

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER WIOA NO. 34-14 OPERATING GUIDANCE for the WORKFORCE INNOVATION AND OPPORTUNITY ACT (referred to as WIOA or the Opportunity Act)

TO: STATE AND LOCAL STAKEHOLDERS IN THE WORKFORCE
INNOVATION AND OPPORTUNITY ACT
STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE ADMINISTRATORS
ALL STATE WORKFORCE LIAISONS
ALL WORKFORCE INVESTMENT ACT (WIA) SECTION 166 INDIAN
AND NATIVE AMERICAN PROGRAM GRANTEEES

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: Workforce Innovation and Opportunity Act Transition Authority Allotment of Program Year (PY) 2014 Dislocated Worker National Reserve Funds for WIOA Implementation Activities

- Purpose.** The purpose of this Training and Employment Guidance letter (TEGL) is to allot PY 2014 Dislocated Worker National Reserve funds to states, Outlying Areas, and WIA Section 166 Indian and Native American grantees specifically for WIOA implementation activities including training of front-line staff, convening boards and supporting planning, transitioning to serving out-of-school youth, and assessing and improving state information technology (IT) systems.

WIOA was signed into law on July 22, 2014. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes titles I and II of the Workforce Investment Act of 1998, and amends the Wagner-Peyser Act and the Rehabilitation Act of 1973. In general, the Act takes effect on July 1, 2015, the first full program year after enactment, unless otherwise noted.

The Departments of Labor and Education are working to publish a set of regulations implementing WIOA. On April 9th, the Federal Register posted five Notices of Proposed Rulemaking (NPRMs) implementing the Opportunity Act on its Web site for public inspection, <https://www.federalregister.gov/public-inspection>, which offers a preview of documents scheduled to publish soon in the Federal Register. The NPRMs were formally

RESCISSIONS None	EXPIRATION DATE June 30, 2018
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published in the Federal Register on April 16th. Comments should be submitted in accordance with the process outlined in the NPRMs, including by visiting <http://www.regulations.gov>. The comment period will be open for 60 days, and will close on June 15, 2015.

In order to continue implementation prior to the final rule, a series of WIOA Operating Guidance documents that provide the needed implementation information will be issued in the form of Training and Employment Guidance Letters (TEGLs). These Operating Guidance documents on WIOA will inform the workforce system how to begin the important planning and reorganization necessary to comply with new WIOA statutory requirements for the upcoming Program Year (PY) 2015 (beginning July 1, 2015). The Operating Guidance TEGLs will provide a framework for program activities until the regulations are finalized. This TEGL is one in the ongoing series of Guidance.

2. **References.** See Attachment I.
3. **Background.** The Department recognizes that there are significant costs associated with successful implementation of WIOA. As state and local Workforce Boards operationalize the Act, strong partnership and collaboration among those Boards and program partners are critical to maximize impact and effectively manage resources. States and Local Areas must be strategic in aligning and investing a variety of resources. We encourage each state to identify and assess all available resources and target them where they will most impact success.

As discussed in TEGL No. 12-14, WIOA authorizes states to use up to two percent of PY 2014 formula resources to conduct activities for implementation of WIOA (WIOA Section 503(g)(2)). This two percent limit likely represents less funding than most states will need to conduct critical implementation activities. While this two percent limit does not apply to WIA Section 166 Indian and Native American Program grantees, the costs spent on transition activities for these grantees must be reasonable, allowable, and allocable to authorized program activities. The Department has considered several alternatives for making additional resources available to states for WIOA implementation activities with the goal of increasing the resources available to states for WIOA implementation activities while minimizing potential negative impacts on service delivery.

WIOA Section 503 (a)-(b) provides the Secretary of Labor with the authority to take such actions as the Secretary determines to be appropriate to provide for the orderly transition from the Workforce Investment Act of 1998 to any provision of WIOA Title I. Similarly, WIOA Section 503(d) allows the Secretary to take appropriate actions to transition to the Wagner-Peyser Act, as amended by WIOA. In TEGL No. 26-14, the Department applied this transition authority to provide flexibility in the use of Rapid Response funds for WIOA transitional activities.

The Secretary of Labor is using this transition authority to allot certain PY 2014 Dislocated Worker National Reserve funds to states to support WIOA implementation activities, including training of front-line staff, convening boards and supporting planning, transitioning to serving out-of-school youth, and assessing and improving state IT systems. Under WIA 132(a)(2)(A) and

WIOA 132(a)(2)(A) (related to the Dislocated Worker National Reserve) and WIA 170(b)(1) and WIOA 168(b)(1) (related to dislocated worker technical assistance), the Secretary may reserve up to five percent of Dislocated Worker National Reserve funds for technical assistance to states in delivering Dislocated Worker program services. However, Consolidated and Further Continuing Appropriations Act 2015 (Public Law 113-235) provides authority to reserve up to 10 percent of the PY 2014 Dislocated Worker National Reserve funds for technical assistance and WIOA transition activities. Of the PY 2014 Dislocated Worker National Reserve funds, ETA is making up to \$11.5 million available by formula to states and WIA Section 166 Indian and Native American Program grantees. ETA does not plan to make a second distribution in PY 2015.

