

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: TRANSFER OF FUNDS – WIOA ADULT/DISLOCATED WORKER PROGRAMS

SUBJECT MATTER HIGHLIGHTS

This provides guidance on the transfer of *Workforce Innovation and Opportunity Act* (WIOA) adult and dislocated worker funds.

COMMENTS DUE

March 4, 2016

Comments can be submitted through one of the following ways:

Fax	WSD, Attention: Melissa Williams at 916-654-9753
E-Mail	MelissaM.Williams@edd.ca.gov (Include “draft comments” in the subject line)
Mail	WSD / P.O. Box 826880 / MIC 50 / 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 Melissa Williams 916-654-0205.

WORKFORCE SERVICES DRAFT DIRECTIVE

Number: WSDD-136

Date: February 12, 2016
69:01:17605

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: TRANSFER OF FUNDS – WIOA ADULT/DISLOCATED WORKER PROGRAMS

EXECUTIVE SUMMARY

Purpose

This provides guidance on the transfer of *Workforce Innovation and Opportunity Act* (WIOA) adult and dislocated worker funds.

Scope

This directive applies to all Local Workforce Development Areas (Local Areas).

Effective Date

This directive is effective on the date of issuance.

REFERENCES

- WIOA (Public Law 113-128) Sections 133(b)(4) and 134(c)(3)(E)
- Training and Employment Guidance Letter (TEGL) 3-15, *Guidance on Services Provided through the Adult and Dislocated Worker Program under WIOA and Wagner Peyser, as Amended by WIOA, and Guidance for the Transition to WIOA Services (July 1, 2015)*
- TEGL 29-14, *WIOA Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2015; Final PY 2015 Allotments for the Wagner-Peyser Act Employment Service (ES) Program Allotments; and Workforce Information Grants to States Allotments for PY 2015 (April 27, 2015)*
- TEGL 18-13, *Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Program Allotments for PY 2014; Final PY 2014 Allotments for the Wagner-Peyser Act ES Program Allotments; and Workforce Information Grants to States Allotments for PY 2014 (April 3, 2014)*
- Workforce Service Directive (WSD) 13-02, *Dislocated Worker Additional Assistance Projects (August 14, 2013)*

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

STATE-IMPOSED REQUIREMENTS

This directive contains some state-imposed requirements. These requirements are indicated by ***bold, italic*** type.

FILING INSTRUCTIONS

This directive replaces WSD13-5, dated August 21, 2013. Retain this directive until further notice.

BACKGROUND

The WIOA allows the transfer of funds between the adult and dislocated worker funding streams in order to maximize customer service and provide Local Workforce Development Boards (Local Boards) with greater flexibility to provide services in the areas of greatest need. The WIOA Section 133(b)(4) states that up to and including 100 percent of funds allocated to Title I adult and dislocated worker programs may be transferred between these two funding streams.

POLICY AND PROCEDURES

In accordance with WIOA Section 133(b)(4), the EDD has been given the authority to approve transfer requests on behalf of the Governor.

Each program year the Department of Labor (DOL) provides funds to the state in two separate allotments. The first allotment begins July 1 and the second allotment begins October 1. The state uses the following grant codes when it allocates the funds to Local Areas:

	<u>Adult</u>	<u>Dislocated Worker</u>
First Allocation (July 1)	201	501
Second Allocation (October 1)	202	502

Transfer requests can be submitted anytime during the two-year life of the funds. Funds transferred must stay within the original year of allocation. They must also stay within their respective allocation time period (i.e., July 1, first allocation funds, or October 1, second allocation funds). Accordingly, Local Areas cannot transfer funds between program years or between first and second allocations. In addition, Local Areas must ensure that its funds are not overdrawn during the time a transfer takes place. If this condition occurs, the transfer will not be approved. In order to accommodate DOL reporting requirements, formula funds may not be transferred directly from the dislocated worker grant codes to the adult grant codes (501 to 201 and 502 to 202) or vice versa (201 to 501 and 202 to 502). Instead, the funds are transferred to distinct grant codes that remain attached to their original funding stream. These grant codes are designated as follows:

	<u>Adult</u>	<u>Dislocated Worker</u>
First Allocation (July 1)	299	499
Second Allocation (October 1)	200	500

Grant Code 299 = First allocation, adult funds that are now to be used as first allocation, dislocated worker funds.

Grant Code 499 = First allocation, dislocated worker funds that are now to be used as first allocation, adult funds.

Grant Code 200 = Second allocation, adult funds that are now to be used as second allocation, dislocated worker funds.

Grant Code 500 = Second allocation, dislocated worker funds that are now to be used as second allocation, adult funds.

Adult participants served with funds in grant codes 499 or 500 (transferred dislocated worker funds) are to be entered into the CalJOBSSM system under grant code 201. Dislocated worker participants served with funds in grant codes 299 or 200 (transferred adult funds) are to be entered into the CalJOBSSM system under grant code 501.

