



# Employment Security Department

WASHINGTON STATE

## Workforce Innovation and Opportunity Act Title I Policy Employment System Administration and Policy

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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.

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**Policy Number:** 5609, Revision 1  
**To:** Washington WorkSource System  
**Effective Date:** January 27, 2017  
**Subject:** Local Workforce Development Area Designation

### 1. Purpose:

Section 106(b) of the Workforce Innovation and Opportunity Act (WIOA) requires the Governor to designate local workforce development areas (local areas). Training and Employment Guidance Letter (TEGL) 27-14 directs that by July 1, 2015, the Governor, in consultation with the State Workforce Development Board (SWDB), must develop a policy and procedure for initial and subsequent designation of existing and new local areas.

### 2. Background:

Local areas serve as jurisdictions for the administration of workforce development activities conducted with WIOA Title I Adult, Dislocated Worker, and Youth funds allocated by the state and to coordinate efforts related to the other core programs at the local level. Section 106(b) of WIOA establishes that the Governor must designate local areas in order for the state to receive Adult, Dislocated Worker, and Youth funding under Title I. This policy describes the criteria for initial and subsequent local area designation and the process the Governor and state and local entities must follow to designate existing and new local areas.

### 3. Policy:

#### a. Existing and New Local Area Designation:

In developing requests for initial designation as existing and new local areas, the Governor must:

- Consult with the SWDB
- Consult with Chief Elected Officials and affected local boards

- Consider comments received through a 30-day public comment process that affords representatives of interested business, education, and labor organizations the opportunity to provide input on the formation of local areas.
- Determine whether the local area has performed successfully and sustained fiscal integrity (see [Section 4 – Definitions](#))

Note: Per 20 CFR 679.240, the Governor may redesignate local areas at any time with the cooperation of the Chief Elected Official and local board in the affected area.

**b. Procedure for Requesting Initial Local Area Designation:**

The Governor approved initial designation of all existing local areas for the first two Program Years of WIOA (2015 and 2016) on April 10, 2015 at the request of the SWDB. Per WIOA Section 106(b)(2), the Governor must condition that approval on requests for initial designation from local areas that were designated as such for the purposes of WIA.

Accordingly, each local area submitted a completed, signed, and dated *Application for Local Area Designation* form ([Attachment A](#)) to the SWDB by July 31, 2015 to formally document its request and thereby complete the initial designation process.

If new local areas that do not already exist seek designation, they must submit a completed, signed, and dated *Application for Local Area Designation* form ([Attachment A](#)) to the SWDB. Applications will be accepted at any time and reviewed to ensure that local areas have met performance and maintained fiscal integrity as defined below. Applications for new areas will also be reviewed to ensure that they meet the additional criteria listed in 3.c.

**c. Additional Criteria for Designation of New Local Areas:**

As per 20 CFR 679.240, a Governor may designate new local areas based on requests from units of local government and the recommendation of the SWDB that the new areas meet the following additional criteria:

- Align with local labor market areas
- Align with economic development areas
- Have the federal and non-federal funds, including appropriate education and training providers, to administer activities under the WIOA Title I Youth, Adult, and Dislocated Worker formula programs

**d. Procedure for Requesting Subsequent Local Area Designation:**

Local areas requesting subsequent designation must submit an *Application for Local Area Designation* form ([Attachment A](#)) to the SWDB by March 31, 2017. The Governor will provide subsequent designation to all local areas that performed successfully and sustained fiscal integrity as defined below. After receiving subsequent designation, local areas need not apply again.

The Governor may review the performance and fiscal integrity of a local area at any time, but not less than once every four years, namely before submitting the State Plan during each four-

year plan cycle. The chief elected official must notify the Governor if the local area no longer seeks designation.

**e. Criteria for Subsequent Local Area Designation:**

The Governor must approve subsequent designation if the following criteria are met for the two most recent program years:

- The local area performed successfully;
- The local area sustained fiscal integrity; and
- The local area met the regional planning requirements described in WIOA Section 106(c)

**f. Designation of a Local Area That Does Not Meet Criteria:**

The Governor has the discretion to either designate or redesignate a local area that does not meet the criteria for designation. In such circumstances, the Governor, at a minimum, will require evidence of adherence to a performance and/or fiscal management related corrective action plan. The Governor reserves the right to redesignate a local area at any time should it fail to implement the corrective action plan or continue to fail to meet performance or fiscal integrity criteria.

