



Employment Security Department

WASHINGTON STATE

Workforce Innovation and Opportunity Act Policy Employment System Administration and Policy

Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, Employment System Administration and Policy sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information memoranda, and technical assistance.

Policy Number: 5401, Revision 3

To: WorkSource System Partners

Effective Date: December 8, 2021

Subject: Fund Transfers Between Adult and Dislocated Worker Grants under Title I of the Workforce Innovation and Opportunity Act (WIOA)

1. Purpose:

To provide guidance on the interim request, review, and approval process for local level transfers of funds between the WIOA Title I adult and dislocated worker programs, which will be capped at 30 percent until such time as the State Workforce Development Board (SWDB) acts on a state policy for fund transfers of up to and including 100 percent.

2. Background:

WIOA allows Local Workforce Development Boards (LWDBs), with approval from the Governor, to transfer up to 100 percent of formula funds between the adult and dislocated worker programs.

The SWDB adopted a motion at its May 28, 2015 meeting to table action on a 100 percent fund transfer policy in order to gather further stakeholder input on the proposed policy. Until such time that a 100 percent fund transfer policy is adopted, the SWDB directed that criteria for the WIA Title I-B policy governing fund transfers of up to 30 percent between the Adult and Dislocated Worker programs be applied under WIOA.

3. Policy:

LWDBs may transfer up to and including 30 percent of a program year base allocation (see "Definitions") for the adult program to the dislocated worker program or up to and including 30 percent of a base allocation for the dislocated worker program to the adult program.

Before effecting transfers, LWDBs must first obtain written approval from the Employment Security Department (ESD), which has been delegated authority to act on behalf of the Governor.

Transferring funds from the dislocated worker program prevents a LWDB from accessing state Rapid Response Additional Assistance funds for six months following fund transfers. ESD may waive this condition based on extreme or unforeseen local circumstances.

Transfer Request Procedure:

LWDBs must submit requests to transfer adult or dislocated worker funds to ESD's Workforce Initiatives Division. Requests must include the following:

1. The transfer fund source (i.e., from adult to dislocated worker or dislocated worker to adult);
2. The dollar amount of the transfer request, including the percentage share of the base allocation represented by that dollar amount;
3. The reason(s) for the transfer;
4. Signed approval from the full local board or local advisory board (e.g., Executive Committee, Finance Committee, etc.) requesting the transfer;
5. Revised "*Participant Planning Forms*" for both the adult and dislocated worker programs to accompany a program impact analysis. The program impact analysis must include:
 - a. Proposed services and number of participants originally planned to be served by the base allocation compared to the services and number of participants planned to be served after funds are transferred;
 - b. Justification that the transfer of funds will not adversely impact the provision of services to participants and that necessary services and client-planned activities will be maintained in the program from which funds are transferred;
 - c. A discussion of the LWDB's past history of transfer requests, including how previous transfers impacted participants and funds; and
 - d. An assessment of any potential layoffs or closures of which the LWDB is aware and how these events will be addressed using existing funds if funds are transferred from the dislocated worker program.

LWDBs may request fund transfers at any time during the program year. However, LWDBs must confirm that transfers will not lower the obligation rate of the fund source to which the funds are transferred to a degree that jeopardizes their ability to achieve the required 80 percent obligation rate for either the adult or dislocated worker fund source by the end of the first program year.

ESD's Workforce Initiatives Division will make recommendations to the Employment System Policy & Integrity director for approval based on a review and assessment of the requests and accompanying documentation. As part of the review, ESD may request additional information from LWDBs or ESD's Data Architecture, Transformation & Analytics (DATA)

Division. ESD may alternatively deny the request or authorize a partial transfer of funds. Following approval of a fund transfer, ESD will notify LWDBs by e-mail, which will also include the appropriate grant modification packages for LWDBs to complete and sign.

NOTE: Though not state policy, the following is provided for local consideration in assessing fund transfers from the dislocated worker formula program specifically. DOL has indicated that one consideration in assessing LWDB applications for National Dislocated Worker Grants (NDWG) (WIOA Section 170, Part 687) may be dislocated worker formula fund transfers during that program year. As a general rule, organizations that transfer up to 10 percent of their dislocated worker formula funds during any one program year can still be considered for NDWG funds, but those that transfer more than 10 percent may have difficulty securing approval.

4. Definitions:

Base Allocation - Prior to the beginning of each program year, DOL announces state allotments for the adult and dislocated worker programs as determined by formulas defined in law. In turn, ESD allocates adult and dislocated worker program funds to each LWDB based on a formula. For the purposes of this transfer policy, the original allotment from DOL to the state and LWDBs will be considered the “base allocation.”

5. References:

WIOA Section 133(b)(4)

6. Supersedes:

WIOA Title I Policy 5401, Rev. 2

7. Website:

[Workforce Professionals Center](#)

8. Action:

LWDBs and their contractors, as well as ESD Regional Directors, must distribute this policy broadly across the one-stop system to ensure that WorkSource System staff are familiar with its content and requirements.

9. Attachments:

None.

Direct grant processing and modification inquiries to:

*Grants Management Office
Employment System Policy and Integrity Division*

*Employment Security Department
PO Box 9046
Olympia, WA 98507
ESDGPWorkforceInitiatives@esd.wa.gov*

Direct other inquiries to:

*Employment System Administration and Policy Unit
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