

GUIDANCE ON REGIONAL AWARDS

EXECUTIVE SUMMARY

This policy provides the guidance and establishes the procedures regarding the general standards and responsibilities of the Local Workforce Development Areas (Local Area) or the Local Workforce Development Boards (Local Board) acting as the Regional Fiscal Agent for workforce development programs and initiatives. It includes responsibilities regarding the *Workforce Innovation and Opportunity Act (WIOA)* and other state funds allocated to a Regional Fiscal Agent in the Regional Planning Unit (RPU).

This policy applies to Local Areas, Local Boards, and RPUs, and is effective immediately.

There are no state-imposed requirements.

Retain this Directive until further notice.

REFERENCES

- *WIOA* (Public Law 113-128) Sections 101 and Section 106
- Title 2 *Code of Federal Regulations* (CFR) Part 200: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;" (Uniform Guidance)
- Department of General Services, *State Administrative Manual*
- *California's Unified Strategic Workforce Development Plan 2016-2020* (State Plan)
- Workforce Services Directive WSD18-06, Subject: *Subrecipient and Contractor Distinctions* (September 5, 2018)
- WSD18-01, Subject: *Regional and Local Plans PY 17-21 – Two Year Modifications* (July 27, 2018)
- WSD17-08, Subject: *Procurement of Equipment and Related Services Directive* (March 14, 2018)

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

- WSD16-10, Subject: *Property – Purchasing, Inventory and Disposal Directive* (November 10, 2016)
- Workforce Investment Act Directive WIAD00-7, Subject: *Standards for Oversight and Instructions for Substate Monitoring* (April 10, 2001)

BACKGROUND

Sections 101 and 106 of WIOA require that the Governor identify planning regions in the State with consultation from the local Chief Elected Officials (CEO) and Local Boards in the affected regions. Identifying and establishing regions is intended to do the following:

- Align workforce development activities and resources with larger regional economic development areas.
- Implement sector strategies and career pathways.
- Lower costs and increase the effectiveness of service delivery to businesses that span more than one Local Area within a region.
- Support job seekers through the coordination of services, processes, and operations.

This guidance is not intended to reduce the influence of the Local Board members on the local system, shift fiscal liability away from the local CEOs, or prevent appropriate collaborative efforts between Local Areas in different regions.

In accordance with WIOA Section 106, the Governor, through the California Workforce Development Board (CWDB), has identified 14 RPUs in California. These RPUs were developed in February 2016 to tie together regional labor markets, while simultaneously taking into consideration regional designations of other federal and state funded programs (e.g. regional community college consortia).

The RPUs include the following:

1. Coastal Region (4 Boards): Monterey, San Luis Obispo, Santa Barbara, Santa Cruz
2. Middle Sierra (1 Board): Mother Lode
3. Humboldt (1 Board): Humboldt
4. North State (1 Board): NORTEC
5. Capital Region (4 Boards): Golden Sierra, North Central Counties, SETA, Yolo
6. East Bay (4 Boards): Contra Costa County, Alameda, Richmond, Oakland
7. North Bay (3 Boards): Workforce Alliance of the North Bay, Sonoma, Solano
8. Bay-Peninsula (5 Boards): San Francisco, NOVA, San Mateo, San Jose, San Benito
9. San Joaquin Valley and Associated Counties (8 Boards): Fresno, Kern-Inyo-Mono, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare
10. Southern Border (2 Boards): San Diego, Imperial

11. Los Angeles Basin (7 Boards): Los Angeles City, Los Angeles County, Foothill, Southeast Los Angeles County, South Bay, Verdugo, Pacific Gateway
12. Orange (3 Boards): Santa Ana, Orange, Anaheim
13. Inland Empire (2 Boards): Riverside, San Bernardino County
14. Ventura (1 Board): Ventura

The RPUs are responsible for the development and implementation of a Regional Plan as required by WIOA. The 14 RPUs submitted their Regional Plans to CWDB in March 2017 and were approved in September 2017. Modifications to the Regional Plans were due March 15, 2019, per WSD18-01.

To assist with the implementation of the Regional Plans, the CWDB allocated WIOA Governor's 15% Discretionary Funds for planning grants. The planning grants required each RPU to select a Regional Fiscal Agent who would accept and administer the regional funds. In addition, the Legislature approved state general funds for a variety of workforce development initiatives to further the goals of the State Plan and the Regional Plans. The state-funded initiatives will be allocated through a competitive application process and/or the funds will be awarded to a Regional Fiscal Agent for distribution among the RPU Local Areas, community-based organizations (CBO), and other partner agencies.

POLICY AND PROCEDURES

Definitions

For the purposes of this Directive, the following definitions apply:

The State – the CWDB and the Employment Development Department.

Regional Planning Unit – regions of the State determined by the Governor, with input from local CEOs and Local Boards, which represent the regional labor market and are responsible for developing and implementing Regional Plans.

