

## DISLOCATED WORKER ADDITIONAL ASSISTANCE PROJECTS

### EXECUTIVE SUMMARY

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This policy provides guidance and the attendant procedures to apply for Additional Assistance (AA) project funding from the Dislocated Worker 25 percent Additional Assistance fund. Attached to this document are forms and templates needed for the three types of AA applications: (1) Regular AA, (2) Emergency AA, and (3) Project Modification. Also attached are the application evaluation matrix and project closeout report template.

The policy applies to all Local Workforce Development Boards (Local Board) and is effective immediately upon publication.

This directive finalizes Workforce Services Draft Directive *Dislocated Worker Additional Assistance Projects* (WSDD-156) issued for comment on October 24, 2016. The Workforce Development Community submitted two comments during the draft comment period. A summary of comments, including all changes, is provided as Attachment 6.

This policy supersedes *Workforce Services Directive Dislocated Worker 25 Percent Funding Policy* (WIAD05-18), dated June 4, 2006, and *Workforce Services Directive Dislocated Worker Assistance Project* (WSD13-2), dated August 14, 2013. Retain this Directive until further notice.

### REFERENCES

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- *Workforce Innovation and Opportunity Act* (WIOA) (Public Law 113-128) Sections 133(a)(2), 134(a)(2)(A)(ii), and 183
  - Workforce Services Directive WSD16-04, Subject: *Rapid Response and Layoff Aversion Activities* (July 22, 2016)

### BACKGROUND

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Section 133(a)(2) of the WIOA authorizes the Governor to set aside up to 25 percent of the state's Dislocated Worker funds for California's Rapid Response (RR) system and AA projects. At the beginning of each fiscal year, the Secretary of the Labor and Workforce Development Agency (LWDA), on behalf of the Governor, determines funding allocations for special

initiatives, RR, Layoff Aversion (LOA), and AA Projects. Allocation determinations are guided by LWDA's statewide priorities, which include: specialized services to target populations, coordination of labor/management associations, employers-engagement efforts, and workforce training for industries with a statewide need.

The AA funds are available to Local Workforce Development Areas (Local Areas) that experience sudden and large increases of unemployment due to natural disasters, mass layoffs, or other events. The AA funds are to provide direct services to dislocated workers when local resources are inadequate.

To ensure clear policy guidance, as well as maximize the Governor's flexibility when targeting and investing AA funds, the California Workforce Development Board (State Board), at its February 13, 2013 meeting, defined the term "other events" as broadly as possible, yet within the parameters of federal law and regulations, as the following:

"... any economic conditions, circumstances, trends, series, or combination of events that resulted in the documented dislocation of a substantial number of individuals. The 25 percent AA funding may be used flexibly so long as it meets the purpose of serving dislocated workers, and this includes activities that are designed to prevent layoffs."

The state, in cooperation with local partners, conducted a comprehensive review of the WIOA Title I Dislocated Worker allocation formula. The workgroup recommended formula revisions to conform to the new federal law and better align AA funding with regional labor market priorities and activities as well as with other federal funding including National Dislocated Worker Grants (NDWG). The workgroup held the position throughout its deliberations that AA funds must be tied to actual layoff events and needs emerging during the program year.

### **Funding Requests**

Requests for funding must follow an application and planning process initiated through the RR system for a natural disaster or "other event" and, as appropriate, an early intervention assistance action that may include the use of local WIOA formula funds to implement dislocated worker services. The requested AA funds must supplement and expand the local capability to respond effectively to worker dislocation events. Ideally, projects should be funded from multiple sources and involve multiple WIOA mandated partners. The AA funds should be used to serve the additional dislocated workers as well as allow a higher quality of services and outcomes to be achieved. The funding request must demonstrate that existing local resources (WIOA or others) are inadequate to address the needs of the affected workers seeking services.

This Directive completes the revision to the Governor's 25 percent discretionary fund policy. The guidance for RR and LOA activities was published in [WSD16-04](#), dated July 22, 2016.

To keep the state’s workforce development system apprised of the AA projects awarded during a program year, the awards, description of the projects’ scope, and an evaluation will be posted on the [State Board’s website](#). At the conclusion of the program year, the website will include an analysis of the contributions/system changes resulting from these projects and how they served the statewide strategy delineated in California’s Unified Strategic Workforce Development Plan (State Plan) for serving dislocated workers. This website will be updated to reflect AA project outcomes (e.g. placement, wages, retention, sectors, etc.).

## **POLICY AND PROCEDURES**

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### **Purpose**

The remaining portion of this Directive provides guidance and direction for the use of AA funds that are not being reserved for statewide priorities. The AA funds augment existing formula Dislocated Worker funding and finance the increased activities required to respond to events that cause a substantial increase in unemployment, including activities needed to avert further dislocations. The AA funds are not intended to supplant formula allocations already budgeted or otherwise set aside for ongoing operational costs, and accordingly, are not intended to create savings of such budgeted funding. Therefore, Local Areas must demonstrate that existing local resources (WIOA or other) are inadequate to address substantial increases in unemployment, unexpected dislocation, and the needs of the affected workers seeking services. Additionally, the applicant must demonstrate that the request supports, and is consistent with, efforts to implement the local, regional, and state strategic plans. These remaining AA funds will be granted exclusively to Local Boards.

