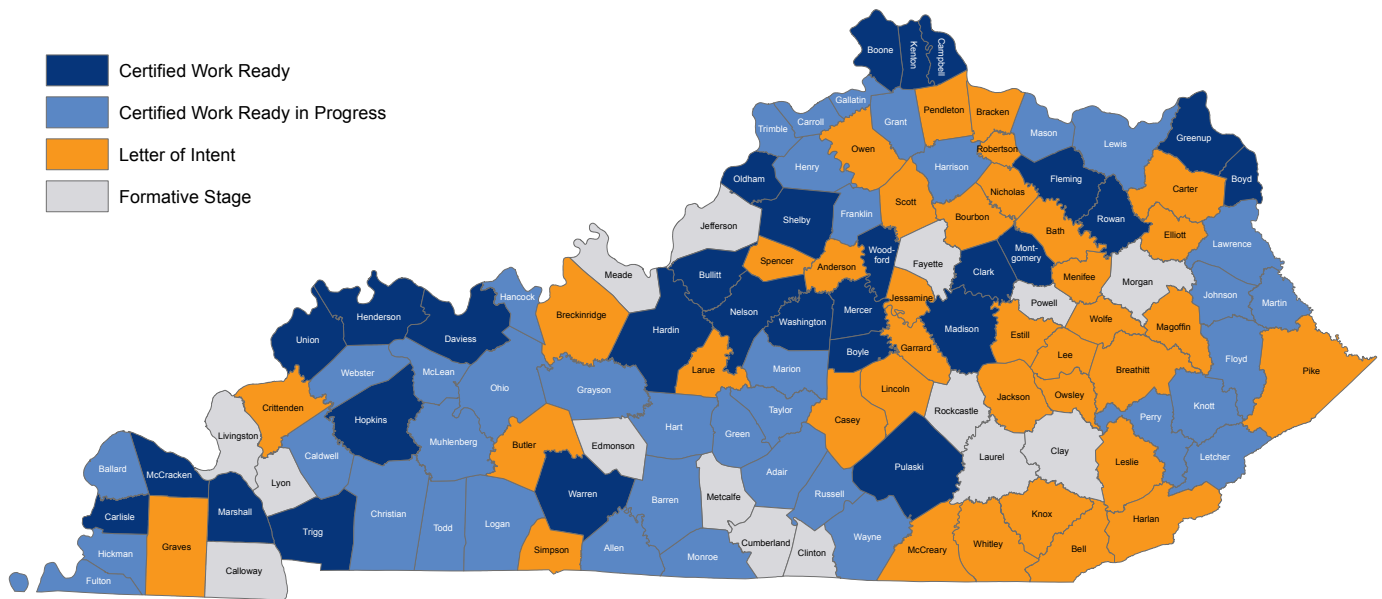
Adair, Allen, Ballard, Barren, Caldwell, Carroll, Christian, Floyd, Franklin, Fulton, Gallatin, Grant, Grayson, Green, Hancock, Harrison, Hart, Henry, Hickman, Johnson, Knott, Lawrence, Letcher, Lewis, Logan, Marion, Martin, Mason, McLean, Monroe, Muhlenberg, Ohio, Perry, Russell, Taylor, Todd, Trimble, Wayne and Webster counties

To achieve this level, a county must present a viable plan to meet all of the criteria within



“Working toward the Kentucky Work Ready Communities status gives communities an economic advantage when companies are looking for a place to locate, and it shows established Kentucky businesses that they will continue to have a strong pipeline of skilled

Applications for the certification are reviewed by a panel appointed by the KWIB. The panel recommended certification by the board for the counties that met the criteria. The panel meets four times a year to review applications, which can be submitted at any time.



As of June 30, 2016, 470 participants have been served in re-employment eligibility assessment programs, career center workshops and the Kentucky Employment Network Program.

Total expenditures with this grant so far are \$1,922,675.58.

Kentucky SECTOR STRATEGIES

Kentucky Sector Strategies efforts expanded during PY 2015.

Four new industry sector partnerships received funding through the Statewide Reserve Investment strategy, the fourth round of such funding to help seed sector partnerships across Kentucky.

Also at the statewide level, Kentucky contracted with Maher and Maher for a re-evaluation and updating of the targeted sector analysis and the online sector toolkit.

Both projects were completed during the 2015 program year.

Local workforce areas also implemented effective sector strategies.

In Northern Kentucky, KCC offered sector-based orientations to individual customers and also identified career center staff to specialize in specific sectors to facilitate both individual and employer customer services.

In KentuckianaWorks, the Manufacturing Career Center substantially expanded its employer partnerships, individual training and job placement levels and open a Health Care Career Center near the end of 2015.



INDUSTRY PARTNERSHIPS

The Kentucky Department of Workforce Investment announced a new round of Industry Partnership Grants that support regional collaborations of 10 or more employers with education, training and other workforce development organizations for the purpose of addressing industry skill gaps. The grants range from \$5,000 to \$50,000, totaling \$300,000.

