

## Funding Guidance for Local Workforce Development Boards in Response to COVID-19



### Local Workforce Development Board Funding Guidance in Response to COVID-19 Pandemic PHOENIX – (April 7, 2020)

The Arizona Department of Economic Security (ADES) is working closely with Governor Ducey, the State Workforce Development Board, the Office of Economic Opportunity, and our Local Workforce Development Boards to respond to the COVID-19 pandemic. In the midst of this crisis, many questions have risen regarding federal funding opportunities and flexibility. Below are some key points that attempt to address the questions we have received to date. As more information becomes available, we will work with our Local and State partners to implement thoughtful workforce service to the citizens of Arizona.

#### From Coronavirus Emergency Supplemental Appropriations package:

- The Department of Labor (DOL) announced \$345 million in Dislocated Worker National Reserve for states and communities to respond to the workforce impacts and layoffs resulting from the coronavirus.
  - As of April 2nd, the DOL has released \$300 in funding opportunities using the National Dislocated Worker Grant (DWG) funds for States, Local Boards, tribes, and others. The funding release was announced in TEGL 12-19 on March 18th. The DOL is expecting to provide up to 150 separate awards, capped at \$25M each. These funds are available for the separate entities to apply.
    - Deadlines: variable depending on the specific dislocated worker grant (DWG) opportunity, see TEGL 12-19.
  - **Current actions:** ADES, on behalf of the Governor, is requesting \$4 million of the DWG disaster relief employment component to create temporary employment opportunities within local food banks throughout Arizona.

#### From the CARES Act Section 3515:

##### General Administrative

- Sec. 3515 (a) Administrative Costs.— For program year 2019, local boards can spend up to 20 percent of their total allocation for the administrative costs of

carrying out local workforce investment activities if the portion of the total amount that exceeds 10 percent is used to respond to a qualifying emergency.

### **Rapid Response**

- States can set aside up to 25 percent of their Workforce Innovation and Opportunity Act (WIOA) Title I Dislocated Worker formula funding as a statewide reserve to strategically target assistance in the event of a mass layoff or emergency and disaster. Statewide Rapid Response funding that has not been expended can become Additional Assistance funding that the state workforce agency can make available to affected local boards.
- Sec. 3515 (b)(1) Allows the discretionary use of program year 2019 Governor's WIOA 15 percent discretionary unobligated funds to be used in statewide Rapid Response activities.

*Analysis: Unobligated discretionary funding may now be used to bolster Rapid Response activities, such as Layoff Aversion strategies for businesses or provide supportive services and reemployment resources for dislocated workers. This may have little impact for states that have smaller formula funding allocations since most of the Governor's discretionary funding will be obligated to meet State Workforce Board administrative support needs; provide for mandated evaluation and assessment; and be used for pilot or demonstration programs to support continuous system improvement.*

- Sec. 3515 (b)(2) allows for the Governor's discretionary use of program year 2019 unobligated statewide Rapid Response funds, 30 days following the enactment of the CARES Act, to be allocated to local boards that have been heavily impacted by COVID-19.

*Analysis: Governors have discretion in how the Rapid Response statewide funding may be used in response to emergencies, including coordination with state emergency response efforts, as well as the ability to expedite the process for funding to local boards. Coordination efforts may include Governors' ability to align efforts for competitively applying for Disaster Recovery or Employment Recovery Dislocated Worker Grants (DWGs) as well as allocating funds on an as needed basis to Local Boards that have been heavily impacted.*

### **Key Local Board Flexibilities from WorkforceGPS:**

- WIOA Flexibility (No Waiver Required)
  - WIOA permits Local Boards to:
    - use up to 20 percent of local Adult and Dislocated Worker funds for incumbent worker training in accordance with their plan and employer requirements.
    - use up to 10 percent of local Adult and Dislocated Worker funds to support transitional jobs, which they may reimburse up to 100%.
    - use up to 10 percent of local Adult and Dislocated Worker funds for pay-for-performance strategies.

- 100% transfer of funds between the Adult and Dislocated Worker programs.
- WIOA Flexibility (Waiver Required)
  - Waiver of requirement to conduct certain required statewide activities, such as conducting evaluations, providing incentive grants to Local Boards, and providing additional assistance to local boards serving areas with high concentrations of youth
  - Ability to use individual training accounts for in-school youth (Arizona has this waiver)
  - Ability to reimburse employers more than 75% for on-the-job training
  - Ability to use more than 20% of Adult and Dislocated Worker funds for incumbent worker training
  - Ability to use more than 10% of Adult and Dislocated Worker funds for transitional jobs
  - Ability to reduce the state and local Youth funds expenditure minimum for out-of-school youth
  - Allow Governor to make funding reallocation decisions based on factors other than the relative size of a local area's allotment
- Disaster DWG Flexibility (No Waiver Required)
  - Waiver of work search requirements for UI/DUA recipients;
  - Ability to serve impacted individuals, regardless of their location;
  - Ability to modify Disaster Recovery DWG and use funds awarded in same program year to be repurposed for use by workers affected by COVID-19 in states directly affected by the disaster and in states where affected workers relocated (WIOA sec. 170(d)(4) and 20 CFR 687.200(b)(2))
  - Ability to serve participants considered long term unemployed, as defined by the state, at the time of the disaster (WIOA sec. 170(d)(2)(B); 20 CFR 687.170(b)(1)(ii); 20 CFR 678.170(b)(2)(ii))
  - Ability for public agencies and other providers to serve eligible individuals, including through temporary employment and other services provided, as described at 20 CFR 687.180(b). (20 CFR 687.180(c)). This can include jobs reasonably necessary in order to provide humanitarian assistance or to ensure the safety and security of a worksite such as janitorial staff or those fulfilling administrative duties supporting projects that provide humanitarian assistance.
  - Ability for any local board to enter into an agreement with another local board to pay or share the cost of services under title I, including supportive services. (WIOA sec. 194(3)(A)-(B)).
- Additional Waivers for Consideration for Disaster-Impacted States:
  - Waiver of the requirement that local programs provide all fourteen youth program elements at WIOA sec. 129(c)(2) as options available to youth participants.
  - Waiver of the limitation on the use of funds for capitalization of businesses at WIOA sec. 181(e).

- Waiver to allow the use of state set-aside funds for public service temporary disaster-recovery jobs.

### **Ongoing**

- ADES is closely monitoring grant opportunities made available through our federal partners for workforce programs. As we receive information ADES will continue to share those opportunities with local partners.

ADES is grateful for our local boards and workforce services partners and programs who are working diligently to make services available remotely and continue to meet the needs of Arizona's citizens during these times.

The ADES Workforce Policy Unit has posted [COVID-19 and WIOA Title I-B FAQs](#) on the [ADES WIOA webpage](#). Please review FAQs as they communicate flexibility for WIOA Title I-B eligibility documentation collection, during the COVID-19 emergency.

For more information about DES services during the COVID-19 outbreak, visit <https://des.az.gov/services/coronavirus>.