

Southwest Ohio Region Workforce Investment Board

Policy: ON-THE-JOB TRAINING GUIDANCE MANUAL
& EMPLOYER FLYER

Reference: WIOAPL 18-03

Approval Date: Approved by the Executive Committee 06.04.2019
Ratified by the Board

Purpose: Details on the OJT statutory and regulatory foundation provided by WIOA of 2014, Public Law 113-128, the Trade Act of 1974 and Training and Employment Guidance Letter (TEGL 19-16).

Policy Statement: This policy update is a specific marketing flyer with details on the On-the-Job Training Account and a 65-pages Guidance Manual, distributed to the SWORWIB from the Ohio Department of Job and Family Services in March 2019.

All requirements detailed in the Guidance Manual must be finalized by the OMJ Center Contracted Operator and applied to all On-the-Job training grants by the OMJ Center Contracted Operator.

Action: Subsequent to Executive Committee approval and ratification by the Board, this policy summary, with the flyer and Guidance Manual noted as revised 7/2018 will be transmitted to the OMJ Center Operator for staff training and program updated delivery.

WIOAPL 18-03 (WIOA Funds Rescission Policy)

Workforce Innovation and Opportunity Act Policy Letter No. 18-03

May 6, 2019

TO: Workforce Innovation and Opportunity Act (WIOA) Local Workforce Development Boards (WDBs), Fiscal Agents, and OhioMeansJobs Center Operators

FROM: Kimberly Hall, Director

SUBJECT: WIOA Funds Rescission Policy

I. Purpose

The purpose of this policy is to provide guidance on the methodology for determining potential budget reductions in formula or discretionary allocations issued to the local workforce development areas (local areas) when a rescission of State funding occurs.

II. Effective Date

Immediately

III. Rescission

ODJFS, [Workforce Investment Act Transmittal Letter No. 26](#), WIA Funds Rescission Policy (January 8, 2007).

IV. Background

Under the Workforce Innovation and Opportunity Act (WIOA), the State may be subject to reductions in formula or discretionary grants for several reasons including sanctions and penalties, budget reductions enacted by Congress, or the federal budget sequestration process.

Also, pursuant to 20 C. F. R. § 683.135, the United States Department of Labor (USDOL) may recapture a portion of the State's WIOA Title I funds for the adult, dislocated worker, or youth program and reallocate them to other States if the State has not obligated at least 80 percent of the funds by the end of the first program year in which they were allotted as determined separately for each of the three programs.

To minimize the impact of rescissions on individuals, businesses, and local areas, the Ohio Department of Jobs and Family Services (ODJFS) will absorb rescissions at the state level by reducing the ODJFS budget for statewide activities to the maximum extent possible. However, if ODJFS is unable to fully absorb a rescission due to its budget constraints, local area allocations will be reduced to comply with the rescission.

V. Definitions

Affected grant: A sub-award subject to a State or local budget reduction due to a rescission.

Obligations: The sum value of orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment during the same or a future period.

Rescission: The cancellation of budget authority previously provided by Congress or the reduction in a federal program allotment by a federal agency.

VI. Requirements

A. Sequential Rescission Process

In the event of a grant rescission, the State will reduce budgets funded by the grant using a five-step sequential process until the rescission is fully covered. Each subsequent step in the process will be implemented only if the rescission has not been fully covered by the previous step(s) and only to the extent necessary to cover the remaining amount of funding rescinded from the State but not covered in the previous step(s). This process is designed to minimize the likelihood of having to reduce a local area's funding involuntarily.