This was the fourth round of grant opportunities for industry partnerships. Two kinds of grants were available:

- support grants to create new partnerships or expand the capacity of existing partnerships, and
- training grants to provide direct support of skill development.

Local workforce boards were required partners and must serve as the fiscal agent. The lead applicant may be a local workforce board, a business association, a government agency, a non-profit or other type of organization; however, a training provider may not be the lead grant applicant.

Applications had to specify a state or regional targeted sector in: automobile, aircraft, advanced and/or sustainable manufacturing, transportation, distribution and logistics, business services and research and development, health care/social assistance, energy creation and transmission and technology.

Funding for the grants is from Workforce Investment Act funds for statewide activities.

In January 2015, KWIB and the Kentucky Education and Workforce Development Cabinet (EWDC) announced the recipients of four industry partnership grant awards totaling \$187,450.

- West Kentucky Workforce Investment Board (WKWIB) received a \$37,450 grant to partner with I-69 Industry Alliance to expand the scope of its operation and membership. The alliance, formerly the Madisonville Area Manufacturers Association, provides training and support for employers in the light manufacturing sector, which WKWIB has identified as having the potential for significant, near-term growth.

The I-69 Industry Alliance will use the grant to hire a consultant to assess the training and support needs of the light manufacturing sector in these counties; create a coordinated outreach and recruitment campaign to broaden its membership; and refine current networking and communication strategies to effectively serve the regional membership.

- KentuckianaWorks received a \$50,000 grant to partner with the Health Careers Collaborative of Greater Louisville to support the upcoming launch of a one-stop center for health care job seekers called the Kentucky Health Career Center. The collaborative of local health industry organizations, secondary, post-secondary and higher education institutions, community-based organizations and health care providers identifies potential health care workers and supports career pathways to meet the needs of health care institutions.

The grant will be used to hire a coordinator for the collaborative, launch the Kentucky Health Career Center, develop career pathway materials and establish entry-level credentials for health care workers.

- Barren River Local Workforce Investment Board and the Franklin Simpson Industrial Authority received a \$50,000 grant to partner with the Southcentral Kentucky Community and Technical College (SKYCTC) and the Barren River Development District to address the need for skilled workers in advanced manufacturing jobs in the area.

The grant will be used for an advanced manufacturing technician (AMT) training program that would allow graduating high school seniors and other candidates to work for a sponsoring employer while earning their technicians degree at SKYCTC. The grant will help the group establish the Advanced Manufacturing Technician Program, hire a project manager, identify potential graduating students for the apprenticeship program and coordinate employer selection.

- Green River Area Development District (GRADD) and the Greater Owensboro Regional Alliance for Education received a \$50,000 grant to fund the No Worker Left Behind: Growing a Diverse Workforce for a Competitive Economy in the Advanced Manufacturing and Automotive Sector.

The project will assure the continued viability and expansion of advanced manufacturing in the targeted areas of Daviess, Hancock, Mclean and Ohio counties, and provide a pipeline of well-prepared entry-level workers. It will also help the industries develop a diverse workforce from non-traditional groups that are underrepresented such as females and minorities.

The grant will be used to collect and analyze data to identify current and future training needs; research and implement strategies to increase diversity in employment; and develop a long-term plan to address these issues.

CO-ENROLLMENT

Co-enrollment allows partners to leverage resources while providing a more comprehensive service delivery strategy that meets the needs of customers with several barriers to employment.

WIOA regulation §679.560(b)(2) requires elaboration on the strategies for alignment by requiring that the local board describes how such alignment will improve access to services and to activities that lead to a recognized postsecondary credential. §679.560(b)(2)(ii) explains that the local board must describe how it will work with entities carrying out core programs to facilitate the development of career pathways and co-enrollment, as appropriate, in core programs.

Coordination of services in a customer-focused manner minimizes the possibility of subsequent re-entry into the public workforce system in cases where needed services were not provided or possible barriers not addressed.

WIOA gives the state the authority to establish policies and guidelines related to verifying WIOA and employment services eligibility as long as the policies are consistent with WIOA, the WIOA

regulations, the Wagner-Peyser Act and regulations and other federal statutes.

As of July 1, 2015, all adults and dislocated workers who receive KCC services other than self-service and informational activities must be registered and considered a participant for WIOA Title 1 services.

The WIOA and Wagner-Peyser co-enrollment system process will occur through an automated process within EKOS, Kentucky's management information system provided that the appropriate activities and verification are provided on the customer's record.

Staff will record the correct activities for the respective programs and verify the DOB/veterans information is correctly documented in EKOS. Customers will then be co-enrolled and counted in both WIOA and Wagner-Peyser performance measures. Each local workforce development area, in conjunction with its respective KCC office, developed and implemented a service delivery model for their office(s).

EVALUATION

The initiatives previously described represent an intense focus on evaluating and improving the efficiency and effectiveness of services across the workforce system.

Evaluation is built and embedded in these efforts in numerous ways, beginning with the assessments conducted by consultants and by the local workforce investment areas.

These assessments were and are at the heart of initiatives like KCC certification, sector strategies, co-enrollment and more.

