

## **WIOAPL 15-25 (Transfer of Funds between the Adult and Dislocated Worker Local Formula Funds)**

### **Workforce Innovation and Opportunity Act Policy Letter No. 15-25**

March 3, 2016

To: Local Workforce Development Boards (WDBs), Fiscal Agents, and OhioMeansJobs Center Operators

From: Cynthia C. Dungey, Director

Subject: Transfer of Funds between the Adult and Dislocated Worker Local Formula Funds

#### **I. Purpose**

The purpose of this policy is to provide the guidance and parameters for transferring up to 100 percent of a program year allocation for adult employment and training activities, and up to 100 percent of a program allocation for dislocated worker employment and training services between the two programs.

#### **II. Effective Date**

July 1, 2015

#### **III. Background**

Section 133 (b)(4) of the Workforce Innovation and Opportunity Act (WIOA) allows the local workforce development board (WDB) to transfer, if such a transfer is approved by the state, up to and including 100 percent of a program year allocation between the local adult and local dislocated worker programs. This transfer provides flexibility to the local workforce development area to provide services in the areas of greatest need.

#### **IV. Requirements**

Effective with the issuance of PY 2015 WIOA funds, a local WDB may transfer up to 50 percent of the local allocation between the adult and dislocated worker programs without approval from the state. Any transfers above 50 percent require a request to be made and the state to grant approval of such transfers.

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 question and, if sufficient justification is not provided by the area, may deny any application for rapid response funds to address a need if a transfer has occurred from the dislocated worker program to the adult program.

A local WDB cannot transfer youth funds under WIOA.

##### **Request for Transfer**

For transfers of funds over 50 percent, the local WDB must make a request to the state for approval of such transfer for a specific appropriation of adult or dislocated worker funding (i.e., program year or fiscal year of appropriation). The request must specify the type of funding (whether adult or dislocated worker) to be transferred to the other program and must be for one of the following two increments:

1. Increase the transfer up to 75 percent; or
2. Increase the transfer up to 100 percent.

There are short-term and long-term effects on program operations that could result from transfers of funds. The local WDB and the fiscal agent 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?
  - a. Customer demand
  - b. Business demand
  - c. Expenditures
  - d. Enrollments
3. How will you respond to unforeseen events, such as:
  - a. Company closings
  - b. Mass layoffs
  - c. Increased training costs?
4. What are short-term and long-term impacts of the transfer?
  - a. Will there be significant change in local plan goals to warrant a local plan modification?
  - b. Will service level and service groups be affected (e.g., priority to serve low-income individuals under WIOA adult formula funding)?

All requests for transfer must include a written justification addressing each of the above-mentioned considerations and the reasons such transfer is necessary to provide adult or dislocated worker employment and training activities.

Requests are to be e-mailed to [WIAQNA@jfs.ohio.gov](mailto:WIAQNA@jfs.ohio.gov) with "Fund Transfer Request" in the subject line. The Office of Workforce Development will respond to all requests within 30 days of receipt of the transfer request. Approval of a higher transfer limit pertains only to a program (adult or dislocated worker) and program year or fiscal year of appropriation and will continue to apply for the life of the funds. For each new allocation of adult and dislocated worker funds, the 50 percent transfer limit will automatically apply until the local workforce development area requests and is approved for a higher transfer limit.

#### Transfer of Funds

A WDB should instruct the fiscal agent of the amount to transfer, up to 100 percent of local workforce development area formula allocations, based upon the state's approval, if the percentage being transferred required approval.

Funds will retain the year of appropriation identity (e.g., program year allocation) 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).

To transfer funds, the local workforce development area will use the transfer-related

expenditure codes of the program from which funds are being transferred, in the state's financial system to report costs incurred by the program receiving funding. Local workforce development areas shall not report expenses using the transfer-related codes in excess of 50 percent of the relevant grant unless the state has approved a higher transfer limit.

The higher transfer limit of up to 100 percent, with approval from the state, shall apply to new allocations of adult and dislocated worker funding issued in the fiscal year beginning on or after July 1, 2015. This higher transfer limit does not apply to funds received in a prior fiscal year that may be carried into the new fiscal year. The level of transfer authority that existed at the time the funding was awarded shall continue to apply to those funds for their period of availability at the local level.

## **V. Monitoring**

At the local level, the WDB and/or the fiscal agent must conduct oversight of the transfer of WIOA adult and dislocated worker funds to ensure the transfer is being completed per this policy.

Quarterly reporting of the local workforce development area's fund transfers will be completed by the Office of Workforce Development and provided to the local workforce development board director.

Through the state's monitoring system, fiscal monitors will review the area's transfer of adult and dislocated worker funds during the annual onsite monitoring review for compliance with federal and state laws and regulations. Any issues will be handled through the state's monitoring resolution process.

## **VI. Technical Assistance**

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

## **VII. References**

Workforce Innovation and Opportunity Act, § 133(b)(4), Public Law 113-128.

NPRM § 683.130 found at 80 Fed. Reg. 20877 (April 16, 2015) (to be codified at 20 C.F.R. § 683.130).

O.A.C. 5101:9-31-02, Workforce Investment Act (WIA) formulary allocation methodology. (July 24, 2014).

### Rescission

ODJFS, [Workforce Investment Act Policy Letter No. 09-01.5](#), Waiver to Increase the Transfer of Funds between the Adult and Dislocated Worker Local Formula Funds, (September 9, 2014).