In order to ensure effective service delivery and reduce duplication of efforts, coordination with local and regional partners is required. Roles, responsibilities, and areas of accountability must be identified and delineated in Exhibit D, “Partner Roles and Responsibilities,” of the attached AA and Project Modification applications.

This Directive provides three different methods for requesting AA funding: Standard AA Application, Emergency AA Application, and Project Modification Application. The application forms are attached to this Directive.

### **Standard AA Application**

The AA Application petitions the state for additional funds to respond to unanticipated dislocated worker events that exceed the capacity of the existing Local Area’s formula funds to provide the needed resources. The applicant shall ensure that all currently available funding is evaluated to assure that AA funding is necessary.

## **Emergency AA Application**

Emergency AA provides the applicant with initial bridge-funding to begin the provision of services to dislocated workers from a mass layoff or natural disaster. To qualify for a natural-disaster classification, the event(s) must be declared eligible for assistance by the Federal Emergency Management Agency or other responding federal agencies. Applicants will use existing RR funds in coordination with the Emergency AA grant to identify and provide immediate services to affected workers and collect data for the potential submission of a NDWG application to the U.S. Department of Labor (DOL) after the federal-disaster declaration.

## **Project Modification Application**

A Project Modification Application seeks to alter a current AA project due to a substantial change in the scope of the originally-funded work. A Project Modification Application requests a change in terms and conditions, and/or scope of work.

A modification is required for any of the following conditions:

- Increase or decrease in the project term
- Change in the employer(s) being served
- Increase or decrease of project funding
- Change in training expenditure (+/- 10 percent)
- Decrease in the number of participants to be served
- Change in participant activity, (duration or training mix)
- Increase in administrative costs (not to exceed a maximum of 10 percent of grant amount)

## **Application Review and Approval**

The Employment Development Department (EDD) Workforce Services Branch (WSB) will review all applications. The first level of review will be conducted by a team with at least one Regional Advisor. The team will use the attached scoring rubric (Attachment 4) to evaluate the application against the state's criteria. Applicants are encouraged to use this rubric to assess their proposals prior to submitting the application to the EDD.

If denied at the first level of review, the Regional Advisor will return the application to the applicant with a letter specifying the reason(s) for denial. The applicant will be encouraged to work with their Regional Advisor to correct the deficiencies and resubmit the application. The WSB review/approval timelines listed below are activated upon receipt of new or revised applications:

- AA Application 45 calendar days after receipt by the WSB.
- Emergency AA Application 15 calendar days after receipt by the WSB.
- Project Modification Application 45 calendar days after receipt by the WSB.

\*Note – Additional time will be necessary for final state approval.

Award levels may be negotiated. The WSB will use the effectiveness of the Local Board's previous year's Adult and Dislocated Worker formula-funding expenditures and the substantiated need for additional resources to determine the award amount.

### **Project Funding**

Project funding is available beginning July 1 of each year. Applications that cross program years may be split-year funded. Full expenditure of funds is expected within each award period. An award period may be extended up to 18 months through a Project Modification Application if more time is determined to be necessary.

Applications approved for funding will become a subgrant document. The WSB's Financial Management Unit will unilaterally modify the Local Area's master subgrant to include the approved funding as a separate line item.

### **Reporting**

By accepting a subgrant for AA funding, the applicant agrees that it will submit reports of: participants, expenditures, status-of-cash, and closeout. These must be done by specified dates and in the specified format as prescribed by the state and outlined in Exhibit E of attachments 1 and 3.

A Closeout Report (Attachment 5) must be submitted to the EDD Regional Advisor at the conclusion of each project.

The applicant must run participant reports describing placement, wages, retention, sectors, etc. for each project and must provide the results to the EDD. These will be posted on the State Board's website after the conclusion of the project.

### **Monitoring and Oversight**

Section 183 of the WIOA provides authorization for the U.S. Secretary of Labor and the state's Governor to monitor grantee compliance with associated regulations. The EDD is responsible for ensuring grantee compliance with the associated regulations and subgrant provisions. As such, AA projects are subject to the EDD's monitoring policies.

### **Allocation of Surplus State Level AA Funding**

In January of each year, the LWDA, the EDD, and the State Board will evaluate the balance of state-level funding remaining in the AA account. If an under-expenditure of AA funding is revealed, surplus funds may be distributed to Local Areas through a Solicitation for Proposals.

## Technical Assistance

Technical assistance is available through a Local Area's assigned [Regional Advisor](#).

Necessary forms and guidelines for submission of an AA funding request are attached.

To request funding, submit an application, with original signatures, to the address or email below and provide a copy to the Regional Advisor assigned to the Local Area. Electronic copies may be submitted. **Faxed applications will NOT be accepted.**

Email [Regional Advisor](#)

Mail ATTN: 25 Percent Additional Assistance Application  
Program and Technical Assistance Section, MIC 50  
Central Office Workforce Services Division  
Employment Development Department  
P.O. Box 826880  
Sacramento, CA 94280-0001

## ACTION

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Bring this Directive to the attention of all affected parties.

## INQUIRIES

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

/S/ JOSÉ LUIS MÁRQUEZ, Chief  
Central Office Workforce Services Division

Attachments are available on the internet:

1. [Additional Assistance Application](#)
2. [Emergency Additional Assistance Application](#)
3. [Project Modification Application](#)
4. [Project Application Evaluation Rubric](#)
5. [Project Closeout Report Template](#)
6. [Summary of Comments](#)