

DIRECTIVE

WORKFORCE INVESTMENT ACT

Number: WIAD00-3

Date: September 11, 2000
69:113:cg:3959

TO: LOCAL WORKFORCE INVESTMENT AREAS
CHIEF ELECTED OFFICIALS
CALIFORNIA WORKFORCE INVESTMENT BOARD STAFF
WID STAFF

SUBJECT: ADULT AND DISLOCATED WORKER SPLIT FUNDING FOR PY 2000

EXECUTIVE SUMMARY:

Purpose:

Program Year (PY) 2000 (July 1, 2000, to June 30, 2001) funding for the Workforce Investment Act (WIA) Adult and Dislocated Worker activities is being issued in two separate allocations. This directive discusses the implications of separate allocations on participant and fiscal reporting, cost compliance, funds utilization, administration cost limits, transfers, subgrant formats, grant codes, and participant tracking.

Scope:

This directive applies only to funds issued by formula for WIA Adult and Dislocated Worker activities.

Effective Date:

This directive is effective July 1, 2000.

REFERENCES:

- Department of Labor (DOL) Training and Employment Guidance Letter (TEGL) 5-99, Subject: Workforce Investment Act (WIA) Allotments for Program Year (PY) 2000; and Wagner-Peyser Preliminary Planning Estimates for PY 2000, (January 31, 2000)
- DOL Workforce Investment Act Letter (WIAL) 14-99, Notice of Obligation for WIA Title I
- WIA Information Bulletin WIAB99-14, Subject: PY 2000-01 Planning Allocation Information (May 17, 2000)

EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Special requests for services, aids, and/or special formats need to be made by calling (916) 654-8055 (Voice). TTY users, please call the California Relay Service at 711.

STATE-IMPOSED REQUIREMENTS:

This directive contains no State-imposed requirements.

FILING INSTRUCTIONS:

This directive finalizes Draft Directive WIADD-5 issued for comment on August 14, 2000. Retain until further notice.

BACKGROUND:

For WIA PY 2000, Congress appropriated funds for the Adult and Dislocated Worker components in two portions. The first portion, available on July 1, 2000, provides 25 percent of the Adult funds and 33 percent of the Dislocated Worker funds. This allotment is designated as PY 2000 funds. The remaining 75 percent of the Adult funds and 67 percent of the Dislocated Worker funds are available on October 1, 2000. This allotment is designated as Federal Fiscal Year 2001 funds. This information was provided to the states in TEGL 5-99, *Workforce Investment Act (WIA) Allotments for Program Year (PY) 2000 and Wagner-Peyser Preliminary Planning Estimates for PY 2000*.

The issuance, by DOL, of the WIA Adult and Dislocated Worker funds in two separate allotments necessitates the issuance of these funds to Local Workforce Investment Areas (LWIAs) in two separate allocations. The total allocation to each LWIA for PY 2000 remains the same as announced on May 17, 2000, in WIA Information Bulletin WIAB99-14, *PY 2000-01 Planning Allocation Information*. Both allocations will be available for use by LWIAs until June 30, 2002.

POLICY AND PROCEDURES:

Subgrants and Grant Codes—Adult and Dislocated Worker funds for both allocations are being issued to LWIAs in their R069XXX subgrants. The grant code for the first allocation of Adult funds is 201 and the grant code for the second allocation is 202. The grant code for the first allocation of Dislocated Worker funds is 501; the grant code for the second allocation is 502. All of these funds are available for use by LWIAs until June 30, 2002.

Cash Requests—When LWIAs make cash requests, they will need to specify from which of the four grant codes (201, 202, 501, and/or 502) the cash is to be drawn.

Financial Reporting—The DOL is requiring that the funds from each of the two Adult allotments and each of the two Dislocated Worker allotments be tracked and reported separately. Therefore, LWIAs must submit a WIA Expenditure Quarterly report for each of the four grant codes (201, 202, 501, and 502).

Participant Reporting—All Adult participants will be entered, tracked, and reported under grant code 201. All Dislocated Worker participants will be entered, tracked, and reported under grant code 501. Therefore, each quarter, LWIAs will submit one WIA Participant Report Summary for Adults and one WIA Participant Report Summary for Dislocated Workers.

LWIA Administration Limit—The WIA Section 128(b)(4) requires that not more than 10 percent of the Adult funds and 10 percent of the Dislocated Worker funds allocated to LWIAs may be spent on administration of local workforce investment activities. The 10 percent limit will be measured against the total LWIA allocation for the Adult program and the total LWIA allocation for the Dislocated Worker program; not against each of the two allocations for the Adult program and each of the two allocations for the Dislocated Worker program.

For example, a LWIA that received a total Adult allocation of \$4 million (\$1 million on July 1, and \$3 million on October 1) would be entitled to spend up to \$400,000 on administration for its WIA program. The entire \$400,000 for administration could be expended from the July 1 allocation or the October 1 allocation, or in any combination from the two allocations that totals \$400,000.

Although not more than 10 percent of each funding stream may be spent on WIA administration, WIA Section 128(b)(4) states that these administrative funds can be used for any allowable WIA administrative purpose regardless of the fund's source. Thus, funds from the Adult, Dislocated Worker, and Youth funding streams may be pooled and spent on the overall administration of the WIA program.

Transfers—The WIA Section 133(b)(4) allows up to a 20 percent transfer of funds allocated to the Adult or Dislocated Worker activities to be transferred between those two program components. As with LWIA administration limits, the transfer limits are calculated on the Adult and Dislocated Worker allocations taken as a whole.

For example, a LWIA that received a total Dislocated Worker allocation of \$9 million (\$3 million on July 1, and \$6 million on October 1) would be entitled to transfer up to \$1.8 million to the Adult program. The entire \$1.8 million transfer could be from the July 1 allocation or the October 1 allocation, or in any combination from the two allocations that totals \$1.8 million.

Funds Utilization—The WIA Section 133(c) allows the Governor to recapture and reallocate funds from any LWIA that did not obligate at least 80 percent of its Adult or Dislocated Worker allocations. The 80 percent calculation is also made on the Adult and Dislocated Worker allocations taken as a whole.

For example, a LWIA that received a total Adult allocation of \$2 million (\$0.5 million on July 1, and \$1.5 million on October 1) would be required to obligate at least \$1.6 million by June 30, 2001. The entire \$0.5 million from the July 1 allocation could be obligated with the remaining \$1.1 million being obligated from the October 1 allocation, or any combination from the two allocations that totals \$1.6 million.

ACTION:

Bring this information to the attention of appropriate local staff.

INQUIRIES:

Please direct inquiries about this directive to April Eales, Manager, Financial Management Unit, at (916) 657-9150.

/S/ BILL BURKE
Chief