The results enable us to make substantive changes in service delivery and organizational structure required to meet the elevated workforce system standards.



As these efforts continue, we anticipate additional opportunities to evaluate effectiveness and secure new resources to engage others to help research the strategies and results.

Program Results

Cost of Program Activities Relative to Program Outcomes

July 1, 2015 - June 30, 2016

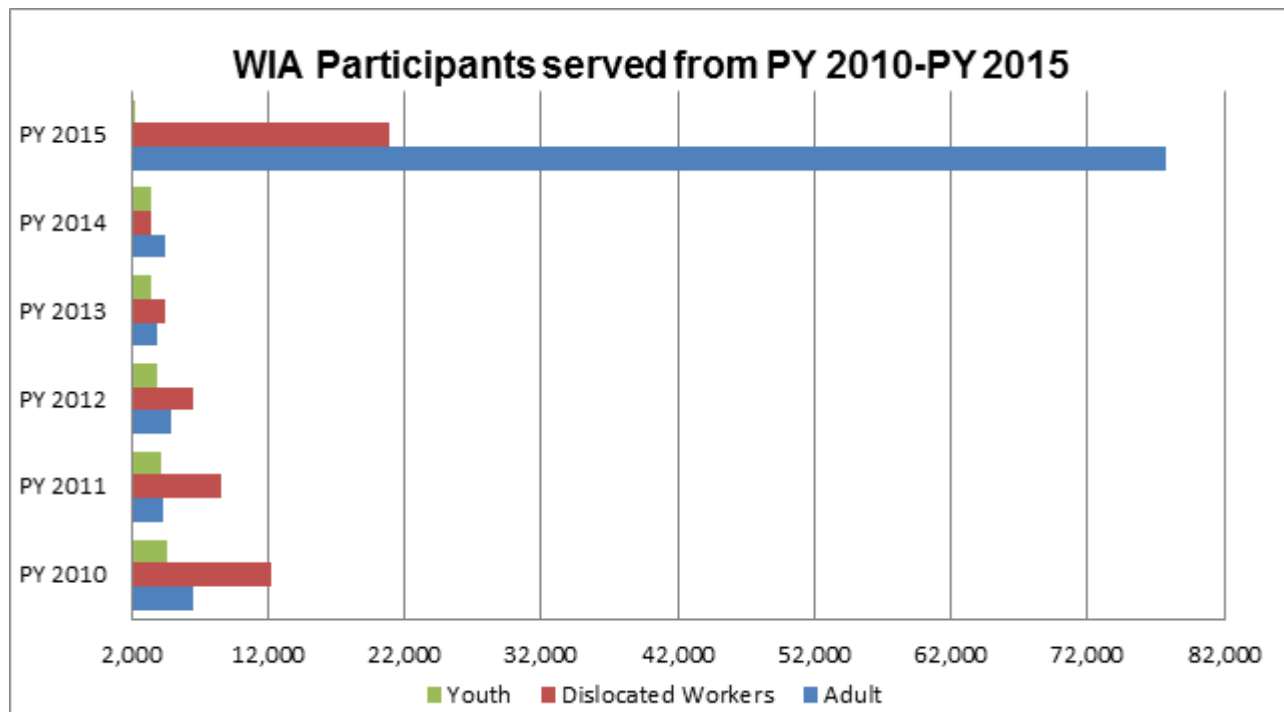
	PY 2015 Expenditures (Formula funds)	PY 2015 Customers Served	PY 2015 Exiters	PY 2015 Cost Per Customer Served	PY 2015 Cost Per Customer Exited
Adults	\$14,305,468	77,675*	47,323	\$184.17	\$302.29
Dislocated Workers	\$8,245,742	20,895	13,348	\$394.63	\$394.62
Youth	\$10,500,074	2,217	1,675	\$4,736.16	\$6,268.70

**Does not include 96,160 adult self-service only*

Kentucky is improving the efficiency and effectiveness of its workforce services and programs.

In 2015, Kentucky shifted its service delivery model to co-enrollment thus serving more