4. **Allowable Activities.** These transition funds must be used for the following priority WIOA-implementation activities. Although these funds are from the Dislocated Worker National Reserve, states may use the funds for any of the WIOA transition activities described below to serve all workers:
- a. Training front-line staff, particularly on career counseling and methods to implement a customer-centered service delivery design in American Job Centers.
 - b. Convening boards and supporting planning, which may include:
 - i. Conducting strategic planning efforts, including convening relevant program and stakeholders for discussions and meetings;
 - ii. Addressing costs associated with the renegotiating of One-Stop MOUs and resource sharing agreements; and
 - iii. Planning with regard to co-location with Wagner-Peyser (which may include costs for terminating leases or expanding space). These funds may not be used for capital improvements.
 - c. Transitioning to expending 75% of Youth funds on services for out-of-school youth, including increasing supportive services for out-of-school youth, and expending at least 20% of local Youth funds on work experience.
 - d. Assessing or improving state Information Technology systems, which may include:
 - i. Upgrading and revising state management information systems to include: collection of new data elements specified in WIOA; building integrated or bridged systems to facilitate WIOA implementation; updating data infrastructure to provide integration with financial and accounting systems; and creating common methods and forms to create an integrated intake mechanism for WIOA core programs (i.e. Adults, Dislocated Workers, Youth, Wagner-Peyser, Adult and Family Literacy Act, and Rehabilitation Act of 1973).
 - ii. Supporting the building of state-based wage matching infrastructure to enable and/or streamline WIOA performance reporting, including Eligible Training Provider performance reporting.
 - iii. Preparing a methodology to collect Eligible Training Provider (ETP) data and create mandated ETP reports
 - iv. Assessing and reengineering of case management systems, to include common intake/registration; and

- v. Assessing management information systems, including ability to integrate performance accountability information and fiscal systems across core and other programs. Although specific data elements may not be completely known, states could begin a procurement process for information technology enhancements including procurement of necessary software and/or hardware.

5. **Allotment Formula:** In order to guarantee that each state has a minimum level of funding for WIOA transition activities, the Department is using a formula for allotting these funds.
- a. \$1 million of \$11.5 million PY 2014 Dislocated Worker National Reserve funds is set aside for WIA Section 166 Indian and Native American Program grantees, distributed by each grantee's relative share of their PY 2015 grant amounts.
 - b. The remaining \$10.5 million is distributed to the states and Outlying Areas using the following method.
 - (i) Each state will receive a base allotment of \$100,000 and each outlying area will receive a base allotment of \$25,000.
 - (ii) The remaining funds will be distributed based on each state or outlying area's relative share of the number of unemployed individuals in the state or outlying area compared to the total unemployed individuals in all states and outlying areas.
 - c. The relative share calculations are based on the following unemployment data.
 - (i) The data used for each state is the 12 month average number of unemployed individuals in FY 2014.
 - (ii) The data used for each outlying area is the 2010 Census data except for Palau which used 2005 Census data.

6. **Action Requested.** To achieve greater efficiency and as part of ETA's ongoing effort to streamline the mandatory grant award process, all states, Outlying Areas, and WIA Section 166 Indian and Native American grantees are required to submit an electronically signed copy of an SF-424, Application for Federal Assistance, and a SF-424A, grant budget, through Grants.gov (OMB 4040-0004). Any state that does not wish to receive these funds must notify its Federal Project Officer **by May 20, 2015**.

An electronically submitted SF-424 and SF-424A through Grants.gov constitutes an official signed document and must reflect the amount allotted. The closing date for receipt of the SF-424 and SF-424A is **May 20, 2015**. The ETA will award the Dislocated Worker National Reserve funds in June 2015.

The SF-424 must reflect the exact amount of the designated state allotment in item #18, Estimated Funding. Item #11 must include the Catalog of Federal Domestic Assistance Number for the applicable Funding Opportunity, 17.281.

To submit the required SF-424s, states must follow the "**Apply for Grants**" link on Grants.gov, and download the links for the grant application package. States should **not** follow the "Find Grants" link, as these are formula grants, not competitive funding opportunities.

7. **Reporting.** To ensure that ETA is able to assess the use of these funds, the collection of accurate, quality data is a critical component of financial accountability. To satisfy statutory and regulatory recordkeeping and reporting requirements, on a quarterly basis, states must submit the ETA 9130, U.S. DOL ETA Quarterly Financial Status Report (OMB 1205-0461). Federal Project Officers will review financial status reports and program activities as part of their regular monitoring activities.

8. **Paperwork Reduction Act (PRA) Statement.** According to PRA, no persons are required to respond to a collection of information unless such collection displays a valid OMB Control Number. The Department notes that a Federal agency may not conduct or sponsor a collection of information, nor is the public required to respond to a collection of information, unless the Office of Management and Budget (OMB) under the PRA approves it and it displays a currently valid OMB control number (44 U.S.C. 3507). Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB Control Number (44 U.S.C. 3512). The currently valid OMB Control Number for this collection is OMB 1205-0461 for the ETA 9130 and OMB 4040-0004 for the SF-424 and SF-424A.

9. **Inquiries.** Please direct any questions about WIOA implementation and these funds to the appropriate ETA Federal Project Officer in the National or Regional Office, as appropriate.

10. **Attachments.**
 - I. References
 - II. Allotments for WIA Section 166 Indian and Native American Program Grantees
 - III. Allotments for States