

WIOA 15 PERCENT GOVERNOR'S DISCRETIONARY FUNDS

EXECUTIVE SUMMARY

This policy provides the guidance and establishes the procedures regarding the process and reporting requirements for projects funded through the federal *Workforce Innovation and Opportunity Act* (WIOA) 15 Percent Governor's Discretionary funds. This policy applies to all recipients of WIOA 15 Percent Governor's Discretionary funded projects 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 *WIOA 15 Percent Governor's Discretionary Funds* (WSDD-251), issued for comment on November 6, 2023. The Workforce Development Community submitted no comments during the draft comment period.

This policy supersedes Workforce Services Directive *15 Percent Project Requirements* (WIAD02-14), dated April 24, 2003. Retain this Directive until further notice.

REFERENCES

- WIOA (Public Law 113-128) Sections 128(a), 129(b)(1)(A), 134(a)(2)(B)(vi), 136, 169, and 442
- Title 20 *Code of Federal Regulations* (CFR), Part 682 Sections 682.110, 682.200 and Part 683 Sections 683.120
- Title 2 CFR, Part 200: Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards (Uniform Guidance); Section 200.306.
- Training and Employment Guidance Letter (TEGL) 14-18, *Aligning Performance Accountability Reporting, Definitions, and Policies Across Workforce Employment and Training Programs Administered by the U.S. Department of Labor (DOL)* (March 25, 2019)
- TEGL 10-16, Change 2, *Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Core Programs* (September 15, 2022)
- [Workforce Services Directive WSD23-03 Performance Guidance](#) (November 8, 2023)

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

- WSD20-03, *Audit Requirements* (October 13, 2020)
- WSD20-10, *CalJOBS Participant Reporting* (April 8, 2021)
- WSD19-05, *Monthly and Quarterly Financial Reporting Requirements* (December 4, 2019)
- WSD18-03, *Pathway to Services, Referral, and Enrollment* (August 29, 2018)
- WSD17-07, *WIOA Youth Program Requirements* (January 16, 2018)
- WSD16-18, *Selective Service Registration* (April 10, 2017)

BACKGROUND

In accordance with WIOA Sections 128 and 133 and Title 20 CFR Section 683.120, the Governor in alignment with the State Plan, and after consulting with Chief Elected Officials and Local Workforce Development Boards (Local Board) in the Local Workforce Development Areas (Local Area), must reserve up to 15 percent of WIOA Title I Adult, Dislocated Worker, and Youth formula funds for statewide workforce activities. WIOA 15 Percent Governor's Discretionary Funds are released through a competitive grant process such as a Solicitations for Proposals (SFP) or a Request for Applications (RFA), to support statewide initiatives related to career pathways, bridge programs, sector partnerships, and other innovative workforce development projects that serve marginalized target populations such as English Language Learners, people with disabilities and veterans.

POLICY AND PROCEDURES

Overview of 15 Percent Projects

WIOA Sections 129 and 134 allows the Governor to reserve up to 15 percent of the state's WIOA Title I formula funds for statewide employment and training activities for adults, dislocated workers, and youth. These funds must be used for specific required activities and may also be used for other allowable activities.

According to WIOA Sections 129(b)(1) and 134(a)(2)(B), the required statewide employment and training activities, which are funded by the WIOA 15 Percent Governor's Discretionary funds from each of the Adult, Dislocated Workers, and Youth state allotments, includes the following:

- Providing assistance to Local Areas and America Job Center of CaliforniaSM (AJCC) partners in carrying out data alignment described in the State Plan.
- Providing assistance to Local Areas in developing regional plans and carrying out service delivery.
- Supporting the development of industry and sector partnerships.
- Providing assistance to Local Areas and AJCCs with staff training in serving individuals with barriers to employment to enter employment in-demand industry.

- Technical assistance to Local Areas not meeting required performance accountability measures.
- Operation of a fiscal and management accountability system in order to report on and monitor the use of WIOA funds.
- Monitoring and providing oversight of WIOA Adult, Dislocated Workers, and Youth programs.
- Dissemination of the state list of eligible providers of training services and eligible providers of youth activities including apprenticeship programs.
- Dissemination of information identifying eligible providers of on-the-job training including incumbent worker training and other experienced based job training models.
- Sharing of information on effective business outreach practices and effective strategies in serving job seekers.
- Providing performance information and information on the cost of attendance (including tuition and fees) for participants in experienced based job training models.
- Sharing information on physical and programmatic accessibility in accordance with the *Americans with Disabilities Act of 1990*.
- Conducting performance evaluations and sharing those evaluations with the DOL.

Allowable statewide employment and training activities under WIOA Sections 129(b)(2) and 134(a)(3) includes the following:

- Implementation of innovative training programs, such as layoff aversion strategies and sector and industry partnerships.
- Developing strategies for effectively serving individuals with barriers to employment and for coordinating programs and services among AJCCs.
- Identifying education and training providers that respond to real-time labor market analysis, ensuring prior assessments are taken into account, and ensuring such programs are portable and stackable.
- Implementing programs to increase the number of individuals training for and placed in nontraditional employment.
- Allowing for the delivery of services through technology to remote regions.
- Supporting career services.
- Coordinating with child welfare services.
- Improving coordination with the following programs and services:
 - Economic development activities
 - Child supportive services
 - United States Department of Agriculture programs
 - Vocational rehabilitation
 - Adult education, including libraries
 - Justice served individuals
 - Financial literacy
- Developing and disseminating workforce and labor market information.
- Conducting research and demonstration projects related to meeting the employment and education needs of adult and dislocated workers.