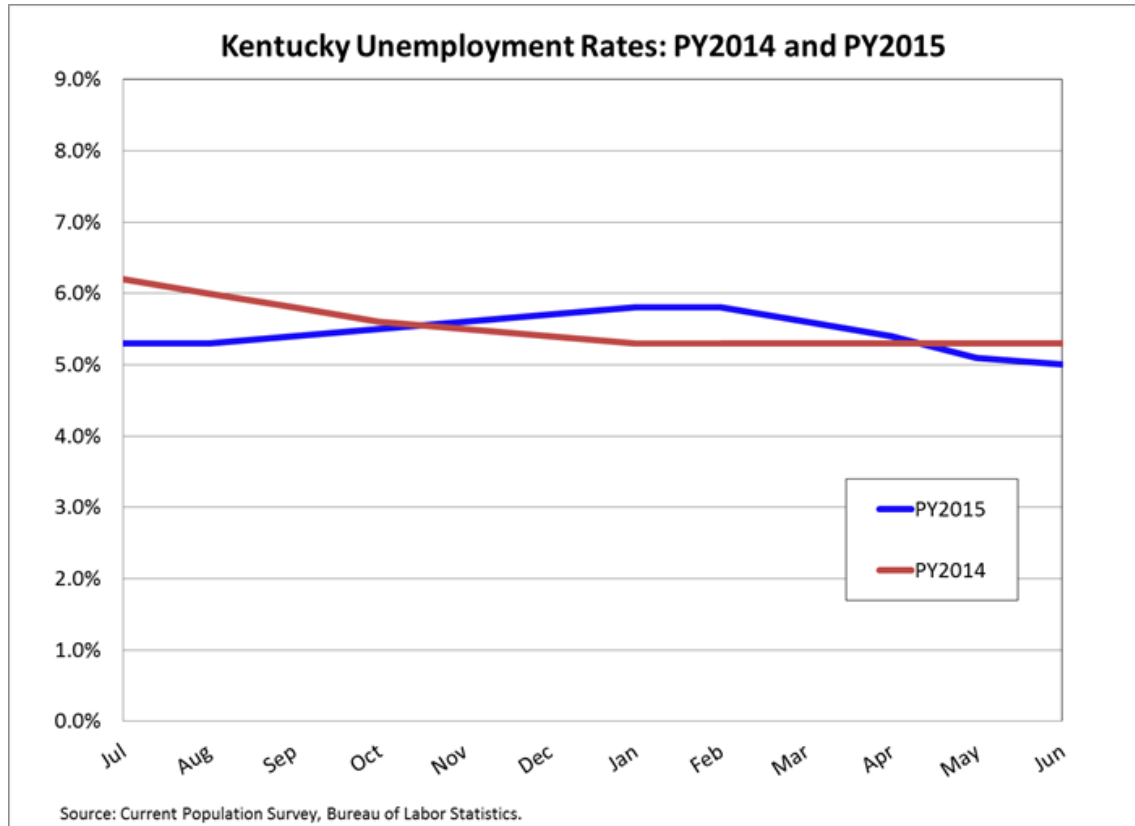
customers in dual programs. The increase in total number served in both the adult and dislocated worker programs is a substantial difference from years past; however, the number of exiters has increased as well.



Beginning July 1, 2015, Kentucky opted to shift its service delivery model in the way of servicing customers. Kentucky opted to become a co-enrollment state, meaning that once a customer received his or her first staff-assisted activity, the customer would be co-enrolled into Wagner-Peyser and WIOA. This service delivery model has been adopted for both the Adult and

Dislocated Worker programs. While there is still progress being made in the flow of how services are delivered, the model has proven effective on the front end of servicing customers. The Youth participants slightly declined due to, in part, the inception of WIOA and the focus being placed on servicing more out-of-school youth.

Unemployment Rates



Kentucky's employment situation has improved substantially over the past two years.

The state's unemployment rate averaged 5.5 percent in PY 2015, the same as a year ago. The labor market situation has improved considerably from previous years when unemployment rates were well above 8 percent. The national labor market has followed a similar track with a steady drop in the unemployment rate. The U.S. unemployment rate also averaged 5.5 percent in PY 2015.

The program year started in July 2015 with Kentucky's unemployment rate at 5.3 percent, the same as the national average. Compared to other states, Kentucky had the 31st lowest rate with North Dakota as the lowest at 2.7 percent and West Virginia with the highest rate at 6.9 percent. The year ended in June 2016 with Kentucky's situation improving slightly. The state unemployment rate was 5.0 percent, again at par with the national average. Kentucky's relative ranking remained unchanged at 31st among the states and the District of Columbia. South Dakota

had the lowest unemployment rate of 2.7 percent and Alaska the highest rate of 6.7 percent.

The job situation in Kentucky continues to improve. The nonfarm employment data - or jobs data - is provided by the Bureau of Labor Statistics' Current Employment Statistics program. This is a survey of business establishments that excludes jobs in agriculture and people who are self-employed. In PY 2015, nonfarm employment increased by 1.4 percent, averaging almost 1.9 million jobs compared to a gain of 1.7 percent in PY 2014 when there were 1.87 million jobs.

The largest percentage gains were in the area of private service providing sectors with a 2.9 percent expansion in both trade and transportation as well as financial services. Educational and health services increased by 2.6 percent. Jobs in goods producing were up 1.4 percent. The construction sector expanded by 3.0 percent and manufacturing by 2.1 percent. The mining sector, however, contracted by 18.1 percent mainly from competition from less expensive and plentiful fuels like shale oil and gas.

