



Policy-related | 
  Fiscal | 
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  Q&A | 
  Other
 
 Number: WIN 0057, Change 1  
 Date: January 21, 2022  
 Expiration Date: N/A

**TO:** Washington WorkSource System

**FROM:** Gary Kamimura, Policy Manager

**SUBJECT:** Guidance on the Use of Federal Funding to Support the Cannabis Sector

**Purpose:**

To communicate federal guidance concerning the use of federal funding to support the cannabis industry.

**Action Required:**

Local Workforce Development Boards and their contractors, as well as Employment Security Regional Directors, must distribute this guidance broadly throughout the system to ensure that WorkSource system staff are familiar with its content and requirements.

OMB Uniform Administrative Guidance (Super Circular) requires pass-through entities (defined in both 2 CFR 200.74 and WIOA Title I Policy 5200) to advise subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contracts and grant agreements as well as any supplemental requirements imposed by the pass-through entity.

**Content:**

Federal funds cannot be used to support job orders or employers trying to fill positions that promote or support the use, possession, or distribution of cannabis. Since that time, ESD has received numerous questions regarding the provision of other WorkSource services that directly or indirectly support the cannabis sector.

Federal law still classifies cannabis as a Schedule 1 narcotic (21 U.S.C. 812), therefore cannabis is still illegal from a federal standpoint. Grant agreements between the U.S. Department of Labor (DOL) and the State require funds to be expended in accordance with all applicable federal statutes, regulations, and guidance. As such, federal funds cannot be used to provide services that directly or indirectly support the cannabis sector. This restriction applies to services and programs under Title I-B of WIOA, including National Dislocated Worker Grants, Trade Adjustment Assistance, Title III of WIOA (Wagner-Peyser Employment Services), Jobs for Veterans State Grant, and Unemployment Insurance.

The scope of this requirement applies to all WorkSource services that directly or indirectly support the use, possession, growth, and distribution of cannabis. This includes, but is not limited to, job orders, job referrals, employer outreach, job fairs and hiring events, career counseling, and training. Note: DOL has opined that WIOA Title I-B participants who independently secure employment in the cannabis sector with no assistance from their case managers can be provided with follow-up services to aid employment retention.

In addition, the prohibition applies to all levels of the supply chain that supports the cannabis sector, including but not limited to manufacturers of packaging and products related to the sale and support of the cannabis sector.

**References:**

- [U.S. Drug Enforcement Administration](#)
- [2 CFR 200.74](#) – Pass-Through Entity
- [WIOA Title I Policy 5200](#) (Fiscal Definitions)

**Website:**

[Workforce Professionals Center](#)

**Direct Inquiries To:**

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**Attachments:**

None