**Workforce Investment Act Title I-B  
Washington State Policies**

**SECTION C: General Administration**

*Grantees, subrecipients and contractors funded under the Workforce Investment Act (WIA), whether in whole or in part, must abide by the Workforce Investment Act of 1998, the WIA Regulations, all applicable Office of Management and Budget (OMB) Circulars, state requirements in laws and rules (Revised Code of Washington and Washington Administrative Code), State of Washington (OFM) policies and the Washington State WIA Policies.*

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| **EFFECTIVE DATE: WIA POLICY NUMBER: SUBJECT:** | September 4, 2003 3451 - Revision 1 Transfer of Funds Between Adult and Dislocated Worker Grants |

[**BACKGROUND**](http://www.wa.gov/esd/1stop/policies/documents/archive/3451rev1.htm#BACKGROUND) **|** [**POLICY**](http://www.wa.gov/esd/1stop/policies/documents/archive/3451rev1.htm#POLICY) **|** [**PROCEDURE**](http://www.wa.gov/esd/1stop/policies/documents/archive/3451rev1.htm#PROCEDURE) **|** [**DEFINITIONS**](http://www.wa.gov/esd/1stop/policies/documents/archive/3451rev1.htm#DEFINITIONS)[**REFERENCES**](http://www.wa.gov/esd/1stop/policies/documents/archive/3451rev1.htm#REFERENCES) **|** [**SUPERSEDES**](http://www.wa.gov/esd/1stop/policies/documents/archive/3451rev1.htm#SUPERSEDES) **|** [**WEBSITE**](http://www.wa.gov/esd/1stop/policies/documents/archive/3451rev1.htm#WEBSITE) **|** [**INQUIRIES**](http://www.wa.gov/esd/1stop/policies/documents/archive/3451rev1.htm#INQUIRIES)

**BACKGROUND**

**WIA Section 133(b)(4) provides the authority for workforce investment areas, with approval from the Governor, to transfer up to 20% of the adult activity funds to dislocated worker activities, and up to 20% of the dislocated worker activity funds to adult activities. The 2003 appropriation enacted by Congress raised these transfer limits to 30% effective with Program Year (PY) 2003 funds.**

**POLICY**

**Workforce Development Councils (WDCs) may transfer up to 30% of a program year’s "base allocation" for adult employment and training activities to dislocated worker activities, and up to 30% of a "base allocation" for dislocated worker employment and training activities to adult activities. Before making any such transfer, a WDC must first obtain written approval from the Employment Security Department (ESD), on behalf of the Governor. A WDC may not transfer funds to or from the youth programs. [20 CRF Part 652, Section 667.140(a) (b) and (c)].**

**Prior to awarding any rapid response additional assistance funds to a WDC, ESD will take into consideration the amount of funds transferred out of the dislocated worker grant during that program year. Transferring any portion of the dislocated worker base allocation may affect a local area's access to rapid response additional assistance funds. If funds are transferred from the dislocated worker grant, the Department will limit access to rapid response additional assistance funds for six months following the transfer of these funds. ESD may waive this policy for extreme or unforeseen circumstances.****PROCEDURE**

**Prior to any transfer of adult employment and training funds or dislocated worker employment and training funds, local WDCs must forward a letter of request to the Employment Security Department for approval. The letter must include following criteria for review and approval by the Department:**

* **The reason(s) for the request to transfer funds, the amount of the transfer request and the  
  percentage this transfer represents of the base allocation;**
* **The fund source of the transfer (to adult from dislocated worker funds or to dislocated worker  
  funds from adult);**
* **Signed approval from the advisory board requesting this transfer;**
* **A revised "*Participant Planning Form*" for both the adult and dislocated worker programs  
  which accompanies the following program analysis.**
* **A program analysis which includes:  
         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 once the funds have been transferred. This analysis must provide justification  
         that the transfer of funds will not have an adverse impact in providing services to  
         participants and that necessary services and client-planned activities will be maintained  
         in the program from which the funds are transferred.  
    
  A discussion of the local area's past history of the request for transfers and how previous  
  transfers impacted participants and funds.  
    
  If funds are transferred from the dislocated worker program, the analysis must provide an  
  assessment of any potential layoffs or closures of which the local WDC is aware and how  
  these events will be addressed using existing funds.  
    
  A local area may request a transfer of funds anytime during the program year. As such, the  
  local area must confirm that this transfer will not reduce the required rate of expenditure of  
  the fund source to which funds are transferred by the end of the program year. The  
  Department of Labor requires that 70% of the WIA Title I-B adults and dislocated workers resources be expended by the end of each program year.**

**Department approval of the request for transfer of funds will be determined based on a review of the local analysis; the reason(s) for the transfer, the effects on the fund sources; and the impact on participants. Prior to approval, the Department may request additional information from the local area or from the Department's Labor Market and Economic Analysis (LMEA) branch. The Department may authorize a partial or full transfer of funds or deny the request. Subsequent to approval of the transfer, the Department will e-mail the appropriate modifications to the requesting WDC for completion and signature.**

**NOTE: The following note is for information only and is not meant to be state policy, but  
        provided for local consideration when determining the level of funds to be transferred out of the  
        dislocated worker formula funds.**

**There are currently no new National Emergency Grant (NEG) Regulations for use under WIA as of September 4, 2003 and may be subject to change in the future.**

**Other than the regulations that are published at Part 671 (National Emergency Grants for Dislocated Workers) in the current WIA Regulations, the previous National Reserve Grant Regulations published July 9, 1992 in Federal Register Vol. 57, No. 132 are still in effect until such new regulations and guidelines are published according to the Department of Labor.**

**The guidelines that accompany the current National Reserve Grant Regulations indicate that, should a WDC be interested in applying for National Emergency Grant Funds, a consideration at the time of review may be the amount of funds transferred out of the Dislocated Worker formula funds during that program year. The general rule is that organizations who transfer up to 10% of their Dislocated Worker formula funds during any one program could still be considered for National Emergency Grant Funds, but organizations that transfer between 10%-30% may have difficulty receiving these funds. This same guidance should be taken into consideration if a WDC has in mind now or at some point in the future to apply for State Rapid Response Assistance.**

**DEFINITIONS**

**Base Allocation: Prior to the beginning of each program year, the National Department of Labor announces state allotments based on adult and dislocated worker program formulas defined in law. In turn, the Employment Security Department allocates adult and dislocated worker program funds to each local area based on formula. For purposes of this transfer policy, the original allotment from the Department of Labor to the state and local areas will be considered the "base allocation."**

**REFERENCES**

* **Public Law 105-220**
* **20 CFR Part 667.140**
* **20 CFR Part 671.100-170**
* **TEGL - 23-02**

**SUPERSEDES**

**Original Policy 3451**

**WEBSITE  
  
<http://www.wa.gov/esd/policies/title1b.htm>**

**DIRECT** **INQUIRIES TO:**

**Bob Isom   
WorkSource Standards & Integration Division   
Employment Security Department  
P.O. Box 9046 , MS 6000  
Olympia , WA 98507-9046   
Telephone: (360) 438-4779   
E-Mail:** [**bisom@esd.wa.gov**](mailto:BIsom@esd.wa.gov)

**DIRECT GRANT MODIFICATION QUESTIONS TO:**

**Donna Fussell  
WorkSource Standards & Integration Division  
Employment Security Department  
Telephone: (360) 438-4640  
E-mail:** [**dfussell@esd.wa.gov**](mailto:sharris@esd.wa.gov)