

LOCAL AREA SUBSEQUENT DESIGNATION AND LOCAL BOARD RECERTIFICATION PY 23-25

EXECUTIVE SUMMARY

This policy provides guidance and establishes the procedures regarding subsequent designation of Local Workforce Development Areas (Local Area) and recertification of Local Workforce Development Boards (Local Board) under the *Workforce Innovation and Opportunity Act* (WIOA) and is effective on the date of issuance.

This policy applies to all current Local Areas interested in receiving subsequent designation and all current Local Boards interested in recertification under WIOA.

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

This Directive finalizes Workforce Services Draft Directive *Local Area Subsequent Designation and Local Board Recertification PY 23-25* (WSDD-245), issued for comment on March 13, 2023. The Workforce Development Community submitted five comments during the draft comment period. A summary of comments, including all changes, is provided as Attachment 2.

This policy supersedes Workforce Services Directive *Local Area Subsequent Designation and Local Board Recertification* (WSD20-06), dated February 22, 2021. Retain this Directive until further notice.

REFERENCES

- WIOA (Public Law 113-128) Sections 106 and 107
- Title 2 *Code of Federal Regulations* (CFR) Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

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

- Title 2 CFR Part 2900: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [Department of Labor (DOL) Exceptions]
- Training and Employment Guidance Letter (TEGL) 11-19, *Negotiations and Sanctions Guidance for the WIOA Core Programs* (February 6, 2020)
- *California Unemployment Insurance Code* (CUIC) Section 14202
- [Workforce Services Directive](#) WSD20-02, *Calculating Local Area Performance and Nonperformance* (September 18, 2020)
- WSD14-10, *Initial Local Area Designation and Local Board Certification Under WIOA* (February 20, 2015)

BACKGROUND

WIOA Sections 106 and 107 provide criteria for subsequent designation of Local Areas and recertification of Local Boards. Specifically, WIOA Section 106 requires the Governor to designate Local Areas within the state, and WIOA Section 107 requires the Governor to certify one Local Board for each Local Area.

According to WIOA Section 106, a Local Area must have performed successfully, sustained fiscal integrity, and engaged in the regional planning process to receive subsequent designation. According to WIOA Section 107, a Local Board must have performed successfully, sustained fiscal integrity, and met membership requirements to receive recertification.

The applications for the Local Area subsequent designation and Local Board recertification have been combined into one application. Approved applications will be effective July 1, 2023 – June 30, 2025.

POLICY AND PROCEDURES

The long-term economic impact of the COVID-19 pandemic and related statewide shutdowns has resulted in the need to provide ongoing state-imposed flexibility when establishing guidelines for this round of Local Area subsequent designation and Local Board recertification. As California continues to recover from the pandemic, the California Workforce Development Board (CWDB) is prioritizing ways to better align the workforce development system with industry and labor needs in order to address future skills gaps by investing in training that leads to meaningful employment.

Definitions

Membership – The Local Board is in compliance with the membership requirements outlined under WIOA Section 107(b).

Performed Successfully – The Local Area had an Individual Indicator Score of 50% or higher in Program Year (PY) 2020-21 or PY 2021-22, as described in WSD20-02, Calculating Local Area Performance and Nonperformance (September 19,2020), for the following primary indicators of performance:

- ***Employment Rate 2nd Quarter After Exit***
- ***Median Earnings***

Note – Please report your “performance score” rather than the “adjusted level of performance”.

Sustained Fiscal Integrity – The Local Area certifies it has not been found in violation of one or more of the following during PY 20-21 or PY 21-22:

- ***Final determination of significant finding(s)*** from audits, evaluations, or other reviews conducted by state or local governmental agencies or the DOL identifying issues of fiscal integrity or misexpended funds due to the willful disregard or failure to comply with any WIOA requirement.
- ***Gross negligence*** – Defined as a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both.
- ***Failure to observe accepted standards of administration*** – Local Areas must have adhered to the applicable uniform administrative requirements set forth in Title 2 CFR Part 200.

Engaged in Regional Planning – The Local Area has participated in and contributed to regional planning, regional plan implementation, and regional performance negotiations.

Application Process

The local Chief Elected Official (CEO) and the Local Board Chair must complete and sign the *Local Area Subsequent Designation and Local Board Recertification Application for PY 23-25* (Attachment 1) in order for a Local Area to request subsequent designation or a Local Board to request recertification.

The completed application is due no later than **5 p.m. on Friday, May 26, 2023**, to the CWDB at PolicyUnit@cwdb.ca.gov. Please include “Local Area Subsequent Designation and Local Board Recertification Application” in the subject line.

Due to COVID-19, electronic signatures are permitted for the PY 23-25 application.

Note – It is understood that some Local Areas may be unable to obtain local CEO approval by the submission deadline due to scheduling conflicts. If necessary, the Local Area may submit an unsigned copy of the application with an explanation for the absent signature(s) and a date by when the signed application will be sent. Local Areas will not receive full subsequent designation status until a signed application is received.

Assessment of the Application

The CWDB, in coordination with the Employment Development Department, will verify the information provided in the application to ensure the required criteria are met. The CWDB will then determine whether to recommend an approval, conditional approval, or denial of the application. The local CEO will be notified in writing of the decision.

If a subsequent designation application is conditionally approved, the local CEO must submit a “Corrective Action Plan” specifying the following:

- How they will meet the required criteria
- When they will provide the CWDB with a corrected application

Appeal Process

A unit of local government (or a combination of units) that has requested and been denied subsequent designation as a Local Area under WIOA may appeal the denial to the CWDB, pursuant to WIOA Section 106. An entity that has been denied subsequent designation may appeal the decision and request a hearing.

An appeal and request for a hearing must be emailed to the CWDB within 15 calendar days from the email date of the notice of denial of initial designation.

The appeal must state, in writing, the following:

- Grounds for the appeal.
- Reasons why the appellant should be designated.

The CWDB will contact the appellant to schedule a hearing date within 15 calendar days of the receipt of the appeal. The CWDB will conduct the appeal hearing and provide a written decision to the appellant no later than 15 calendar days after the hearing.

Appeal of CWDB Decision

A unit or combination of units of local government whose appeal has not resulted in designation as a Local Area may also appeal the denial to the DOL (WIOA Section 106[b][5]).

ACTION

Bring this Directive to the attention of the local CEO, Local Board, and appropriate staff.

INQUIRIES

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

/s/ JAVIER ROMERO, Deputy Director
Workforce Services Branch

Attachments:

1. [Local Area Subsequent Designation and Local Board Recertification Application for Program Year 2023-25 \(DOCX\)](#)
2. [Summary of Comments \(DOCX\)](#)
3. [Errata Chronology \(DOCX\)](#)