Regional Fiscal Agent – a non-federal entity selected by the Local Areas in an RPU to be the recipient for regional funds allocated to an RPU. The Regional Fiscal Agent is a Local Area that has been selected as the fiscal agent by the Local Areas in an RPU. The RPU may select a different fiscal agent for each regional grant awarded to the RPU.

Local Workforce Area Fiscal Agent – a non-federal entity designated by the State of California to carry out a federal award as a subrecipient.

Subgrantee – An entity that has been designated by the State of California to receive funding. For the purposes of this Directive, a subgrantee is one of the 45 fiscal agents/Local Areas in the State of California that receive a WIOA subgrant.

Subrecipient – Any non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency (Uniform Guidance Section 200.93). Subrecipients are responsible for meeting all programmatic compliance requirements.

Non-federal entity – A state, local government, Indian tribe, institution of higher education, for-profit entity, foreign public entity, foreign organization or nonprofit organization that carries out a federal award as a recipient or subrecipient (Uniform Guidance Section 200.69).

Pass-through entity – A non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program (Uniform Guidance Section 200.74).

RPU Funding Considerations

The CWDB has determined that a designated Regional Fiscal Agent may apply for regional grants on behalf of a consortium of Local Boards and partners in the RPU. A Regional Fiscal Agent must submit an application that contains the agreements between the partners and/or a detailed plan, the names of partners that will receive funding, a description of services that will be provided as part of the grant, and the amount of funding designated to each partner. If the grant applicant provides a detailed plan or agreement containing the designated roles for each partner, no additional procurement at the local level will be required.

For the purpose of achieving regional objectives without conducting an additional procurement, the Regional Fiscal Agent has the authority to do the following:

1. Grant funds to the Local Areas, CBOs, and partners outlined in the grant application.

Example – An RPU develops a Regional Plan for Prison to Employment (P2E) that includes funding for each Local Area and CBOs. Funding is allocated to the Regional Fiscal Agent, who disburses the funds directly to Local Areas and/or CBOs as planned in the application (the application may include a plan for the Regional Fiscal Agent to disburse funds to CBO partners, or to Local Areas who will disburse funds to CBO partners).

2. Disburse funds to another Local Area within the RPU. The CWDB will consider all Local Areas listed within the application as applicants for state procurement, eliminating

subsequent procurements at the local level (in the event that the entity who would be receiving funds on behalf of one or more Local Boards within an RPU is not a Local Board, an exception to procurement may be considered on a case-by-case basis).

Example – A Regional Fiscal Agent can contract funds to another Local Area in the region during the period of the agreement, in order to carry out regional objectives.

If a grant is awarded, the Regional Fiscal Agent will have the authority to disburse the funds to the Local Areas, CBOs, and partners as outlined in the grant application.

Example – An RPU develops a regional plan for P2E that includes funding for each Local Area and three CBOs. Funding is allocated to the Regional Fiscal Agent who disburses the funds directly to Local Areas and/or CBOs as proposed by the region in the application.

Furthermore, for the period that the agreements outlined above are in place, the Regional Fiscal Agent may also grant funds to another Local Area within the RPU for the purpose of achieving regional objectives without conducting an additional procurement.

In addition, Local Areas may use the following fiscal policies to reduce the administrative burden associated with managing regional grants, as long as they are in alignment with local procurement policies:

- A Local Area that receives funds from the Regional Fiscal Agent may provide services directly or may procure services from CBOs or other eligible service providers.

Example – A Local Area receives a regional subcontract from the Regional Fiscal Agent. That Local Area may provide services with county staff and may also procure services from CBO partners in their county to provide services.

- A Regional Fiscal Agent or Local Area may utilize a same or similar procurement that has not yet elapsed when the award is made to fund CBO partners, America’s Job Center of CaliforniaSM (AJCC) locations, labor organizations, or other eligible service providers to meet grant objectives, if allowed by local procurement policies.

Example – A Local Area procured a CBO two years prior for a three-year contract in order to serve justice involved individuals. The Local Area can use the CBO selected in the original procurement to provide services in a regional initiative.

- If a Regional Fiscal Agent or Local Area’s local procurement policy allows for “piggy-backing” on another procurement, the Regional Fiscal Agent or Local Area can utilize another entity’s procurement process if it has not yet elapsed when the award is made.

Example – A Local Area conducted a procurement for services for justice-involved individuals and funded a CBO. A second Local Area can "piggy-back" on the

procurement and contract with the CBO for services if it is allowed by their local procurement policy.

Example – The CWDB conducted a procurement for Multi-Craft Core Curriculum programs and funded a Building Trades Council (BTC). A Regional Fiscal Agent or Local Fiscal Agent can “piggy-back” on the procurement and contract with the BTC for services if it is allowed by their local procurement policy.

- If there is only one entity that can provide a specific service in an RPU, the Regional Fiscal Agent or the Local Area may utilize sole-source, non-competitive procurement if allowed by their local procurement policy.