Transfers Allowed

Local Boards may transfer up to and including 100 percent of their adult and dislocated worker funds between the two funding streams. Local Boards may **not** transfer funds to or from the youth program.

Implications of transferring 100 percent of funds

To the extent that a Local Area requests to transfer its entire allocation of dislocated worker funds to the adult program, it should be cognizant of the following implications pertaining to that transfer:

- The state will not consider Local Area requests for funding from the WIOA Dislocated Worker 25 Percent Additional Assistance account to mitigate the loss of dislocated worker formula funds resulting from the transfer. WSD13-02, describes the policy guidelines for Additional Assistance funds. Pursuant to these guidelines, a Local Area may not apply for Additional Assistance funds based on the contention of dislocated worker allocation “formula insufficiency” resulting from the transfer. However, if a Local Area transfers 100 percent of its dislocated worker formula funds and a dislocation event occurs in the Local Area, (e.g., specific employer layoff or disaster that changes the local economic conditions), the state will consider a Local Area request for Additional Assistance funds on a case by case basis.
- All transfers of funds are subject to the priority of service requirement. Section 134(c)(3)(E) requires that priority of service be given to recipients of public assistance,

other low income individuals, and individuals who are basic skill deficient. Additionally, TEGL 3-15 further emphasizes that Local Areas must give priority of services regardless of the levels of funds.

Additional Participant Considerations

Participants served with transferred funds will be subject to the performance outcomes of the new funding source. For example, funds transferred from the dislocated worker to the adult program will be attributed to the adult program and subject to adult accountability and performance outcomes. Under this scenario, the Local Area will not have any dislocated worker participants or performance outcomes, even though some clients may have otherwise qualified as dislocated workers.

Transfer of Funds Procedures

The Local Area must submit transfer requests in writing to their Regional Advisor (see address options below). All requests must contain the reason(s)/rationale for the transfer. The EDD will consider the following factors in its review of transfer requests:

- Changes in planned services to eligible participants.
- Unexpected layoffs requiring additional funds.
- Changes in the goals for serving eligible participants.
- Changes in labor market conditions.
- Effect of transfer on jointly funded employment and training programs in America's Job Center of CaliforniaSM (formerly known as One-Stop Career Center).
- Effect on existing agreements for the delivery and/or coordination of employment and training services.
- Effect on current state and Local Area employment and training systems.
- Effect on the employment and training needs of eligible participants in the Local Area.

All transfer requests must be approved and signed off by the Local Board. Additionally, Local Boards must ensure that they are fulfilling the intent of the "Sunshine Provision" in WIOA Section 107(e), which requires Local Boards to make available to the public, on a regular basis through electronic means and open meetings, information regarding the activities of the Local Board.

The following three documents must be submitted in order to request a transfer of funds.

All three documents are needed for each transfer:

- 1. Transfer of Funds Request Form** – This form describes who is making the request, the transfer amount, and why the transfer is being requested. This document requires signature approval of the Local Area administrator/designee.
- 2. Participant Plan Form** – This form describes how the transfer of funds impacts the Local Area's participants.
- 3. Budget Plan Form** – This form describes how the transfer of funds impacts the Local Area's budget using the plus and minus format.

Please note that during WIOA's first transition year, the transfer of funds forms retain many similarities to the previous transfer of funds forms. However, as WIOA implementation continues to unfold, these forms may change to reflect additional guidance in subsequent years.

Mail requests to one of the following addresses:

MAIL

ATTN: (Name of assigned Regional Advisor)

Workforce Service Division, MIC 50

Employment Development Department

P.O. Box 826880

Sacramento, CA 94280-0001

COURIER SERVICE/
OVERNIGHT MAIL

ATTN: (Name of assigned Regional Advisor)

Workforce Services Division, MIC 50

Employment Development Department

722 Capitol Mall, Room 2071

Sacramento, CA 95814

Local Areas will be notified by their assigned Regional Advisor within 15 calendar days regarding the approval or denial of their request. If a transfer request is approved, the Central Office Workforce Services Division (COWSD) Financial Management Unit (FMU) will unilaterally transfer the funds within the Local Area master subgrant. This entire process will be completed as quickly as possible. The COWSD FMU will then forward a completed copy of the subgrant package to the Local Area.

ACTION

Please bring this directive to the attention of appropriate Local Area policy, administrative, fiscal staff, and other relevant parties.

INQUIRIES

Contact your assigned Regional Advisor if you have questions concerning this directive.

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division

Attachments are available on the internet:

1. [Transfer of Funds Request](#)
2. [Transfer of Funds Request: Participant Plan](#)
3. [Transfer of Funds Request: Budget Plan](#)