WIA Financial Statement

WIA Financial Statement Program Year 2015-2016				
Operating Results	Available	Expended	Percentage Expended	Balance Remaining
Total All Formula Fund Sources	\$ 65,686,236.22	\$ 38,632,066.47	59%	\$ 27,054,169.75
Current Year Funds	\$ 43,892,599.00	\$ 20,289,750.68	46%	\$ 23,602,848.32
Carry in Monies (Non-Additive)	\$ 21,793,637.22	\$ 18,342,315.79	84%	\$ 3,451,321.43
Adult Program Funds	\$ 12,559,163.40	\$ 9,113,357.13	72.56%	\$ 3,445,806.27
Carry in Monies (Non-Additive)	\$ 5,203,122.21	\$ 5,192,111.33	99.79%	\$ 11,010.88
Dislocated Worker Program Funds	\$ 10,543,246.35	\$ 3,413,747.57	32.38%	\$ 7,129,498.78
Carry in Monies (Non-Additive)	\$ 4,967,043.38	\$ 4,831,994.41	97.28%	\$ 135,048.97
Youth Program Funds	\$ 12,345,834.60	\$ 5,546,927.68	44.93%	\$ 6,798,906.92
Carry in Monies (Non-Additive)	\$ 5,353,148.04	\$ 4,953,146.27	92.53%	\$ 400,001.77
Rapid Response Funds	\$ 4,055,094.75	\$ 146,468.02	3.61%	\$ 3,908,626.73
Carry in Monies (Non-Additive)	\$ 4,436,257.41	\$ 2,106,643.20	47.49%	\$ 2,329,614.21
Statewide Activity Funds	\$ 4,389,259.90	\$ 2,069,250.28	47.14%	\$ 2,320,009.62
Carry in Monies (Non-Additive)	\$ 1,834,066.18	\$ 1,258,420.58	68.61%	\$ 575,645.60
Cost Effectiveness	C/E Ratio	Period of Availability on Balance Remaining:		
Overall, All Program Strategies	\$ 530	Through June 30, 2016 (PY 2013 funds)		\$ 3,451,321.43
Adult Program	\$ 302	Through June 30, 2017 (PY 2014 funds)		\$ 23,602,848.32
Dislocated Worker Program	\$ 618	Balance Remaining		\$ 27,054,169.75
Youth Program	\$ 6,269			
Other OET Projects	Award Amount	PY 2014 Expended	Balance (C/Fwd to PY 2015)	
Dislocated Worker NEG:	\$ 7,451,357.00	\$ 2,096,536.55	\$ 5,354,820.45	
Grand Total Other Projects	\$ 7,451,357.00	\$ 2,096,536.55	\$ 5,354,820.45	

In PY 2015, Kentucky had available more than \$15.5 million in formula dislocated worker funds and expended nearly 53 percent or nearly \$8.2 million.

In PY 2014, available dislocated worker funds totaled just more than \$13.5 million and expenditures were reported at nearly \$7.2 million.

Kentucky spent more than \$2.3 million, or 27 percent, of available Rapid Response funds in PY 2015 compared to approximately \$1.7 million, or 28 percent, available in 2014.

The number of dislocated workers who received training under the Trade Act is included in the total number of dislocated workers.

Trade-affected participants receiving training are co-enrolled in the dislocated worker program to receive the wraparound services so the participant successfully completes training and obtains employment that pays a family-sustaining wage.

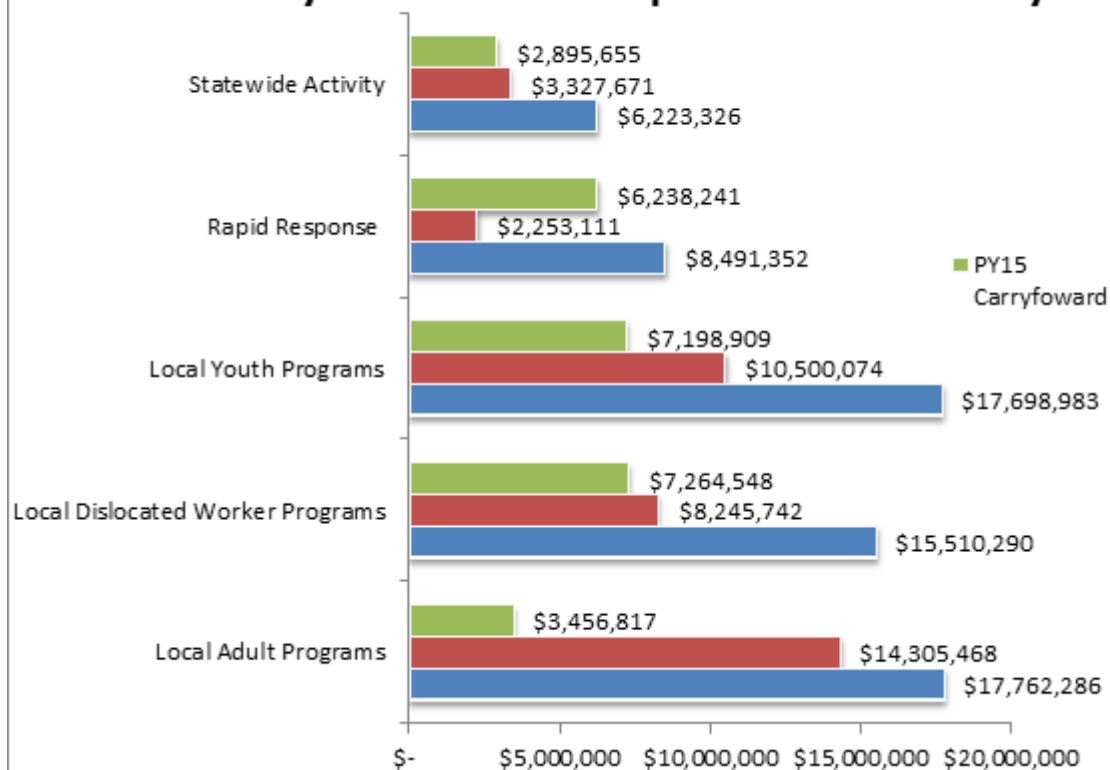
The availability of adult funds decreased slightly from \$17,965,516 in PY 2014 to \$17,762,285 in PY 2015. However, expenditures remained the same at approximately \$14 million. The PY 2015 expenditure rate for adult funds was 80 percent - compared to 79 percent for PY 2014.