A region may use a Request for Qualification to create a list of organizations that may be pre-qualified to provide professional services. This process is used where the expertise and experience of the organization and its staff is necessary for achieving program outcomes and may include skilled professional services requiring specialized education or expertise. Examples include AJCC operators and organizations which provide services to special populations, such as: justice involved individuals, individuals with disabilities, individuals requiring mental health and substance abuse services, veterans, and homeless individuals.

Responsibilities of Local Board/Local Area in each RPU

The Local Areas within an RPU must establish a decision-making process to designate or change the Regional Fiscal Agent and develop a plan to distribute resources when grants are requested by the State, which includes a plan for identifying administrative cost rates for state initiatives and sharing administrative costs. In addition, the responsibilities of the Local Board/Local Areas in each RPU include the following:

- Providing oversight and guidance to the region’s selected Regional Organizer (RO) and Regional Training Coordinator (RTC).
- Working collaboratively with the region’s Local Boards to strengthen the regional coalition.
- Supporting the implementation of the State Plan and Regional Plan by strengthening regional leadership, strategically maintaining ongoing collaborations to accomplish Regional Plan goals, and enhancing communication between regions and the State.
- Developing an agreement on how regional funds will be allocated among the Local Areas in the RPU including the objectives, activities, and outcomes that will be funded, and what processes will be used for contracting and reporting.
- Complying with state and federal regulations to safeguard regional, federal, and state funds allocated to the Local Area, including the following:
 - Procuring and awarding subgrants and contracts.
 - Ensuring that awarded contracts are monitored, either by the Local Area that awarded the contract or a mutually agreed upon entity.

- Assuring that the procurement, receipt, and payment for goods and services received from vendors complies with laws, regulations, and the provisions of vendor contracts and agreements.
- Implementing corrective action for the contracts awarded by the Local Areas, including, if necessary, withholding cash payments pending corrective action, disallowing all or part of the activity or action, and/or wholly or partly suspending or terminating the contract award.
- Agreeing upon the priorities of the RO and RTC and a process to identify and oversee the RO and RTC, who will do the following:
 - Schedule and coordinate meetings between the Local Boards in the region.
 - Develop a communications protocol to ensure regular meetings of Local Board Directors, regional staff, and regional partners to strengthen the regional coalition and achieve the goals in the Regional Plan.
 - Guide efforts to facilitate and align regional investments (RO, RTC, SlingShot, Strong Workforce, Adult Education Block Grant, P2E).
 - Oversee the RTC efforts to develop and implement the Regional Training Plan.
 - Attain/measure progress on regional indicators of coordination and alignment.

Responsibility of Regional Fiscal Agent

- Act as fiscal agent for regional funds, including accepting funds, ensuring that all Local Areas in the RPU agree to report all regional expenditures, and completing fiscal and programmatic reporting.
- Allocate funds to Local Areas and partners as directed by the Regional Plan or agreed to by the Local Board Directors in the RPU.
- Notify the State of any decision by the Local Boards in the RPU to change the fiscal agent, including documentation of the process used to select the new Regional Fiscal Agent.
- Compile and submit reports of activities, expenditures, status of cash and closeout information by specified dates, as prescribed by the State.
- Maintain performance outcome reports as required by the State.
- Measure and report on regional indicators of coordination and alignment.

Responsibility of the California Workforce Development Board and Employment Development Department

- Policy – Develop and implement policy to ensure the development of regional systems and structure; develop program guidance for new state workforce initiatives; eliminate administrative burdens; and streamline funding and procurement processes.
- Grant awards – Coordinate the procurement process for regional initiatives, including developing the Request for Applications, reviewing and evaluating applications, and awarding funds.

- Project management – Manage, oversee and monitor the regional funds, including analyzing and approving all grant forms and exhibits and executing subgrant/subcontract agreements for regional funding.
- Oversight of reporting on program outcomes and expenditures.
- Technical assistance and evaluation – Coordinate the procurement process for technical assistance providers and evaluators to work with the CWDB to provide technical assistance and evaluation for regional grantees.
- Determine Corrective Action for non-performance – If an RPU fiscal agent is not meeting their responsibilities as required by the subgrant/subcontract agreement, the Local Boards in the RPU will be required by the State to change the fiscal agent for the regional grants.
- Dispute resolution – If the Local Boards in a region cannot reach an agreement or are at an impasse over a decision, the CWDB and/or the regional technical assistance provider will recommend action, which may include mediation, conflict resolution, and/or state-level intervention, including cancellation of the grant or contract.
- Develop an on-going Frequently Asked Questions system for answering questions and providing technical assistance for the implementation of state and federal workforce initiatives.

ACTION

Bring this Directive to the attention of the appropriate staff.

INQUIRIES

If you have any questions, contact Cindy Harrington, Manager, Program Implementation and Regional Support Branch, at 916-651-7526 or Cindy.Harrington@cwdb.ca.gov.

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

Attachments are available on the internet:

1. [Summary of Comments \(DOCX\)](#)