**g. Denial of Requests for Designation of Local Areas:**

The Governor will notify requesting entities, in writing, of denial of their requests for initial designation or subsequent designation of local areas and the specific reasons for the denial.

**h. Appeals:**

As per WIOA Section 102(b)(5) and 20 CFR 679.290 and 683.630, a Chief Elected Official who requests and is denied initial and/or subsequent designation has 10 business days to submit a formal appeal to the SWDB by communicating, in writing, the reason(s) for appealing the Governor's decision and providing evidence or information that support the appeal. Upon receipt of a formal appeal, the SWDB has 10 business days to render a decision on that appeal. If a decision is not rendered within that time frame or if the appeal is similarly denied, the Chief Elected Official may request review by the U.S. Secretary of Labor pursuant to 20 CFR 683.640. The Secretary may subsequently order local workforce development area designation if the Secretary determines that the entity was not accorded procedural rights under the state's appeals process or finds that the area meets the initial and/or subsequent designation requirements at WIOA Section 106(b)(2) or 106(b)(3) and 20 CFR 679.250.

**4. Definitions:**

Performed Successfully – The local area met or exceeded local levels of performance negotiated by the Governor with local boards and chief local elected officials and the local area has not failed any individual measure for the last two consecutive program years before the enactment of WIOA for initial designation and in the first two years of enactment for subsequent designation. [WIOA Section 106(e)(1)]

For subsequent designation determinations made at the conclusion of PY 2017, a finding of whether a local area performed successfully must be limited to having met or exceeded the

negotiated levels for the Employment Rate 2nd Quarter after Exit and the Median Earnings indicators of performance, as described at 20 CFR 677.155(a)(1)(i) and (iii), respectively, for PY 2016 and PY 2017.

For subsequent designation determinations made at the conclusion of PY 2018 and thereafter, a finding of whether a local area performed successfully must be based on all six of the WIOA indicators of performance as described at 20 CFR 677.155(a)(1)(i) through (vi) for the two most recently completed program years.

Sustained Fiscal Integrity – The Secretary of Labor has not made a formal determination that either the grant recipient or administrative entity of the local areas misexpended funds due to willful disregard of the requirements of the provisions involved, gross negligence, or failure to comply with accepted standards of administration for the two-year period preceding the Secretary’s determination. [WIOA Section 106(e)(2) and 20 CFR 679.260(c)]

Redesignation – Redesignation occurs when local units of government request new local workforce area boundaries or request the integration of multiple workforce areas within a workforce region into a single area. As per WIOA Section 106(b)(6) and 20 CFR 679.280, on the request of all of the local areas in a planning region, the State shall provide funding from funds made available under sections 128(a) and 133(a)(1) to assist the local areas in carrying out activities to facilitate the redesignation of the local areas to a single local area.

**5. References:**

- [WIOA Sections 106\(b\), 106\(e\), 116\(g\)\(2\)\(A\), and 184\(b\)\(1\).](#)
- [20 CFR 677.155](#)
- [20 CFR 679.220, 679.230, 679.240, 679.250, 679.260, 679.280, 679.290, 683.630, and 683.640](#)
- [Training and Employment Guidance Letter 27-14](#)

**6. Supersedes:**

WIOA Policy 5609 - Local Workforce Development Area Designation, July 1, 2015

**7. Website:**

[Workforce Professionals Center](#)

**8. Action:**

Local Workforce Development Boards 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:**

[Attachment A](#) – Application for Local Area Designation Form (PDF version)

[Attachment A](#) – Application for Local Area Designation Form (Word version for local use)

**Direct Inquiries To:**

*Employment System Administration and Policy Unit  
Employment System Policy and Integrity Division  
Employment Security Department  
P.O. Box 9046  
Olympia, WA 98507  
[SystemPolicy@esd.wa.gov](mailto:SystemPolicy@esd.wa.gov)*

or

*Workforce Training and Education Coordinating Board  
P.O. Box 43105  
Olympia, WA 98504-3105  
[workforce@wtb.wa.gov](mailto:workforce@wtb.wa.gov)*

# ATTACHMENT A

## Application for Local Area Designation

Initial Designation  
(Program Years 2015 and 2016)

Subsequent Designation  
(Program Years \_\_\_\_ and \_\_\_\_)

Designation of New Local Area  
(Program Years \_\_\_\_ and \_\_\_\_)

**Local Workforce Development Area**

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## Application for Local Area Designation

This application serves as a request for Local Workforce Development Area (local area) designation under the Workforce Innovation and Opportunity Act (WIOA) for Program Years 2015 and 2016 or subsequent designation for Program Years \_\_\_\_\_ and \_\_\_\_\_ or designation of a new local area for Program Years \_\_\_\_\_ and \_\_\_\_\_.