As depicted in the WIA participant chart, the number of WIA/WIOA youth participants has remained steady over the past years. The expenditures decreased to \$10,500,071 in PY 2015 from \$11,357,525 in PY 2014. The expenditure rate decreased as well in PY 2015 to 59 percent.

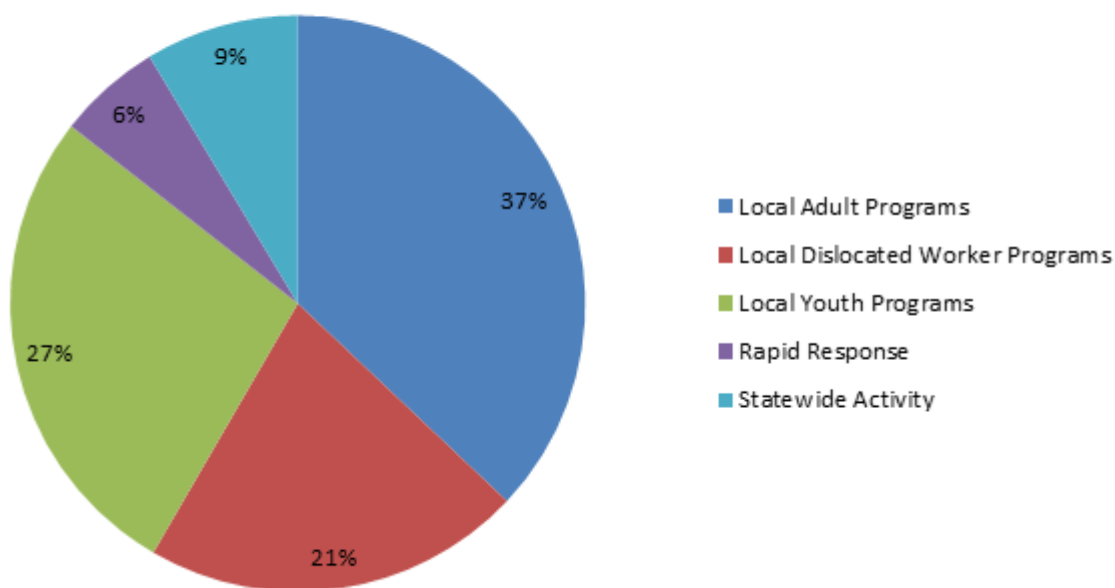
As the WIA Financial Statement indicates, Kentucky's Statewide Activity expenditure rate significantly decreased from PY 2014 - 63 percent to 53 percent in PY 2015. The decrease can be attributed to implementation of WIOA and other factors.

WIA Expenditure Summary

Kentucky WIA Formula Expenditure Summary



WIA Formula Expenditures PY 2015



During PY 2015, Kentucky spent \$38,632,066.47 in WIA formula funds.

As represented in the chart, statewide activities constitute approximately 9 percent (\$3,327,670.86) of the total expenditures.

Rapid Response activities conducted at both the state and local level represent approximately 6 percent (\$2,253,111.22) of the total expenditures.

Kentucky's LWDAs expended approximately 86 percent (\$33,051,284) of the total expenditures.

	Available	Expended	PY16 Carryforward
Local Adult Programs	\$ 17,762,285.61	\$ 14,305,468.46	\$ 3,456,817.15
Local Dislocated Worker Programs	\$ 15,510,289.73	\$ 8,245,741.98	\$ 7,264,547.75
Local Youth Programs	\$ 17,698,982.64	\$ 10,500,073.95	\$ 7,198,908.69
Rapid Response	\$ 8,491,352.16	\$ 2,253,111.22	\$ 6,238,240.94
Statewide Activity	\$ 6,223,326.08	\$ 3,327,670.86	\$ 2,895,655.22
Totals	\$ 65,686,236.22	\$ 38,632,066.47	\$ 27,054,169.75

The carry-in-funds into PY 2016 are \$27,054,170 compared to the carry-in funds in PY 2015 of \$21,812,957.

Kentucky and LWDAs strive to meet the challenges in implementing WIOA that will turn the

nation's economy around through innovative programs providing the vital training services necessary to compete in the global economy.

