

Janice K. Brewer
Governor

Neal Young
Director

July 22, 2010

WIA GUIDANCE LETTER # 06-04, Change 2

This change is the result of the U.S. Department of Labor (DOL) notification dated June 30, 2010 to the State regarding the extension of the waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area. This waiver is extended through June 30, 2011. This waiver is only applicable to WIA formula funds and does not apply to the American Recovery and Reinvestment Act (ARRA) funds.

SUBJECT: Instructions to be followed by Local Workforce Investment Boards (LWIBs) to Request an Increase in the Transfer Rate (%) of Funds between their Adult and Dislocated Worker Formula Allocations

REFERENCE: P.L. 105-220, §117(e), §133(b)(4)(A) and (B) of the Workforce Investment Act (WIA) of 1998; 20 CFR, §667.140(a) of the WIA Final Rules; Department of Labor Training and Employment Guidance Letter (TEGL) No. 14-08, Section 19 and 14-08, Change 1.

BACKGROUND: *Arizona was notified on November 9, 2009, that the DOL approved a waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area. This waiver was extended by DOL on June 30, 2010 for PY 2010, permitting the transfer of funds between Adult and Dislocated Worker funding stream, with the transfer authority limited to 50 percent.* According to DOL this limitation provides flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs. This waiver does **not** apply to funds made available through the ARRA of 2009. The State is permitted to transfer up to 30% of ARRA funds between programs under WIA and under the Department of Labor Appropriations Act of 2009. This authority is discussed in TEGL No. 14-08, Change 1.

Under terms of the waiver, the State is given the authority to grant individual LWIBs the ability to transfer up to 50% of their program year funding allocations between Adults and Dislocated Workers programs. ***This authority of the waiver is effective through June 30, 2011.***

Note: The terms of this waiver have no impact on the allocation, transfer, or expenditure of WIA Title IB youth formula funds.

The responsibility of LWIBs is to plan, oversee, and evaluate the delivery of WIA Title IB employment and training programs in their respective areas through the One-Stop service delivery system. Because of Arizona's size, its population distribution, its cultural diversity, and the remoteness of many of its communities, customer needs vary greatly from one local workforce investment area to another. It is under this general premise that the following state policies are set forth, and the following specific actions are required by an LWIB to request the Department of Economic Security's (DES) approval of a transfer of funds that does not exceed the 50% limit:

Policies

A. Transfer Requests

The LWIB may request single or multiple transfers of funds from DES utilizing the Transfer of Adult and Dislocated Worker Formula Funding Request Form.

B. Funds *Not* Subject to Transfer Requests

- (1) Adult or Dislocated Worker funds returned to and/or re-allocated by DES (WIA Title IB administrative entity);
- (2) Funds awarded to the state under a National Emergency Grant (NEG);
- (3) Funds reserved under the Governor's 15% discretionary rules.

C. Sunshine Provisions

All transfer requests are subject to the "Sunshine Provision" of WIA Section 117(e) and require that local boards make their intentions regarding transfers available for public comment and discussion in open meetings.

D. LWIB Five-Year Strategic Plan Modifications

Approval by the Department of Economic Security of the LWIBs request for an increased transfer rate constitutes a modification of the LWIB's Five-Year Strategic Plan. The LWIB shall ensure that a copy of the approved request is filed with the Local Plan, and notification of the approval is communicated to the LWIB Chair, the Chief Elected Official, the Department of Economic Security, and the LWIA Director(s) as appropriate.

Local Procedure for Requesting a Transfer Percentage Increase

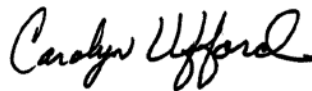
- 1) The attached request form for "*Transfer of Adult and Dislocated Worker Formula Funding*," must be completed and approved by the LWIB as indicated.
- 2) The completed form must be submitted electronically *and* in hard copy to the Department of Economic Security.

Electronic Copy to: RLWebb@azdes.gov

Hard Copy to: Mr. Roderic Webb
WIA Fiscal Compliance Manager
Department of Economic Security
1789 West Jefferson, Site Code 920Z
Phoenix, Arizona 85007

ACTION REQUIRED: If you have any questions, please contact Mr. Roderic Webb, WIA Fiscal Compliance Manager at (602) 542-2474.

Sincerely,



Carolyn Ufford
WIA and WOTC Manager
Employment Administration

Attachment: Request Form – Transfer of Adult and Dislocated Worker Formula Funding

REQUEST FORM
TRANSFER OF ADULT AND DISLOCATED WORKER FORMULA FUNDING

Date: _____

Local Workforce Investment Board: _____

Funding Source of Transfer		Amount of Transfer Requested	% of Transfer Requested
<input type="checkbox"/> Adult	<input type="checkbox"/> Dislocated Worker	\$ _____	% _____

- 1) Describe the situation that necessitates transferring funds. Include labor market and other economic conditions that contributed to the need for this transfer request.**

- 2) Explain how the transfer of funds will impact the participant levels in both the Adult and Dislocated Worker Programs. Provide an estimate of the number of Adult and Dislocated Workers expected to be served if the transfer is granted.**

- 3) Explain the effect of the transfer on current providers of training and other services. Include the impact on jointly funded employment and training programs in the local One-Stop system.**

- 4) Describe the expected improvement (%) in WIA performance outcomes for both funding streams, if funding is better aligned with participants' needs in your LWIA.**

ASSURANCES

- (1) The transfer of funds requested herein will not adversely affect individuals needing services provided by the program subject to reduced funding.
- (2) The transfer of funds will not reduce the required rate of expenditure by the end of the program year, for the funding source to which funds are transferred.

Name (Please Print)
LWIA Director

Signature
LWIA Director

Date

Name (Please Print)
LWIB Chairperson

Signature
LWIB Chairperson

Date

SUBMITTAL INSTRUCTIONS

The completed form must be submitted electronically *and* in hard copy to the Department of Economic Security/WIA Section for review.

Electronic Copy to: RLWebb@azdes.gov

Hard Copy to: Mr. Roderic Webb
WIA Fiscal Compliance Manager
Department of Economic Security
1789 West Jefferson, Site Code 920Z
Phoenix, Arizona 85007