Examples of new local areas include two areas proposing to merge into a new combined single local area, various local areas that will be combined in a new, single local area, or a local area that will be expanded to include part or parts of another current local area.

If the Workforce Training and Education Coordinating Board (State Workforce Development Board) determines the application is incomplete, it will either be returned or held until the necessary documentation is submitted. Please contact WTECB for technical assistance or questions related to completing and submitting this application.

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Name of Local Area

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Mailing Address

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City, State

ZIP

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Date of Submission

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Contact Person

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Contact Person's Phone Number

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Contact Person's E-mail Address

# Local Area Levels of Performance

**Instructions:**

For initial or subsequent designation of existing areas, enter the local area’s negotiated levels of performance and actual levels of performance for the two Program Years for which data are available prior to the program year for which designation is requested.

For new local areas, enter the local negotiated levels of performance and actual levels of performance for each of the areas from which the new area is being created for the two Program Years for which data are available prior to the program year for which designation is requested. As per the examples provided below, generate additional performance tables if needed.

Example 1: If Local Area A and Local Area B are proposing to merge into a new combined single local area, fill out one performance table for Local Area A and one performance table for Local Area B.

Example 2: If Local Area A will be expanded to include part or parts of Local Area B, fill out one performance table for Local Area A and one performance table for Local Area B.

Example 3: If three local areas will be combined into a new, single local area, fill out a separate performance table for Local Area A, Local Area B, and Local Area C.

<b>Performance Table (Two Prior Program Years)</b>				
Local Area: _____				
Common Measure	Negotiated PY _____	Actual PY _____	Negotiated PY _____	Actual PY _____
<b>Adult</b>				
Entered Employment Rate				
Employment Retention Rate				
Earnings				
<b>Dislocated Worker</b>				
Entered Employment Rate				
Employment Retention Rate				
Earnings				
<b>Youth</b>				
Placement in Employment or Education				
Attainment of a Degree or Certificate				
Skills Gains				

## Application Signature Page



**Instructions:** The local Chief Elected Official must sign and date this form. Include the original signature in the application package. Print additional copies of this page if there is more than one Chief Elected Official.

By signing the application below, the local Chief Elected Official requests initial, subsequent, or new designation of a local area. The Chief Elected Official certifies that the local area has performed successfully and sustained fiscal integrity during the two Program Years prior to the period for which designation is being requested.

Local Chief Elected Official

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Signature

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Name

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Title

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Date

# New Local Area Narrative

Only a new local area must submit this narrative to support an application for designation.

## 1. Local Area Considerations

The following considerations represent the type of information a new local area must submit in order to be initially or subsequently designated. A local area must respond to the considerations below, and may provide additional information that substantiates the request and supports why the modification is beneficial to the local community.

- a. Describe how the modification will maintain or improve the performance of the new, modified local area.
- b. Describe how the modification will maintain or improve the fiscal integrity of the new local area.
- c. Describe the resources available to administer WIOA activities in the new local area (e.g., what training and services are available? How does the boundary change influence existing partnerships and leveraged resources?).
- d. Describe how the boundary change will help a unit of general local government or combination of units produce a more comprehensive and integrated workforce development system (e.g., how will local economic development efforts improve? How will service delivery improve? How will coordination improve between local private industry efforts and local boards to create jobs or foster economic development?).
- e. Identify the level to which the service area affected by the boundary change is consistent with the local labor market (e.g., how will the service area improve, shift, or impact the existing labor market area?).
- f. Provide any other narrative information that may be relevant to an objective assessment of the modification request.

## 2. Geographic Boundaries

Describe the geographic modification to the affected local areas, including the exact boundary changes and how the boundary changes impact the populations of the local areas involved.

### **3. Plan for Local Board Compliance**

The local CEO must address how s/he will establish a WIOA compliant local board by June 30, 2015. This narrative should include the following:

- a. A list of the local areas and local boards that will change as a result of the modification. In addition, include the names of any specific counties and/or cities within those service areas directly affected by the boundary change.
  
- b. Any governance actions required from the other local area(s) whose boundaries will change.
  
- c. Identify the actions the local CEO will take in order to appoint local board members that will meet WIOA local board membership compliance.
  
- d. Provide any other narrative information that may be relevant to the planning for WIOA local board compliance.