



**Governor's Workforce
Policy Advisory Board**

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January 26, 2010

Workforce Investment Act Policy Letter No. 09-08

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

From: Lisa Patt-McDaniel, Director

Subject: Rapid Response Funded Needs-Related Payments to Dislocated Workers

I. Purpose

This communication sets the conditions for providing Needs-Related Payments (NRPs) paid from state of Ohio Rapid Response (RR) funds while the approval, denial, or modification of a National Emergency Grant (NEG) application by the US Department of Labor (DOL) is pending.

II. Effective Dates

January 26, 2010

III. Background

NRPs provide financial assistance to participants for the purpose of enabling individuals to participate in training, and are one of the supportive services authorized by WIA section 134(e)(3).

NRPs can be provided to dislocated workers under formula-allocated funds. However, in circumstances where the local formula funds are limited and the local area has applied for a federal NEG, the area may request to use statewide RR funds to provide NRPs.

IV. Requirements

RR funds may be used to provide NRPs to dislocated workers while the approval of an initial application or modification of an existing NEG application is pending. The state has established the following requirements for the use of RR funds for NRPs.

Supportive Services and NRPs Plans

20 CFR 663.800 states that supportive services include NRPs, and that local workforce investment boards (WIBs), in consultation with the One-Stop partners and other community service providers, must develop a policy on supportive services that ensures resource and service coordination in the local area. Such policy should address procedures for referral to such services, including how such services will be funded when they are not otherwise available from other sources. The provision of accurate information about the availability of supportive services in the local area, as well as referral to such activities, is one of the core services that must be available to adults and dislocated workers through the One-Stop delivery system.

20 CFR 663.810 states that WIBs may establish limits on the provision of supportive services or provide the One-Stop operator with the authority to establish such limits, including a maximum amount of funding and maximum length of time for supportive services to be available to participants. Procedures may also be established to allow One-Stop operators to grant exceptions to the established limits.

In order to request and receive RR funds for NRPs, a local area must have a policy that addresses its procedures for providing supportive services, including NRPs, and it must include a copy of the policy with the NEG application. If a local area does not have a supportive services policy, it must develop one that will address supportive services, including NRPs. This new policy must be approved by the WIB and submitted as part of the NEG application. If a local area has a supportive services policy, but it does not specifically address NRPs, the local area must revise its policy to address NRPs. The revised policy must be approved by the WIB and submitted as part of the NEG application. It is recommended that in their supportive services policy, local areas establish a priority for the receipt of these services.

Events Qualifying for RR-funded NRPs

The state will apply these same principles when assessing a request for use of RR funds for NRPs. However, as RR funds are limited, there are additional factors that will be considered when approving RR-funded NRPs. Rapid response funds will be available for NRPs only when layoffs are likely to cause severe disruptions in the local area. The following are the characteristics that will be evaluated to assess the application for RR-funded NRPs:

1. The NEG project type has to be a regular NEG project, ARRA NEG, or Trade-WIA Dual Enrollment. Disaster Projects and Trade Health Insurance Coverage Assistance Projects will not be considered for RR-funded NRPs.
2. The state will consider previous use of the local formula funds for NRPs according to their local policies and procedures. Requests will be approved if the local area has previously provided some NRPs from its local WIA

funds, or if in the application the local area can demonstrate some planned use of its local funds for NRPs.

3. The state will also consider the potential effect of the dislocation event on the local economy. Local areas should request the use of these funds only in situations where a dislocation event and loss of jobs will potentially have a dramatic impact in the area. Meeting the basic requirements for submittal of an NEG application will not in itself constitute sufficient justification to request RR funds for NRPs. The RR funding request application must show how the dislocation event will have an overwhelmingly negative economic impact on the community. Each application will be reviewed based on the nature and severity of the layoff, the potential economic impact on the area, the area's capacity to absorb the effects of the dislocation by being able to provide the necessary services, and the area's previous expenditure rates.

Finally, in determining whether to approve requests for RR funds for NRPs, the state will consider the amount of available statewide funds.

Participant Eligibility for RR NRPs

The eligibility for NRPs is established under the Workforce Investment Act and its implementing regulations. To be eligible to receive NRPs, a dislocated worker must be enrolled in training and meet the conditions in 20 CFR 663.825 as follows:

1. Be unemployed, and:
 - a. Have ceased to qualify for unemployment compensation or trade readjustment allowance under TAA or NAFTA–TAA; and
 - b. Be enrolled in a program of training services under WIA by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months; or
2. Be unemployed and did not qualify for unemployment compensation or trade readjustment assistance under TAA or NAFTA–TAA.

Individuals who are participating in unpaid internships and similar unpaid short-term work experience activities may be "trainees", depending on the circumstances of the activity. If an individual is determined to be a trainee in an unpaid internship or work experience, he or she is not considered to be employed for the purposes of providing RR NRPs.

A displaced homemaker who meets these requirements will not be eligible to receive RR NRPs.

The payment level of RR-funded NRPs will not exceed the following levels:

- o For participants who were eligible for unemployment compensation (UC) as a result of the qualifying dislocation, and are no longer receiving benefits, the

weekly payment may not exceed the applicable weekly level of the unemployment compensation benefit; or

- For participants who did not qualify for unemployment compensation as a result of the qualifying layoff, the weekly payment **may not exceed the lesser of:**
 - I. The poverty level for an equivalent period based on family size; or
 - II. One half of the individual's most recent weekly earnings.
In order to determine one half of the individual's most recent weekly earnings, use the following method:
 - multiply the individual's last hourly wage rate by 40 hours, this will give you the weekly earning amount.
 - multiply the weekly earning amount by 50%. This will give you the amount that is equal to one-half of the individual's weekly earnings. Use this amount if it is lower than the weekly poverty level adjusted for the family income and number of dependents.

Limitations

RR funds may be used for NRPs only during the period in which a dislocated worker participates in WIA training, and before either the receipt of federally funded NRPs from DOL, or a denial of the request by DOL. In the case that DOL denies an NEG application, the RR funds cannot be used for more than 26 weeks from the start of the training. Local areas should make participants aware that this limitation on funding for NRPs exists.

Once DOL approves the NEG application, and NEG funds for NRPs become available, authorization to use state RR funds will cease. ODJFS will advise the local area of the specific procedures and date when costs should be charged to the DOL NEG funding.

RR funds may not be used to cover NRP costs incurred more than 30 days before the date of the submission of the NEG application.

Application Procedure for Requesting RR funds for NRPs

Once an NEG application has been submitted to ODJFS, RR funds may be requested from:

ODJFS, OWD, Rapid Response Section
P. O. Box 1618,
Columbus, OH 43216

V. Technical Assistance

For additional information, you may send your questions regarding RR NRPs to ODJFS, Office of Workforce Development at: RAPDRESP@jfs.ohio.gov.

VI. References

Congressional Federal Register, Department of Labor, Workforce Investment Act: National Emergency Grants-Application Procedures. April 27, 2004

DOL, TEGL 16-03, National Emergency Grant (NEG) Policy Guidance, January 26, 2004

WIA, 20 Code of Federal Regulations (CFR) Part 652 et al. Workforce Investment Act; Final Rules, August 11, 2000, Sections: 663.800, 663.810, 663.815, 663.820, 663.825, and 663.840

Workforce Investment Act (WIA) of 1998, Public Law 105-220, August 7, 1998, Section 101 (46), Section 134 (e)(3), and Section 173

29 USC 2801, 29 USC 2864 and 29 USC 2918

Rescission: WIATL 31, Rapid Response Funded Needs-Related Payments to Dislocated Workers