

## Subcommittee Recommendations

The goal of this structure is to take each issue and task to be addressed by the Steering Committee and prepare it for presentation to the Steering Committee so that they are able to effectively develop a recommendation to the Workforce Board. The framework would be as follows:

### **SUBCOMMITTEE: Education and Career Pathways through Integrated Service Delivery Models**

**ISSUE:** WIOA Section 133(b)(4) authorizes local area boards to transfer up to 100 percent of their total funds between the Adult and Dislocated Worker programs, with the permission of the Governor.

Under WIA, local area boards are authorized to transfer up to 30 percent of their funds between the Adult and Dislocated Worker programs, with the approval of the Employment Security Department (ESD).

The subcommittee explored whether the additional flexibility allowed to local areas by WIOA should require additional criteria or a different approval process than the existing procedure for approving a fund transfer up to 100 percent.

**RECOMMENDATION:** The subcommittee recommends to the Steering Committee that ESD continue to apply its existing transfer request procedure when a local area Board applies for fund transfer flexibility--potentially up to 100 percent flexibility, as allowed by WIOA.

After applying the existing transfer request procedure, ESD may authorize a partial or full transfer of funds for transfers up to 50 percent of the base allocation from either program. A transfer request in excess of 50 percent of the base allocation from either program must be approved by both ESD and by a vote of the Workforce Board. For transfer requests above 50 percent, local area boards will submit a single request application to both the Workforce Board and ESD and ESD may approve up to 50 percent of the fund transfer before the Workforce Board grants approval for the remaining balance.

**CURRENT STRUCTURE UNDER WIA:** *See attached WIA Policy 3451 – Revision 3.*

**POTENTIAL/PERCEIVED CHANGES UNDER WIOA:** Under WIOA, local areas have much greater flexibility to transfer funds between the Adult and Dislocated Worker programs than they had under WIA. However, the ESD transfer policy's criteria are as applicable in the case of transfer requests above 30 percent the base allocation as it is for the existing capped transfer requests.

Local areas must still make showings to ESD and the Workforce Board that the transfer of funds will not have an adverse impact in providing services to participants and that necessary services and client-planned activities will be maintained in the program from which the funds are transferred. Additionally, local areas must still include an assessment of any potential layoffs or closures of which they are aware and how those events will be addressed using existing funds if their fund transfer request from the Dislocated Worker program is approved.

Local areas must continue to confirm that the transfer will not reduce the required rate of expenditure of the fund source to which the funds are transferred by the end of the program year.

**MINORITY POSITION(S):** The subcommittee reached their recommendation by consensus. No minority positions were recorded.

**STAKEHOLDERS ENGAGED:** ESD, Workforce Board, the Washington Workforce Association, members of the Pathways Subcommittee.

**ANY ISSUES, QUESTIONS, GUIDANCE NEEDED TO INFORM THE STEERING COMMITTEE:**



**Workforce Investment Act Policy**  
**WorkSource Standards & Integration Division**

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Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, the WorkSource Standards & Integration Division sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information notices, and technical assistance.

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**Policy Number:** 3451, Revision 3

**To:** Washington WorkSource System

**Date of Publication:** August 30, 2012

**Subject:** Funds Transfer Between Adult and Dislocated Worker Grants Under WIA

**1. Purpose:**

To provide guidance on the transfer of funds between the Adult and Dislocated Worker programs, including the current transfer limits that are in place.

**2. Background:**

The Workforce Investment Act (WIA) provides the authority for Workforce Development Councils (WDCs), with approval from the Governor, to transfer up to 20% of funds between the Adult and Dislocated Worker programs. The 2009 Omnibus Appropriations Act clarifies that this transfer limit is now 30%.

**3. Policy:**

WDCs may transfer up to 30% of a program year's base allocation (see definition) for adult employment and training activities to dislocated worker activities or up to 30% of a base allocation for dislocated worker activities to adult activities.

The following restrictions apply:

- Before making any such transfer, a WDC must first obtain written approval from the Employment Security Department (ESD), on behalf of the Governor; and
- A WDC may not transfer funds to or from the youth programs. [20 CFR 667.140(a)-(c); and Sec. (1)(C) of the Omnibus Appropriations Act of 2009 (Division F, Title I)]

Prior to awarding any rapid response additional assistance funds to a WDC, ESD will take into consideration the amount of funds transferred out of the WIA dislocated worker grants during that program year. Transferring any portion of the dislocated worker base allocation may affect a WDA's

access to rapid response additional assistance funds. If funds are transferred from the dislocated worker grant, ESD will limit access to rapid response additional assistance funds for six months following the transfer of these funds. ESD may waive this policy for extreme or unforeseen circumstances.

