

## WIOA Contracts Questions and Answers

### 1. What is the cycle of Intergovernmental Agreements (IGA) and what WIOA fund sources are included?

IGAs are generally established on a five year cycle and include WIOA Adult, Dislocated Worker, and Youth programs and administrative funds.

### 2. What is the term of the new IGA?

July 1, 2023 through June 30, 2028

### 3. Will there be any changes in the process with the new IGA?

There are three primary changes. First, the Workforce Arizona Council (WAC) approves funding allocations in accordance with its Funding Allocation Policy. Second, funding allocation amounts will be posted to the DES website on the [WIOA Allocations Information web page](#). This posting will replace the information identified in "Attachment B" of existing IGAs. Third, funding for Rapid Response activities will be included in the IGA.

### 4. Where are the guidelines by which Workforce Innovation and Opportunity Act (WIOA) formula grants are established and modified?

WAC [09 Funding Allocation Policy](#) (revised in 2022)

### 5. Why was the change made to how LWDB/As receive WIOA funding allocations?

Changes in allocations currently requires a signed amendment which can be a lengthy and cumbersome process. Posting the WIOA funding allocations to the DES website increases transparency and eliminates the need to amend the IGA when changes to the allocations occur.

### 6. Why are the Rapid Response funds being added to the new IGA?

Funding opportunities were announced during the March 22, 2023 ARIZONA@WORK monthly meeting and the State Rapid Response Coordinator communication on April 5, 2023.

### 7. What is covered in the Rapid Response funding?

Including Rapid Response funding in the new IGA will assist in meeting more immediate, short term needs. Funds may be requested to support [Rapid Response events](#). In

## WIOA Contracts Questions and Answers

addition, Rapid Response funds are currently promoting work-based learning program expansion, enhancing system alignment and partnership, and improving data sharing and integrity. Rapid Response base allocations are being provided to each LWDB/As for \$100k with a supplemental \$25k for rural LWDB/As. An application is not needed for the base allocation. Rapid Response funds in addition to base allocations are available through a formal request and evaluation process. The total funding amounts and purposes for the funds may change each year. DES will communicate instructions regarding requests for Rapid Response funds.

### **8. What are some key dates for the new IGA and funding allocations for Program Year (PY) 2023/Fiscal Year (FY) 2024?**

- May 1, 2023 - new IGA sent to Local Workforce Development Boards/Areas; funding allocations planning levels posted to DES website
- Week of May 8, 2023 - DES to hold two sessions to review and answer questions on the new IGA process
- May 25, 2023 - Executive Committee of WAC to review recommended allocations
- June 1, 2023 - WAC to approve funding allocations
- June 19, 2023 - DES posts WAC approved funding allocations
- July 1, 2023 - LWDB/A may start using funds upon execution of new IGA

### **9. Are the local areas expected to inform Chief Elected Officials (e.g. Board of Supervisors) of the changes to the IGA process or are there resources that the DES team can disseminate to help communicate the changes?**

The [presentation slides](#) are attached to the May 12, 2023 “IGA Timeline/Funding Allocations Meeting” calendar invite as a resource in communication regarding the new IGA process. In addition, a letter to the Chief Elected Officials within each LWDA was sent by DES on May 26, 2023 informing them of the new IGA process.

### **10. What factors go into adjusting the Hold Harmless amounts?**

The 90% Hold Harmless is guaranteed based on looking at amounts year-to-year, on a rolling basis.

### **11. Is there a process to reallocate funds among the local areas?**

Pursuant to 20 CFR 683.110, funds allocated by a State to a LWDA under subpart - A sections 128(b) and 133(b), for any Program year are available for expenditure only during that program year and the succeeding program year. Funds that are not expended by a LWDA in the two-year period described in paragraph (b) (1) of section 128 (b) and 133(b) of the Workforce Innovation and Opportunity Act shall be returned to the State. Funds so returned are available for expenditure by State and local recipients and sub recipients only during the third program year of availability. These funds may be

## WIOA Contracts Questions and Answers

used for statewide projects or distributed to other LWDBAs, which had fully expended their allocation of funds for the same program year within the two-year period.

**12. Is the 80% obligation compliance requirement for LWDBs enforced if the state redistributes funds to the LWDBs?**

In accordance with the WIOA sections 128(c) and 133(c), LWDBs must ensure that a minimum of 80 percent of each of their WIOA formula funding allocations are obligated by June 30th of the program year the funds were awarded. LWDBs with obligations below the required 80 percent threshold are subject to the recapture of funds. The State has the option to reallocate funds amongst LWDBs in accordance with 20 CFR 683.140x, which would require the 80% obligation. DES will provide timely communication to LWDBs if this option is exercised.

**13. How much carryover should a local area expect to have within a typical year? What is the sign of optimal health for your system?**

Varies by the local area and economic conditions.

**14. WAC Funding Allocation Policy Section 3 steps 4, 5 and 6 states that State staff discusses calculated funding levels with each LWDB, adjust if necessary, make recommendations and the Council review recommendations. Are these discussions with the LWBD 1:1 meetings before the final allocation or will the policy be revised for the current process discussed at the meeting?**

The WAC approves the allocation method based on many factors that will not be adjusted once voted on.

**15. When can LWDBs begin spending PY2023/FY2024 Youth Program funds?**

Youth Program funds can be spent beginning April 1, 2023. There may be delays in distributing the new reimbursement forms due to allocation processing.