Below are other funding categories and expenditures not previously included in this report.

Reporting Category	6/30/2016		
	Available	Expended	Balance
Dislocated Worker NEG's:	\$ 7,451,357.00	\$ 2,096,536.55	\$ 5,354,820.45
DW National Reserve for WIOA Implementation	\$ 178,001.00	\$ -	\$ 178,001.00
Kentucky Power Grant DWG	\$ 1,098,800.00	\$ 173,860.97	\$ 924,939.03
KCC GO	\$ 6,174,556.00	\$ 1,922,675.58	\$ 4,251,880.42
DW Technical Assistance Training	\$ 8,300.71	\$ 8,300.71	\$ -

Measuring Success in Difficult Economic Conditions

WIA and Wagner-Peyser PY 2015 Performance		
WIA	PY 2015 Negotiated Rate	PY 2015 Actual
Adult Measures		
Entered Employment Rate	86.3%	62.4%
Employment Retention Rate	85.0%	84.3%
Average Six-month Earnings	\$13,000	\$13,227
Dislocated Worker		
Entered Employment Rate	85.5%	65.5%
Employment Retention Rate	92.0%	90.2%
Average Six-month Earnings	\$16,250	\$17,853
Youth		
Placement in Employment or Education	73.5%	65.8%
Attainment of Degree or Certificate	70.0%	63.1%
Literacy or Numeracy Gains	60.0%	49.7%
WAGNER-PEYSER		
Entered Employment Rate	59.0%	62.0%
Employment Retention Rate	81.0%	81.0%
Avg. Six-month Earnings	\$14,000	\$13,656

Kentucky's 10 Local Workforce Investment Areas PY15 Performance Results

Adult Measures	Exceeded	Met	Failed
Entered employment rate	0	5	5
Employment retention rate	4	6	0
Average six-month earnings	8	2	0
Dislocated Worker			
Entered employment rate	0	5	5
Employment retention rate	5	5	0
Average six-month earnings	9	1	0
Youth			
Placement in employment or education	6	4	0
Attainment of a degree or certificate	6	3	1
Literacy and numeracy gains	4	3	3

Customer Satisfaction Measures

Kentucky is in its second year of a new statewide customer satisfaction process.

The surveys for both the job seeker and employer are posted on the KCC website (<http://kcc.ky.gov>) for convenience to the customer.

Visiting career center office customers who have received workforce services are encouraged to complete the website survey. Both the job seeker and employer surveys include questions such as the reason for the visit and how well their needs were met.

Individual Customer

To what degree did KCC service meet expectations	Number of respondents	Score (percentage)
Lowest	240	16.87 %
Low	84	5.9 %
Moderate	157	11.03 %
High	350	24.6 %
Highest	592	41.6 %

Individual Customer

To what degree was the staff polite?	Number of respondents	Score (percentage)
Lowest	143	10.05 %
Low	38	2.67 %
Moderate	173	12.16 %
High	296	20.8 %
Highest	773	54.32 %

Individual Customer

To what degree was staff knowledgeable?	Number of respondents	Score (percentage)
Lowest	159	11.17 %
Low	62	4.36 %
Moderate	184	12.93 %
High	287	20.17 %
Highest	731	51.37 %

Individual Customer

To what degree were you satisfied with your KCC experience?	Number of respondents	Score (percentage)
Lowest	250	17.57 %
Low	83	5.83 %
Moderate	136	9.56 %
High	287	20.17 %
Highest	667	46.87 %

Employer Customer

How convenient are KCC Business Services to use?	Number of respondents	Score (percentage)
Lowest	18	40.91%
Moderate	13	29.55 %
High	7	15.91 %
Highest	6	13.64 %

Employer Customer

To what degree was staff professional?	Number of respondents	Score (percentage)
Lowest	13	29.55 %
Low	2	4.55 %
Moderate	12	27.27 %
High	8	18.18 %
Highest	9	20.45 %

Employer Customer

To what degree was staff knowledgeable?	Number of respondents	Score (percentage)
Lowest	12	27.27%
Low	2	4.55 %
Moderate	13	29.55 %
High	9	20.45 %
Highest	8	18.18 %

Employer Customer

To what degree was staff responsive?	Number of respondents	Score (percentage)
Lowest	17	38.64 %
Low	2	4.55 %
Moderate	10	22.73%
High	9	20.45 %
Highest	6	13.64 %

Employer Customer

How likely are you to recommend KCC to a peer?	Number of respondents	Score (percentage)
Lowest	17	38.64 %
Low	1	2.27 %
Moderate	12	27.27 %
High	6	13.64 %
Highest	8	18.18 %

Employer Customer

To what degree will you do business with KCC again?	Number of respondents	Score (percentage)
Lowest	16	36.36 %
Low	2	4.55 %
Moderate	9	20.45 %
High	8	18.18 %
Highest	9	20.45 %

Kentucky Waivers

The U.S. Department of Labor (DOL) allows states to request waivers to general statutory and regulatory authority to affect program improvement. Additionally, waivers provide flexibility to states and local areas and enhance their ability to improve the statewide workforce system.