### **Transfer Request Procedure:**

WDCs must forward a letter of request to ESD for approval prior to any transfer of adult or dislocated worker employment and training funds. The letter must include the following criteria for review and approval:

1. The reason(s) for the request to transfer funds, the amount of the transfer request and the percentage this request represents of the base allocation;
2. The fund source of the transfer (to adult from dislocated worker funds, or to dislocated worker funds from adult);
3. Signed approval from the advisory board requesting this transfer; and
4. A revised "*Participant Planning Form*" for both the adult and dislocated worker programs which accompanies the program analysis. The analysis must include:
  - a. Proposed services and number of participants originally planned to be served by the base allocation compared to the services and number of participants planned to be served once the funds have been transferred;
  - b. Justification that the transfer of funds will not have an adverse impact in providing services to participants and that necessary services and client-planned activities will be maintained in the program from which the funds are transferred;
  - c. A discussion of the Workforce Development Area's past history of transfer requests, including how previous transfers impacted participants and funds; and
  - d. An assessment of any potential layoffs or closures of which the WDC is aware and how these events will be addressed using existing funds if funds are transferred from the dislocated worker program.

WDCs may request a transfer of funds anytime during the program year. As such, the WDC must confirm that this transfer will not reduce the required rate of expenditure of the fund source to which the funds are transferred by the end of the program year. The Department of Labor (DOL) requires that 70% of the WIA Title 1-B adults and dislocated workers resources be expended by the end of each program year.

ESD's approval of the request for transfer of funds will be determined based on:

1. A review of the local analysis;
2. The reason(s) for the transfer;
3. The effects on the fund sources; and
4. The impact on participants.

Prior to approval, ESD may request additional information from the WDC or from the ESD's Labor Market and Economic (LMEA) division. ESD may deny the request or authorize a partial or full transfer of funds. Subsequent to approval of the transfer, ESD will e-mail the appropriate

modifications to the requesting WDC for completion and signature.

NOTE: The following note is for information only and is not to be state policy, but provided for local consideration when determining the level of funds to be transferred out of the dislocated worker formula funds.

There are currently no new National Emergency Grant (NEG) Regulations for use under WIA as of September 4, 2003 and may be subject to change in the future. Other than the regulations that are published at Part 671 (NEGs for Dislocated Workers) in the current WIA Regulations, the previous National Reserve Grant Regulations published July 9, 1992 in the Federal Register Vol. 57, No.132 are still in effect until such new regulations and guidelines are published according to the Department of Labor.

The guidelines that accompany the current national Reserve Grant Regulations indicate that, should a WDC be interested in applying for NEG funds, a consideration at the time of review may be the amount of funds transferred out of the Dislocated Worker formula funds during that program year. The general rule is that organizations who transfer up to 10% of their Dislocated Worker formula funds during any one program could still be considered for the NEG funds, but organizations that transfer between 10%-30% may have difficulty receiving these funds. This same guidance should be taken into consideration if a WDC has in mind now or at some point in the future to apply for State Rapid Response Assistance.

#### 4. **Definitions:**

**Base Allocation** - Prior to the beginning of each program year, DOL announces state allotments based on adult and dislocated worker program formulas defined in law. In turn, the Employment Security Department allocates adult and dislocated worker program funds to each WDA based on formula. For purposes of this transfer policy, the original allotment from DOL to the state and WDAs will be considered the "base allocation."

#### 5. **References:**

- WIA Section 133(b)(4)
- 20 CFR Part 667.140
- 20 CFR Part 671.100-170
- TEGL – 23-02
- OMNIBUS APPROPRIATIONS ACT 2009, Division F, Title I.

#### 6. **Supersedes:**

Policy 3451, Revision 2, Funds Transfer Between Adult and Dislocated Worker Grants Under WIA and ARRA.

#### 7. **Website:**

<http://www.wa.gov/esd/policies/title1b.htm>

**8. Action:**

WDCs and their contractors, as well as Employment Security Area Directors, should distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

**Direct Inquiries To:**

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Employment Security Department  
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**Approved:**

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