



REVISED AMENDMENT OF PY 16-17 RR FUNDING

Program Year (PY) 2016-17 round two *Workforce Innovation and Opportunity Act* (WIOA) Rapid Response (RR) and Layoff Aversion (LOA) funds for each Local Workforce Development Area (Local Area) were released in October with a .41903 percent rescission. However, the Department of Labor (DOL) released Training and Employment Guidance Letter (TEGL) 17-15, Change 2 on March 8, 2017, amending the rescission to a .1901 reduction, providing the state with additional funding. The Dislocated Worker RR funding California received was amended to \$42,342,981 for PY 16-17.

State policy sets the formula allocation methodology at 50 percent of the RR funds being allocated to the Local Areas and the other 50 percent of the RR funds being set aside for the Additional Assistance account. Local Areas experiencing a significant increase in unemployment in their areas caused by plant closures, downsizing, natural disasters, or “other events” may apply for Additional Assistance funds. See attachment for specific funding detail reflecting the funding revision referenced above. Please note that these allocations include both the formula RR funding, along with separate allocations for LOA. This is consistent with the policy detailed in *Rapid Response and Layoff Aversion Activities* (WSD16-04), published on July 22, 2016.

This notice supersedes WSIN16-22.

Use of Rapid Response and Layoff Aversion Funds

These funds can only be used towards the cost of required and allowable RR activities in response to layoffs, business closures, and natural disasters. Only expenditures for activities described in Sections 3(51) and 134(a)(2)(A) of the *Workforce Innovation and Opportunity Act* (WIOA) will be reimbursed under the formula RR grant codes. Other activities not described in these sections must be paid with other funds.

As referenced in WSD16-04, baseline, layoff-based, and hold-harmless RR funds will continue to be issued to each Local Area in their subgrant, as grant codes 540 and 541. These formula RR funds may be spent on the wide range of required and/or allowable activities. Local Areas shall continue to report Incumbent Worker Training (IWT) participant enrollments funded with RR formula funds, under grant code 2274. LOA funding will be issued under grant codes 292 and 293 in each Local Area’s subgrant. These funds are to be spent exclusively on LOA activities, which includes IWT.

Participants receiving Additional Assistance services must be enrolled in grant code 241. Funds used for training services when serving Additional Assistance participants qualify as “leveraged resources,” which will assist Local Areas in meeting the training expenditure requirement as described in *WIA Training Expenditure Requirements (WSD14-1)*.

PY 2016-17 RR and LOA Funds

The state has decided to allow Local Areas to carry forward any unspent PY 2016-17 RR and LOA funds, and will extend the term end dates for those funds to June 30, 2018. Due to anticipated funding reductions for PY 2017-18, the state will not reduce the Local Areas’ PY 2017-18 RR and LOA allocations by their PY 2016-17 carry forward amounts. Although the state is extending PY 2016-17 RR and LOA funds for an additional year, this will not be a continued practice and unexpended RR and LOA funds may be de-obligated after the first year. If you have any questions regarding this information, please contact your assigned Regional Advisor.

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/S/ JAIME L. GUTIERREZ, Chief
Central Office Workforce Services Division

Attachment is available on the internet:

[*PY 16-17 Rapid Response and Layoff Aversion Funding \(Revised\)*](#)