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Yolo County Workforce Innovation Board

A proud partner of America's Job Center of CaliforniaSM network.

American's Job Center of California - One-Stop Career Center Locations
West Sacramento
500-A Jefferson Blvd., Building A
(916) 375-6300 x4327
Woodland
25 N. Cottonwood St
(530) 661-2750 x4327

> > > NOTICE OF PUBLIC MEETING < < <

Workforce Innovation Board

July 13, 2016

8:00 – 10:30 AM

America's Job Center of California / Clarksburg Room / 25 North Cottonwood St., Woodland

AGENDA

8:30 a.m. Call to Order – Pledge of Allegiance

1. **Welcome Comments, Introductions and Group Discussion**
2. **Public Comment / Announcements – Non-Agenda Items**
Workforce Innovation Board (WIB) members, staff, or the public may address the WIB on subjects relating to employment and training in Yolo County. A time limit of 3 minutes may be imposed. No action may be taken on non-agenda items.
3. **Guest Speaker** – Elizabeth Bosley, Labor Market Consultant, from the Employment Development Department Labor Market Information Division. She will be presenting the Yolo County Sector Study results.
4. **Establish Quorum**
5. **Consider Agenda Approval**
6. **Consent Agenda – *Approved with one motion unless item withdrawn for discussion***
 - a. Approve WIB minutes – May 11, 2016 (Attachment) **Page 1**
7. **Regular Agenda**
 - a. Partner Memorandum of Understanding Update
 - b. Conflict of Interest Form 700 Update
8. **Information Items**
 - a. Receive WIOA Fiscal and Procurement Review Final Monitoring Report for PY 2015-16 issued by EDD Compliance Review Office (Attachment) **Page 4**
 - b. Receive Workforce Services Information Notice 15-51/Program Year 2016-17 Rapid Response Funding (Attachment) **Page 8**
 - c. Receive Workforce Services Draft Directive 144/Unilateral De-Obligation (Attachment) **Page 11**
 - d. Receive Workforce Services Directive 15-26/Subsidized Employment and Employee Benefits (Attachment) **Page 16**
9. **WIOA Update**
10. **Reports**
 - a. Gary Pelfrey, WIB Chair
 - b. Elaine Lytle, Executive Director
 - c. Maggie Campbell, Ad Hoc Committee Chair
11. **Other Business That May Come Before the Board**
12. **Adjourn**

Board Members

All Phase Security Inc.

Buckhorn Steakhouse/
Putah Creek Café

California Dept. of
Rehabilitation

California Employment
Development
Department

City of Woodland
Economic
Development

Clark Pacific

DMG Mori

La Cooperative
Campesina

Los Rios Community
College District

Olam Tomato
Processors

Optimum Zendejas
Home Loans

PrideStaff

Sacramento Central
Labor Council (4)

Seminis Vegetable
Seeds

The Scoop Frozen
Yogurt Shop

West Sacramento
Chamber of
Commerce

Woodland Aviation

Woodland Adult
Education

Woodland Community
College

Yolo Food Bank

Yolo Employment
Services, Inc.

Next Meeting:

September 14, 2016 – Yolo County Health and Human Services Agency
America's Job Center of California
25 North Cottonwood St., Woodland / Community Room B

Accommodation: In accordance with Section 202 of the Americans with Disabilities Act, if you require special assistance, meeting materials to be in an alternative format, auxiliary aids, or other person to assist you while attending the meeting, we will provide reasonable accommodation to allow participation. Contact Cyndi Sechler at (530) 661-2750 ex. 4327 at least 3 business days prior to the meeting to facilitate arrangement.

For more about the Yolo County Workforce Innovation Board log on to www.yoloworks.org



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Yolo County Workforce Innovation Board

DRAFT Minutes

May 11, 2016

The Yolo County Workforce Innovation Board convened in the offices of Yolo County Health and Human Services Agency at 25 North Cottonwood Street, Woodland, CA, with the following persons in attendance:

Present: Alfred Konuwa, Alice Tapley, Benny Mitchell, Brett Sanders, Cornelio Gomez, Denice Seals, Don Palm, Gary Pelfrey, Jennifer Pike, John Rodriguez, Kevin Sanchez, Lynn White, Maggie Campbell, Michele Fadling, Paul Basi, Rob Carrion, Robyn David-Harris, and Susan Moylan

Absent: John Pickerel, Ken Garrett, Marco C. Lizarraga, Randy Young, and Wendy Ross

Staff: Elaine Lytle, Lisa Vincent, Marc Marquez, Steve Roberts, and Cyndi Sechler

Guests: Matthew Vendryes, Eclastic, LLC
Gloria Earl, WIOA Regional Advisor, E.D.D.
Eric Banuelos, Yolo County Office of Education
Lorie Perez, Yolo County Office of Education
Christina Blackman, Davis Chamber of Commerce
Scharlene Reid, Experience Works, Inc.

