

## ALABAMA WORKFORCE INVESTMENT SYSTEM

Alabama Department of Economic and Community Affairs  
Workforce Development Division  
401 Adams Avenue  
Post Office 5690  
Montgomery, Alabama 36103-5690

December 21, 2009

### GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY2008-06, Change 1

**SUBJECT:** Transfer of PY09/FY10 Program funds between Adult and Dislocated Worker

1. **Purpose.** To provide Local Workforce Investment Boards with guidance on determining the allowable transfer rate of program funds between Adult and Dislocated Worker funding streams for Program Year 2009 and Fiscal Year 2010.
  
2. **Discussion.** In accordance with the U.S. Department of Labor (DOL) requirements, all transfers of Program funds between Adult and Dislocated Worker funding streams must adhere to the currently approved waiver limit. Per the attached letter dated November 2, 2009, the DOL has approved a Program fund transfer limit of fifty (50) percent between Adult and Dislocated Worker fund sources through June 30, 2010.
  
3. **Action.** Each local workforce investment board shall use the most current waiver limitation in effect when preparing/submitting its respective Grant Agreement Plan or subsequent modifications.  
  
Effective November 2, 2009 through June 30, 2010, the transfer rate between Adult and Dislocated Worker funds sources is limited to fifty (50) percent regardless of the allocation year of the funds being transferred, with the exception of the ARRA fund transfer limitation of thirty (30) percent.
  
4. **Contact.** Any questions regarding this Directive should be addressed to Sara Calhoun, Workforce Development Division, State Planning at (334) 353-1632 or [sara.calhoun@adeca.alabama.gov](mailto:sara.calhoun@adeca.alabama.gov).

  
Matthew Hughes, Director  
Office of Workforce Development

  
Date

U.S. Department of Labor

Assistant Secretary for  
Employment and Training  
Washington, DC 20210



**NOV 2 - 2009**

The Honorable Bob Riley  
Governor of Alabama  
State Capitol  
Montgomery, Alabama 36130

Dear Governor Riley:

As part of Alabama's modification to the State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, the State submitted waiver plans to request that the State's waivers of statutory and regulatory requirements under WIA be approved for the remainder of Program Year (PY) 2009 (copy enclosed). These requests are written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission. This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act.

In a letter dated June 18, 2009, ETA granted Alabama approval of the following waiver through June 30, 2010:

- Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The approval for this waiver remains in effect. The letter dated June 18, 2009 granted temporary extensions of the remainder of Alabama's waiver requests. The previous approval of the extensions is hereby terminated and replaced by decisions set forth in this letter. Unless otherwise indicated, all waiver approvals that follow apply to both WIA formula funds and funds made available under the American Recovery and Reinvestment Act of 2009 (ARRA).

#### **Requested Waivers**

Requested Waiver: Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State is requesting a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted this waiver through June 30, 2010. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring

consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs. As stated in ETA Training and Employment Guidance Letter (TEGL) No. 14-08, Section 19, issued on March 18, 2009, this waiver does not apply to funds made available through the American Recovery and Reinvestment Act of 2009. However, the State is permitted to transfer up to 30 percent of ARRA funds between programs under WIA and under the Department of Labor Appropriations Act of 2009. This authority is discussed in TEGL No. 14-08, change 1.

Requested Waiver: Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The State is requesting a waiver to permit local area formula funding to be used for statewide activities, specifically incumbent worker training. The State is granted this waiver through June 30, 2010. Under this waiver, the State will be permitted to use up to 10 percent of local Dislocated Worker funds and up to 10 percent of local Adult funds for incumbent worker training only as part of a lay-off aversion strategy. Use of Adult funds must be restricted to serving low-income adults under this waiver. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA section 134(d), and the State is required to report performance outcomes for any individual served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD).

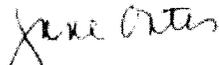
Requested Waiver: Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.

The State is requesting a waiver to permit use of rapid response funds for incumbent worker training. The State is granted this waiver through June 30, 2010. Under this waiver, the State is permitted to use up to 20 percent of rapid response funds for incumbent worker training only as part of a lay-off aversion strategy. ETA believes limiting incumbent worker training to layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. The State is required to report performance outcomes for any incumbent workers served under this waiver in the WIASRD. As stated in TEGL No. 14-08, Section 19, this waiver does not apply to funds made available through ARRA.

The approved waivers are incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the state's WIA Grant Agreement and the approved State Plan. In addition, as required by TEGI. No. 14-00, Change 3, the State should address the impact these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Helen Parker, the Regional Administrator for Region III, at 404-302-5300 or [Parker.Helen@dol.gov](mailto:Parker.Helen@dol.gov).

Sincerely,



Jane Oates

Jane Oates  
Assistant Secretary

Enclosure

cc: Winston Tompoe, Federal Project Officer for Alabama, ETA Atlanta Regional Office