

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: RECOVERY ACT RAPID RESPONSE FUNDING

IMMEDIATE ACTION

Bring this draft to the attention of the appropriate staff.

E-MAIL COPY TRANSMITTED

Number of pages (including coversheet): 4

If there are any problems with this transmittal, please call the Pagemaster at 916/654-8008.

SUBJECT MATTER HIGHLIGHTS:

PLEASE NOTE:

The purpose of this directive is to publish policy changes related to allowable uses of ARRA Workforce Investment Act (WIA) 25 Percent formula-based RR funding.

COMMENTS ARE DUE BY:

5/26/10

Comments can be submitted through one of the following ways:

- 1) **Fax** — WSD, Attention: **Jose Luis Marquez** at 916-657-0055
- 2) **E-Mail** — JoseLuis.Marquez@edd.ca.gov (Include “draft comments” in the subject line)
- 3) **Mail** — WSD / P.O. Box 826880 / MIC 69 / Sacramento, CA 94280-0001

All comments received by the end of the comment period will be considered before the final directive is issued. The Workforce Services Branch does not respond individually to each comment received. However, a summary of comments will be released with the final directive. **Comments received after the specified due date will not be considered.**

If you have any questions, contact the Workforce Services Division at (916) 654-7799.

DRAFT DIRECTIVE

WORKFORCE SERVICES

Number:

Date:

50:07:ab:13600

TO: **D** WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: **R** RECOVERY ACT RAPID RESPONSE FUNDING

EXECUTIVE SUMMARY:

Purpose:

The purpose of this directive is to publish policy changes related to the allowable uses of American Recovery and Reinvestment Act (Recovery Act, ARRA) Workforce Investment Act (WIA) 25 Percent formula-based Rapid Response (RR) funding.

Scope:

This directive applies to all Local Workforce Investment Areas (Local Area).

Effective Date:

This directive is effective on date of issue.

REFERENCES:

- WIA Sections 101(38), 112(b)(17)(A)(ii) and 134(a)(2)(A)
- Title 20 Code of Federal Regulations (CFR) Sections 665.300 through 665.330
- Department of Labor Training and Employment Guidance Letter 14-08
- WIA Directive WIAD02-13, Dislocated Worker 25 Percent Fund Requirements (April 24, 2003)
- WIA Directive WIAD05-18, Dislocated Worker 25 Percent Funding Policy (June 14, 2006)
- WIA Directive WIAD07-3, Dislocated Worker Additional Assistance Projects (September 27, 2007)
- WIA Information Notice WSIN08-51, American Recovery & Reinvestment Act (ARRA) RR Funding (April 10, 2009)
- WIA Directive WSD09-9, Distribution of 2009 ARRA 25-Percent Dislocated Worker Funds (February 17, 2010)

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STATE-IMPOSED REQUIREMENTS:

This directive contains only state imposed requirements.

FILING INSTRUCTIONS:

Retain this directive until further notice.

BACKGROUND:

WIA Sections 101(38), 112(b)(17)(A)(ii) and 134(a)(2)(A), as implemented by the CFR Sections 665.300 through 665.330, requires States to provide funds for RR Activities and Additional Assistance (AA) grants to Local Areas which experience a demand for services that exceeds the capacity of existing resources. These funds are apportioned from the WIA Dislocated Worker 25 Percent funding stream. The current State Board policies, which are published in the following directives: [WIAD02-13](#), [WIAD05-18](#) and [WSD07-3](#), specify that 50 percent of the funds are to be allocated based on a formula for providing RR activities and competitively solicited projects. The remainder of these funds is retained at the State level to provide AA grants through an application process.

The State has already distributed the RR portion of the Dislocated Worker allotment. The ARRA formula-based funding was announced April 10, 2009, via Information Notice [WSIN08-51](#). These funds were provided to Local Areas for the period from February 17, 2009, through June 30, 2010, (subsequently extended to June 30, 2011), to defray the cost of required and allowable RR activities in response to layoffs, business closures, and natural disasters. These formula RR funds were placed into one Grant Code (106) in each Local Area's R9705XX subgrant.

POLICY AND PROCEDURES:

The State Board recently adopted a temporary policy change permitting the allocation of ARRA WIA 25 Percent Dislocated Worker AA funding on a formula allocation basis; this policy is detailed in WIA Directive [WSD09-9](#). Additionally, this policy change allowed the use of these funds for either RR or AA services to dislocated workers. Recognizing that local communities continue to experience significant increases in the numbers of dislocated workers seeking services due to California's rapidly changing economy, this flexibility to provide either RR or AA services is also being extended to the formula-based RR funding referenced in Information Notice [WSIN08-51](#). This provides Local Areas with the flexibility to use all of their ARRA WIA 25 Percent funds for either RR or AA based on local needs. For tracking purposes, entities reporting "program" expenditures for RR activities must report these expenditures on the Job Training Automation (JTA) expenditure report under Section V. CUMMULATIVE EXPENDITURES, line 5, (Other). All AA expenditures are to be classified as required in lines 1 through 4 of the expenditure report. When AA participants are being served with these funds they are to be registered in the JTA under grant code 106. Local Areas can charge AA activities to these funds back to February 17, 2009.

INQUIRIES:

If you have any questions regarding this Directive, please contact your [Regional Advisor](#) at (916) 654-7799.

MICHAEL EVASHENK, Chief
Workforce Services Division

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