

Alabama Workforce Investment System

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

July 7, 2004

GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY2003-14, Change 1

SUBJECT: LWIA PY2004 Grant Agreement Package

1. **Purpose.** To provide local areas notice of expanded Program Year 2004/Fiscal Year 2005 Adult-Dislocated Worker funds transfer authority.
2. **Discussion.** The State of Alabama earlier requested the Department of Labor extend two Workforce Investment Act regulatory waivers, which were in effect through June 30, 2004. These two waivers, respectively, affect the 20 CFR time limit on the initial eligibility of WIA training providers, and WIA Section 133(b) Adult/Dislocated Worker program funds transfer authority.

Specifically, the State requested USDOL allow the Adult-Dislocated Worker program funds transfer authority cap be raised from twenty percent of local area annual fund allocations to fifty percent of such fund allocations.

USDOL correspondence of June 28, 2004, a copy of which is attached to this Directive change, indicates USDOL has granted the State's request for an extension of these two waivers.

Accordingly, the local area WIA Grant Agreement Package document, at page 6, is appropriately amended.

3. **Action.** Each local board should take note of the increased local planning and operational flexibility effected by the increased PY2004 / FY2005 Adult-Dislocated Worker program funds transfer authority.

Replace the 'old ' Grant Agreement Package instructions page 6 with the revised page 6.

**GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY2003-14,
Change 1
Page Two
July 7, 2004**

4. **Contact.** Any questions regarding this Directive may be addressed to Charles Terry at (334) 242-5883.

A handwritten signature in black ink, appearing to read "Steve Walkley", written over a horizontal line.

Steve Walkley, Division Director
Workforce Development Division

Attachments

D. Adult, Dislocated Worker Program On-the-Job Training, Customized Training Activities

WIA Section 134(d)(4)(G)(ii) indicates that a local area may provide on-the-job training and/or customized training services "...pursuant to a contract for services in lieu of an individual training account ..." if the local board determines 1) there are insufficient numbers of eligible providers of training in the local area to accomplish the purposes of a system of individual training accounts, or 2) there is a program of demonstrated effectiveness offered by a community-based organization or other private organizations specifically serving segments of the local area participant population which face multiple employment barriers.

Indicate whether the local area will directly contract on-the-job training and/or customized training programs, pursuant to Section 134(d)(4)(G). If applicable, indicate the local area basis for determination of an otherwise insufficient number of potential individual training account service providers, and/or local area criteria which establish a prospective on-the-job training/customized training provider's "demonstrated effectiveness".

E. Participant Payment Systems

Describe the local area's planned delivery system for supportive services, including financial supportive services, to WIA Adult, Dislocated Worker, and Youth participants.

F. Transfer of Funds

USDOL correspondence of January 14, 2004, indicates USDOL approval of Alabama's request for a waiver of the statutory limitations on WIA Section 133(b)(4) Adults – Dislocated Worker program twenty percent funds transfer authority. Under this approved waiver, up to fifty percent of affected fund allocations could be transferred between a local area's WIA Adult and WIA Dislocated Worker programs.

USDOL correspondence of June 28, 2004, indicates that Alabama's request for a waiver of WIA Section 133(b)(4) Adult – Dislocated Worker funds transfer limitations, effective through June 30, 2005, is granted. Under this waiver, local areas may transfer up to fifty percent of their respective PY 2004/FY 2005 Section 133(b)(2) Adult or Dislocated Worker formula allocations between the two programs.

Any such LWIA funds transfer request must be submitted in the form of a Grant Agreement Modification, and must further be accompanied by appropriate justification, clearly indicating why the request is being made, and how granting of the request will benefit local area delivery of workforce development services.

Any local workforce investment area funds transfer should observe relevant provisions of the Act.



JUN 28 2004

The Honorable Bob Riley
Governor of Alabama
State Capitol
600 Dexter Avenue
Montgomery, Alabama 36130-2751

Dear Governor Riley:

It is with pleasure that I respond to the State of Alabama's request for an extension of Workforce Investment Act (WIA) waivers, in accordance with 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.

The State of Alabama is requesting an extension of the following approved waivers that expire June 30, 2004:

- Waiver of the time limit on the period of initial eligibility of training providers at 20 CFR 663.530, and
- Waiver of the 20 percent funds transfer limitation at WIA Section 133(b)(4) to permit the state to approve local area requests to transfer amounts of up to 50 percent of local area allocations between the Adult and Dislocated Worker programs.

The State of Alabama's request (copy enclosed) indicates that an extension of the waiver related to initial eligibility is needed to provide additional time for development of reporting mechanisms to facilitate procurement of WIA service provider performance information. Additionally, the state notes that WIA Adult and Dislocated Worker program management flexibility remains a high priority, particularly with an influx of former Welfare-to-Work participants into the WIA Adult program. An extended funds transfer waiver supports achievement of such flexibility.

The waiver extension request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the State of Alabama is granted an extension of the two waivers through June 30, 2005.

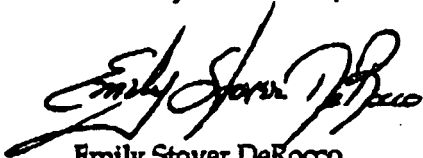
The granted waiver extensions are incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitute a modification of the state's approved five-year strategic plan. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's approved five-year strategic plan, as appropriate.

As you know, your waiver extension for funds transferability is consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act—the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams.

This consolidation would provide states with maximum flexibility to meet unique workforce needs. In the meantime, we hope this waiver extension will assist your state in meeting its workforce needs and improving programmatic outcomes.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,



Emily Stover DeRocco

Enclosure