- Implementing promising services for workers and businesses including workplace learning advisors.
- Providing incentive grants to Local Areas for good performance.
- Administration of state activities via a self-sufficiency standard.
- Developing and disseminating common intake procedures.
- Providing technical assistance to Local Areas implementing pay-for-performance strategies.

Solicitation for Proposals/Request for Applications

The EDD and California Workforce Development Board (CWDB) release grant opportunities through a competitive SFP and RFA process. These statewide initiatives are funded with WIOA 15 Percent Governor's Discretionary funds. The SFP and RFA outlines the project parameters to carry out the statewide employment and training program. Interested applicants have the opportunity to submit project proposals that align with the program and must deliver the agreed upon services contained in the SFP and RFA.

Proposal Review, Scoring, Evaluation and Award Notification

Proposals are reviewed, scored, and evaluated based on the criteria, goals, past performance, and objectives set forth in the SFP and RFA.

Awards are announced on the [EDDs Solicitation for Proposal](#) or the [CWDBs grant initiative](#) websites and applicants are notified of the funding decisions.

Project Management

A project manager is assigned to the grant initiative and works closely with their project operators to track the project goals and objectives, ensure participant and fiscal reports are submitted timely, and provide technical assistance. Successful project management among operators and the project manager is exemplified through the presence of creative solutions to cross-training, team building, knowledge sharing, and the use of technological resources.

Match

Any requirements for match funds in WIOA 15% Governor's Discretionary projects will be outlined in the SFP or RFA and, if awarded, incorporated in the subgrant or contract exhibits. Match can be in-kind or cash contributions and must comply with the applicable requirements in Uniform Guidance. If match funds are required by the SFP or RFA, they must be reported in expenditure reports and are auditable under WIOA.

Note – match funds cannot be paid by the Federal Government under another Federal Award, except where the Federal statute authorizes this to occur. WIOA does not authorize this; match funds must come from a non-federal source. The same match may not be reported as a contribution to another grant. (2 CFR 200.306)

Leveraged Resources

Leveraged Resources are federal and/or non-federal resources used in coordination with WIOA 15% Discretionary grants to support grant activity or outcomes, whether or not those resources meet the standards required for match. If leveraged resources are required by the SFP or RFA, they must be reported in expenditure reports and are auditable under WIOA. This includes all expenditures that meet the requirements for match but are in excess to the match requirement.

Types of leveraged resources may include, but are not limited to, the following:

- Training
- Tuition grants
- Grants of matching funds for certification fees
- Grants for tools, or other required, job-specific supplies
- Donated supplies, personnel services, equipment, or space

Type of funding sources for leveraged resources may include the following:

- Federal Pell Grants
- Public programs authorized by WIOA
- Trade Adjustment Assistance program
- California funding from the General Fund

Participant Eligibility and Requirements

Adults, dislocated workers, and youth enrolled in a WIOA 15 Percent Governor's Discretionary funded program must meet the WIOA eligibility requirements below and any additional eligibility criteria that may be defined in the SFP and RFA:

- General Eligibility Right to work in the United States, refer to *Pathway to Services, Referral, and Enrollment* (WSD18-03).
- Selective Service System registration compliance, as applicable, refer to *Selective Service Registration* (WSD16-18).
- Age

The following chart displays the federally required age for participation in WIOA Title I programs:

WIOA PROGRAM	AGE	REFERENCE
Adult	18 years or older	WIOA Section 3(3)
Dislocated Workers	18 years or older	WIOA Section 3(15)
In-School Youth	14-21 years old	WIOA Section 129(C)(ii)
Out of School Youth	16-24 years old	WIOA Section 129(B)(ii)

Projects that are youth-oriented must meet the Out of School (OS) and In-School (IS) youth eligibility criteria listed under WIOA Section 129(a)(1). Project operators must deliver the agreed upon services contained in the SFP or RFA that achieve the following purposes in accordance with WIOA Section 129(c)(1):

- Provide an objective assessment of the academic levels, skill levels, and service needs of each youth participant, including a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes, supportive service needs, and developmental needs for the purpose of identifying appropriate services and career pathways for participants.
 - A new assessment of a participant is not required if the project operator carrying out such a program determines it is appropriate to use a recent assessment of the participant conducted from another education or training program.
- Develop individual service strategies that are linked to one or more indicators of performance.
- Provide activities leading to the attainment of a secondary school diploma, or its recognized equivalent, or a recognized postsecondary degree.
- Provide preparation for postsecondary educational and training opportunities.
- Provide strong linkages between academic instruction and occupational education that lead to the attainment of a postsecondary degree.
- Provide preparation for unsubsidized employment opportunities.
- Provide effective connections to employers, in in-demand industry sectors.
- At the discretion of the Local Board, implement a pay-for-performance contract strategy.

