



June 29, 2009

**Workforce Investment Act Policy Letter No. 09-01**

To: Workforce Investment Act (WIA) Local Workforce Investment Boards (WIBs), Fiscal Agents, Administrative Entities, and One-Stop Operators

From: Douglas E. Lumpkin, Director

Subject: Transfer Authority-Adult and Dislocated Worker Local Formula Funds

**I. Purpose**

To provide policy to authorize up to a 30% transfer of local area formula allocations, between the Adult and Dislocated Worker programs as stated in USDOL Training and Employment Guidance Letter (TEGL) number 20-08, May 7, 2009. WIA administrative entities should convey this guidance to subrecipients and other entities that provide WIA activities.

**II. Effective Date**

July 1, 2009

**III. Background**

Under the Workforce Investment Act, Public Law 105-220, dated August 7, 1998, Section 133 (b) (4) allows the local Workforce Investment Board (WIB), through the administrative entity and/or fiscal agent, to request a transfer of funds between the adult and dislocated worker programs of up to 20% of the original formula allocation for each year of appropriation. TEGL 20-08, May 7, 2009 raises the transfer limits to 30%, which is applicable for the life of the funds.

Due to the economic downturn, increasing unemployment rates, rapid decline of auto industry, and thousands of workers at risk of losing their jobs, the state of Ohio has chosen to **discontinue** the use of the waiver that previously allowed local WIBs to transfer up to 50% of their Adult and Dislocated Worker Formula funds.

Office of Workforce Development  
4020 E. Fifth Avenue  
P.O. Box 1618  
Columbus, Ohio 43216-1618  
jfs.ohio.gov

#### **IV. Requirements**

Effective with the issuance of PY 2009 WIA funds, the state of Ohio is aligning with the Consolidated Appropriations Act, limiting the transfer amount of up to 30% of Dislocated Worker funds to Adult and up to 30% of Adult funds to Dislocated Worker.

A WIB cannot transfer youth funds under the Workforce Investment Act.

A WIB should instruct the fiscal agent and/or the administrative entity whether to transfer up to 30% of local area formula allocations between the adult and dislocated worker programs.

Funds will retain the year of appropriation identity and must be reported and accounted for accordingly using County Finance Information System (CFIS) codes established by the Bureau of County Finance and Technical Assistance (BCFTA).

Funds should not be transferred from the dislocated worker program to the adult program without regard to demands for dislocated worker services. The state may not provide Rapid Response funds to address a need if a transfer has occurred from the dislocated worker program to the adult program.

#### **Considerations**

There are short-term and long-term effects on program operations that could result from transfers of funds. The local WIB, the fiscal agent, and/or the administrative entity should examine the following considerations when deciding to transfer:

1. Are there adequate funds to maintain services to currently enrolled participants?
2. What is prompting the request?
  - Customer demand
  - Business demand
  - Expenditures
  - Enrollments
3. How will you respond to unforeseen events, such as:
  - Company closings
  - Mass layoffs
  - Increased training costs
4. Will there be adequate time to meet WIA funds obligation and expenditure requirements?
  - Current program year funds obligation requirement of 80%

- 100% of the prior year funds are expended within the second year of appropriation
5. What are short-term and long-term impacts of the transfer?
- Significant change in local plan goals to warrant a local plan modification
  - Service level and service groups

## V. **Technical Assistance**

For additional information, you may send your questions to the Office of Workforce Development: [WIAQNA@JFS.OHIO.GOV](mailto:WIAQNA@JFS.OHIO.GOV).

## VI. **References**

Workforce Investment Act (WIA) of 1998, Public Law 105-220, August 7, 1998, Sections 133 (a) (B) (2) and 133(b) (4), 189 (i) (4) (B);

Federal Regulation, Final Rules, August 11, 2000, 20 CFR Sections 661.420 (c) and 667.140;

DOL Training and Employment Guidance Letter No. 20-08, May 7, 2009;

DOL Training and Employment Guidance Letter No. 23-07, March 25, 2008;

The Consolidated Appropriations Act, 2008

Waiver Request Plan, May 9, 2005; and U.S. DOL waiver approval letter, July 25, 2005

Waiver Request Plan, May 9, 2007; and USDOL waiver approval letter, Sept. 26, 2007

OAC 5101:9-31-02, WIA Initial Formulary Allocation Methodology

### Rescissions

WIATL 21A- Waiver to Increase the Percentage on Transfer of Funds between the Adult and Dislocated Worker Programs