Kentucky had 10 WIA approved waivers, per its PY 2012-17 State Plan. The Table of Contents and the full waivers are Attachment H in the plan. DOL issued TEGL 1-15 "Operations Guidance Regarding the Impact of Workforce Innovation and Opportunity Act Implementation on Waivers Approved under the Workforce Investment Act," July 1, 2015.

The guidance communicates the Employment and Training Administration's (ETA) waiver policy for PY 2015 for Workforce Investment Act (WIA) waivers that were currently approved for many states.

The guidance addressed the status of such waivers during PY 2015 when most provisions of WIOA were to go into effect. The guidance communicated ETA's position on waivers under WIOA.

Eight of Kentucky's 10 previously approved WIA waivers remained in effect after July 1, 2015, per the narrative and parameters described in the TEGL and Attachment II.

They were: Customized Training, On-the-job Training Employer Reimbursement Based on Business Size, Adult/Dislocated Worker Fund Transfer, Local funds for incumbent worker training, Rapid Response funds for incumbent worker training, Youth ITAs, Common Measures and Incumbent Worker Data Collection.

States were not required to submit a WIA State Plan modification to reflect these changes nor did DOL issue waiver modification letters outside of the TEGL guidance.

Kentucky has not requested any waivers under WIOA, as is reflected in the Kentucky WIOA State Plan, 2016-19.

Summaries for each of these waivers are listed below.

Fund Transfer Authority

Waiver allows local areas 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 provides LWIBs the ability to better respond to changes in the economic environment and the local labor market. Resources are channeled to the population with the greatest need. The Transfer Authority waiver has empowered the local boards to be more responsive to an unstable economic climate.

Incumbent Worker Training-Using Local and Rapid Response Funds

Kentucky has two waivers to provide incumbent worker training beyond the available statewide reserve funds. These waivers allow up to 10 percent of local dislocated worker funding and up to 20 percent of Rapid Response funds to be used on incumbent worker training activities as part of a layoff aversion strategy.

The waivers promote maximum investment of these funds and increased levels of service. Incumbent worker training provided with local or Rapid Response funds focus on employer and worker layoff aversion and competitiveness through skills upgrade training.

In previous years, this waiver has enhanced the state's efforts toward job retention and rapid re-employment as well as providing new job prospects for presently employed individuals.

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill-upgrading, businesses may be able to remain viable and prevent layoffs and closures. Employers will have the human resources to

remain competitive and, in some instances, expand. Upgrading the skills of incumbent workers allows them to quickly move into more specialized jobs within their industries, creating new job possibilities for the lower skilled workforce to enter.

Minimize the collection of participant data for incumbent worker training programs

The waiver simplifies serving businesses and incumbent workers and allows program outcomes to be captured without the burden of extensive collection of data not applicable to incumbent workers or incumbent worker training.

Eliminating the requirement to capture information that does not impact program outcome allows local areas to timely assist employers in averting layoffs and improving employer customer service.

Required 50 percent employer match for customized training

The waiver eliminates the current 50 percent employer contribution requirement for customized training and substitutes a sliding-scale contribution based on size of employer. The waiver has afforded more customized training opportunities for smaller businesses or businesses with smaller training budgets.

Specific goals to be achieved are to: 1) Improve the ability of Kentucky 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 workforce; and, 5) Provide greater flexibility in designing and implementing WIA programs.

Increase the employer reimbursement for on-the-job training (OJT)

The waiver allows for the reimbursement of 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 are reimbursed at the 50 percent rate.

Employers, WIOA customers and job seekers benefit through this waiver. As the economy improves and more employers are able to access OJT training, the participant becomes more valuable to present and future employers. Several local areas took advantage of this waiver citing that it increased participation by small businesses that have not used their services in the past.

Replace the performance measures at WIOA Section 136(b) with the common measures

The waiver facilitates system integration and streamlines the reporting process across partner programs. It assists in achieving the goal of a fully integrated workforce system; provides clear and understandable information to stakeholders; improves service coordination and information sharing; simplifies and streamlines performance measurement system; assists in the realignment of youth program designs to better implement the Department of Labor's Youth Vision - targeting out-of-school youth; and reduces labor intensive data collection. Outcomes include a more integrated case management system, improved customer service and operational effectiveness.

Use Individual Training Accounts (ITAs) for Older Youth program participants

The waiver has allowed continued flexibility in using youth funds to provide training services while retaining the limited adult funds to be used for adult training services. It has increased the efficiency and customer choice for older youth. The workforce system has a full array of services to offer older youth that can benefit them in decision-making processes, such as choosing a rewarding career, selecting a training provider and making smart financial decisions. Local areas report that this waiver has allowed them to serve more youth in high-demand occupations while reserving limited adult funding.

- Kentucky's ETPL Initial Eligibility waiver, under WIA, expired June 30, 2015, per TEG 1-15.
- Kentucky's Statewide Reserve Performance Incentive Awards to Local Areas, included in the PY 2012-17 State Plan, was only in place through Dec. 31, 2012 for funds under PY 2012.