

TRANSFER OF FUNDS – WIOA ADULT/DISLOCATED WORKER PROGRAMS

EXECUTIVE SUMMARY

This policy provides the guidance and establishes the procedures regarding the transfer of *Workforce Innovation and Opportunity Act (WIOA) Adult and Dislocated Worker* formula funds. This policy applies to all Local Workforce Development Areas (Local Area), and is effective immediately.

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

This Directive finalizes Workforce Services Draft Directive *Transfer of Funds – WIOA Adult/Dislocated Worker Programs* (WSDD-238), issued for comment on August 23, 2022. The Workforce Development Community submitted one comment during the draft comment period. A summary of comments, including all changes, is provided as Attachment 4.

This policy supersedes Workforce Services Directive *Transfer of Funds – WIOA Adult/Dislocated Work Programs* (WSD15-23), dated March 29, 2016. Retain this Directive until further notice.

REFERENCES

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- WIOA Public Law 113-128, Sections 133(b)(4) and 134(c)(3)(E)
 - Training and Employment Guidance Letter (TEGL) 19-16, Subject: Guidance on Services provided through the Adult and Dislocated Worker Programs under the WIOA and the Wagner-Peyser Act Employment Service (ES), as amended by title III of WIOA, and for Implementation of the WIOA Final Rules (March 1, 2017)
 - [Workforce Service Directive](#) WSD16-15, Subject: Dislocated Worker Additional Assistance Projects (December 28, 2016)

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

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 Board) 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 Employment Development Department (EDD) has the authority to approve transfer requests on behalf of the Governor. Local Boards may transfer up to 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.

Allowable Transfers

Each program year the U.S. Department of Labor (DOL) provides Adult and Dislocated Worker 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:

	Adult	Dislocated Worker
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, 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 a distinct grant code that is attached to their original funding stream. These grant codes are designated as follows:

	Adult	Dislocated Worker
First Allocation (July 1)	299	499
Second Allocation (October 1)	200	500

First Allocation

Grant Code 299 – First allocation Adult funds that are now first allocation Dislocated Worker funds. Participants served with these funds must be entered into CalJOBSSM under the Dislocated Worker category.

Grant Code 499 – First allocation Dislocated Worker funds that are now first allocation Adult funds. Participants served with these funds must be entered into CalJOBSSM under the Adult category.

Second Allocation

Grant Code 200 – Second allocation Adult funds that are now second allocation Dislocated Worker funds. Participants served with these funds must be entered into CalJOBSSM under the Dislocated Worker category.

Grant Code 500 – Second allocation Dislocated Worker funds that are now second allocation Adult funds. Participants served with these funds must be entered into CalJOBSSM under the Adult category.

Implications of Transferring 100 Percent of Funds

To the extent that a Local Area requests to transfer its entire allocation of Dislocated Worker program funds to the Adult program, Local Areas should be aware of the following implications pertaining to that transfer:

- The state will not consider a Local Area’s request for WIOA Dislocated Worker 25 Percent Additional Assistance to mitigate the loss of Dislocated Worker funds resulting from the transfer as stated in *Dislocated Worker Additional Assistance Projects (WSD16-15)*. However, if a Local Area transfers 100 percent of its Dislocated Worker funds and a dislocation event occurs in the Local Area, (e.g., specific employer layoff or a disaster that changes the local economic conditions), then state will consider a Local Area’s request for Additional Assistance funds on a case by case basis.
- All transfers of funds are subject to the priority of service requirement. The WIOA Section 134(c)(3)(E) requires priority of service for recipients of public assistance, other low income individuals, and individuals who are basic skill deficient. Additionally, [TEGL 19-16](#) further emphasizes that Local Areas must give such 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 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. Therefore, a new Participant Plan is required (see Attachment 2).

Transfer of Funds Procedures

The Local Area must submit the transfer request in writing to their Regional Advisor. All requests must contain the reason(s)/rationale for the transfer. Local Areas should consider the following when providing a justification for the transfer:

- 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 the local America's Job Center of CaliforniaSM system.
- 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 prior to submitting the transfer request to the Regional Advisor.

Submission Requirements

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 (Attachment 1)** – 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 (Attachment 2)** – This form describes how the transfer of funds impacts the Local Area's participants.
3. **Budget Plan (Attachment 3)** – This form describes how the transfer of funds impacts the Local Area's budget using the plus and minus format.

Local Areas must email the transfer of funds requests to their assigned Regional Advisor. The Regional Advisor will notify the Local Area within 15 calendar days regarding the approval or denial of their request. If a transfer request is approved, the EDD will transfer the funds within the Local Area master subgrant. This entire process will be completed as quickly as possible, and Local Area will receive completed copy of the subgrant package.

ACTION

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

INQUIRIES

If you have any questions, contact your assigned [Regional Advisor](#).

/s/ JAVIER ROMERO, Deputy Director
Workforce Services Branch

Attachments:

1. [Transfer of Funds Request \(DOCX\)](#)
2. [Transfer of Funds Request: Participant Plan \(XLS\)](#)
3. [Transfer of Funds Request: Budget Plan \(XLS\)](#)
4. [Summary of Comments \(DOCX\)](#)