The steps in the sequential rescission process are as follows:

1. The amount of affected grant funding reserved by ODJFS for statewide activities must be reduced to no more than 15 percent of the State's remaining allotment following the rescission. In addition, statewide funds will be further reduced to the maximum extent feasible while not jeopardizing the ability of ODJFS to:
 - Carry out the required WIOA statewide activities;
 - Ensure the quality, integrity, and sustainability of the workforce development system and WIOA Title I services, including the ongoing operation of statewide information systems; and
 - Complete critical State workforce development strategic priorities.
2. ODJFS will notify the local areas of the remaining amount of the rescission and invite them to voluntarily reduce their allocations. The level of voluntary local area budget reduction will be determined by the local workforce development board (WDB) and submitted in writing to ODJFS by the local WDB chair or director prior to the deadline specified by ODJFS.
3. Each local area's allocation of the affected grant funds will be reduced across the board by an equal percentage value up to 10 percent, except that any local area that had voluntarily reduced its budget in the prior step will receive a dollar-for-dollar credit toward its reduction in this step equal to its voluntary reduction.
4. For local areas that are not on track to expend at least 70 percent of their allocation of the affected grant funds by the end of the program year, their remaining allocations will be reduced by an equal percentage value up to an additional 15 percent. For purposes of this determination, a local area is considered not on track to expend at least 70 percent of the allocation if, in the quarter in which the rescission is announced, the local area has spent less than the target spending total for that quarter based on the reports submitted in the State's designated financial reporting system. The local area's target spending total for each quarter shall be based on the following formulas:

Quarter 1 target spending total for July through September rescissions based on financial reporting as of June 30th:

$$[\text{Prior Year PY} + \text{FY Allocation}] \times [70\%]$$

Quarter 2 target spending total for October through December rescissions based on financial reporting as of September 30th:

[Prior Year PY + FY Allocation] X [70%] +

[Current Year PY Allocation] X [17.5%]

Quarter 3 target spending total for January through March rescissions based on financial reporting as of December 31st:

[Prior Year PY + FY Allocation] X [70%] +

[Current Year PY + FY Allocation] X [35%]

Quarter 4 target spending total for April through June rescissions based on financial reporting as of March 30th:

[Prior Year PY + FY Allocation] X [70%] +

[Current Year PY + FY Allocation] X [52.5%]

5. The local areas' remaining allocations (after applying the above steps) will be reduced proportionately to cover the entire remaining rescission amount, with each area's proportionate share of the remaining rescission equal to its remaining allocation divided by the sum of all local areas' remaining allocations.

B. Local Workforce Development Area Budget Adjustments

If the rescission process results in the reduction of a local area's allocation, the local WDB must reduce its commitments and obligations as needed to avoid overspending the affected grant. The local WDB must determine the best strategy for providing continued services to WIOA participants and businesses with minimal negative impacts to job seekers and other customers of the workforce delivery system by reviewing and considering:

- Current contracts and sub-recipient awards;
- The number of affiliate OhioMeansJobs centers funded with WIOA dollars;
- The number of participants currently enrolled in training;
- Unobligated training commitments for future quarters or semesters; and
- Costs of other services, activities, and operations.

Local WDBs must also consider the priority of service for veterans and eligible spouses and, under the adult program, the priority of service for recipients of public assistance, other low-income individuals, individuals with disabilities, and other individuals with significant barriers to receive individualized career services and training.

If the local area's reduced budget affects the delivery of WIOA services in the OhioMeansJobs centers, the number of centers in the local area, or the WIOA partner contribution to the infrastructure or additional costs of the workforce system, an amended memorandum of understanding (MOU) should be submitted to ODJFS documenting the changes.

VII. Technical Assistance

For additional information, contact ODJFS, Office of Workforce Development at WIOAQNA@JFS.OHIO.GOV.

VIII. References

Workforce Innovation and Opportunity Act, §§ 106 – 107, Public Law 113-128.

20 C.F.R. §§ 680.600, 683.120, 683.135, 683.140.

ODJFS, Workforce Innovation and Opportunity Act (WIOA) Policy Letter 16-11.1, Development of the Memorandum of Understanding for the Workforce Delivery System, (April 1, 2019).

USDOL, Training and Employment Guidance Letter No. 29-10, Federal Financial Management and Reporting Definitions, (May 27, 2011)