For complete guidance regarding the WIOA youth program requirements, refer to *WIOA Youth Program Requirements* ([WSD17-07](#)).

Target Population Eligibility

In addition to the general eligibility requirements, project operators must document eligibility for any target populations identified in the proposal. The eligibility criteria for these target populations will be identified in the SFP and RFA.

Participant Reporting

Project operators must report participant data through CalJOBS in accordance with *CalJOBS Participant Reporting* (WSD20-10). Participant data includes, program application data, activities and services provided, and performance outcome data, including employment and wage data, credential attainment, and measurable skill gains. Project operators must follow the same guidelines that apply to participants served with WIOA Title I formula funding.

Refer to *CalJOBS Participant Reporting* ([WSD20-10](#)) for additional guidance.

Project Evaluation and Outcomes

The WIOA allows for projects funded with WIOA 15 Percent Governor's Discretionary funds to be designated as demonstration/research projects and non-demonstration/non-research projects.

Demonstration/Research Projects

Explore and promote innovative strategies as well as capture and disseminate best practices through the development and analysis of a live project. The state and the project operator will agree on the performance measures so that the state can assess project outcomes. ***The project operator will be responsible for maintaining such documentation and providing such reports as may be required by the state.***

Non-demonstration/Non-research Projects

Examine the impact or effectiveness of a new or existing program or service delivery strategy. The state and the project operator will establish performance goals for each project using all or a subset of the WIOA performance indicators specified in the WIOA and its supporting regulations (WIOA Section 116, Title 20 CFR, Part 667, and Title 34 CFR parts 361 and 463 respectively). These performance measures are also defined in *Performance Guidance* ([WSD23-03](#)). Goals should be established for all performance indicators that apply to the population being served in the project. ***The statewide performance goals will apply unless there is an agreement with the EDD and the grantee to change the goals. Any performance goals that are lower than the statewide goals must be approved by the EDD and described in the project narrative of the contract, subgrant, or interagency agreement. Past performance will be one of the criteria considered for future renewal or for approval of additional funding of a WIOA 15 percent Governor's discretionary project.***

WIOA Sections 134 and 136(e) provides for the ongoing evaluation of workforce development activities. A statewide activities assessment allows the state to determine the effectiveness of the WIOA 15 Percent Governor's Discretionary funds in addressing the identified statewide needs. As a result, the state may pursue a statewide evaluation of the projects awarded. If a statewide evaluation takes place, the project operator will be required to participate in that evaluation by providing requested data and information.

Follow-up for participants

Follow-up services provide participants support and guidance after program exit to facilitate sustained employment, to ensure job retention and post-secondary credentials, wage gains and career advancement goals. The WIOA encourages long-term intervention and services to assure that individuals placed in employment receive the support necessary to retain employment and gain self-sufficiency. Additionally, follow-up services enable the state and specific projects to maximize performance outcomes by collecting information on the employment status and the post-program educational attainment/credentials of individuals served with WIOA funds.

Demonstration/Research Projects

Project operators are encouraged to conduct follow-up activities as outlined in the WIOA, to provide longer-term intervention to support success. The state and the project operator will agree on and establish follow-up requirements for the project. These will be added to the project narrative in the contract, subgrant, or interagency agreement.

Non-demonstration/Non-research Projects

For the purpose of performance measure outcomes, follow-up contact is not required.

Fiscal Reporting

Project operators are responsible for ensuring all expenditure reports are accurate and submitted on time into the CalJOBS system. Project operators are required to submit monthly and quarterly expenditure reports on a cumulative basis following the accrual basis of accounting. A separate expenditure report must be filed for each grant code. ***Expenditures are required to be reported monthly in CalJOBS by the 20th of each month. Late or incomplete filing of monthly and quarterly expenditure reports will impede future cash requests until the appropriate reports are filed. A cash hold will be implemented immediately once the due dates have passed, and the expenditure reports have not been received by the state. If no financial activity has occurred during the reporting period, an expenditure report must still be filed. The expenditures reported would be the same as the previous reporting period since reporting is on a cumulative basis. For a new project, the expenditure reports must be submitted with zero expenditures until expenditures are incurred.***

Refer to *Monthly and Quarterly Financial Reporting Requirements* ([WSD19-05](#)) for detailed information on financial reporting requirements.

Terms and Conditions and Other Guidance

In addition to the requirements specified within each specific SFP and RFA, all subrecipients of WIOA funds, including WIOA 15 Percent Governor's Discretionary funds, must follow [policy guidance](#) issued by the state and is subject to the terms and conditions issued by the DOL. Subrecipients are encouraged to meet with their program managers to discuss other guidance that could stipulate additional WIOA requirements.

ACTION

Please bring this Directive to the attention of all staff involved with the WIOA 15 Percent Governor's Discretionary funded projects.

INQUIRIES

For questions about this guidance, contact your assigned Project Manager.

/s/ JAVIER ROMERO, Deputy Director
Workforce Services Branch