

DIRECTIVE
WORKFORCE SERVICES

Number: WSD10-3

Date: August 10, 2010
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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: ARRA 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 (ARRA) Workforce Investment Act (WIA) 25 Percent formula-based Rapid Response (RR) funding.

Scope:

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

Effective Date:

This directive is effective on the date of its issuance.

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
- Workforce Services Directive WSD09-9, Subject: Distribution of 2009 ARRA 25 Percent Dislocated Worker Funds (February 17, 2010)
- WSD07-3, Subject: Dislocated Worker Additional Assistance (AA) Projects (September 27, 2007)
- WIA Directive WIAD05-18, Subject: Dislocated Worker 25 Percent Funding Policy (June 14, 2006)
- WIAD02-13, Subject: Dislocated Worker 25 Percent Fund Requirements (April 24, 2003)

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- Workforce Services Information Notice WSIN08-51, Subject: ARRA RR Funding (April 10, 2009)

STATE-IMPOSED REQUIREMENTS:

This directive contains only State-imposed requirements.

FILING INSTRUCTIONS:

This directive finalizes Workforce Services Draft Directive WSDD-40, issued for comment on May 12, 2010. There were no comments received during the draft comment period. Retain this directive until further notice.

BACKGROUND:

The 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, require states to provide funds for RR activities and AA grants to LWIAs 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 California Workforce Investment Board (State Board) policies, which are published in 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 on April 10, 2009, via Workforce Services Information Notice [WSIN08-51](#). These funds were provided to LWIAs for the period of 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 grant code 106 in each LWIA'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 Workforce Services 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 Workforce Services Information Notice [WSIN08-51](#). This provides LWIAs 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.

/S/ MICHAEL EVASHENK, Chief
Workforce Services Division