Call to Order – Pledge of Allegiance

Meeting called to order at 8:31 a.m. by WIB Chair, Gary Pelfrey with quorum present.

1. Welcome Comments and Introductions

2. Public Comment / Announcements – Non-Agenda Items

WIB members, staff, or the public may address the Workforce Innovation Board Executive Committee on subjects relating to employment and training in Yolo County. A time limit may be imposed. No action may be taken on non-agenda items.

Maggie Campbell announced the Difference Makers Summit on May 27, 2016, hosted by Yolo County Office of Education.

Maggie Campbell also announced the Fix Our Roads Coalition Rally at the State Capitol on May 19, 2016

3. Guest Speaker – Matthew Vendryes, Business Owner, Eclastic, LLC.

Matthew Vendryes gave a presentation on Eclastic, LLC., which offers online training tools to focus on practical English language skills, and cultural training. These solutions provide tools to improve communication, collaboration and efficiency of employees and students.

4. Establish Quorum

Quorum established.

5. Consider Agenda Approval

Rob Carrion moved to approve the agenda; Robyn David-Harris seconded; motion passed.

6. Consent Agenda – *Approved with on motion unless item withdrawn for discussion*

a. Approve WIB minutes – March 9, 2016

Cornelio Gomez moved to approve the March 9, 2016 minutes; seconded; motion passed.

7. Regular Agenda

a. Partner Memorandum of Understanding Template

Elaine Lytle asked for WIB members to approve Gary Pelfrey to sign the Partner MOUs as they come in to meet the Board of Supervisor’s meeting agenda deadlines.

Susan Moylan moved to approve Gary Pelfrey to sign the MOUs as they come in; Jennifer Pike seconded; motion passed.

8. Information Items

a. Proposed Change in WIB Workforce Notification Process

b. Change of Process in Executive Committee Meeting Notification to WIB Members

c. Receive Workforce Services Draft Directive (WSDD) 138/Discontinuation of the DCAF Process used for UI Verification

d. Receive WSDD-139/WIOA Youth Program Requirements

e. Receive WSDD-140/WIOA Program Income

f. Receive Workforce Services Directive (WSD) 15-17/California WIOA Regional Planning Units

g. Receive WSD 15-18/Amendment to PY 2015-16 RR Allocations and Guidance on Use of these Funds for WIOA Transition Activities

h. Receive WSD 15-19/Revised Amendment to PY 2015-16 RR Allocations and Guidance on Use of these Funds for WIOA Transition Activities

i. Receive WSD 15-20/FFATA Compensation Data Reporting Requirements

j. Receive WSD 15-21/Biennial Local Area Self-Assessment

k. Receive WSD 15-22/Consultant Services and Pay

l. Receive WSD 15-23/Transfer of Funds – WIOA Adult-Dislocated Worker Programs

m. Receive WSD 15-24/Nondiscrimination and Equal Opportunity Procedures

n. Receive Workforce Services Information Notice (WSIN) 15-29/Using the Adult Basic Career Services Application

o. Receive WSIN 15-30/Revision of Amendment to WIOA Formula Allocations – PY 2015-16

p. Receive WSIN 15-31/California Earned Income Tax Credit

q. Receive WSIN 15-32/Veterans’ Employment-Related Assistance Program – Solicitation for Proposals

r. Receive WSIN 15-33/Release of the New Voscan Module in CalJOBSSM

s. Receive WSIN 15-34/Grant Application Opportunity – Summer Jobs and Beyond: Career Pathways for Youth

t. Receive WSIN 15-35/Supervised Population Workforce Training Grant Program

u. Receive WSIN 15-36/Awards of proposition 39 Pre-Apprenticeship Support, Training, and Placement Grants 2.0

v. Receive WSIN 15-37/Disability Employment Accelerator – Solicitation for Proposals

w. Receive WSIN 15-38/2016 Building Workforce Partnerships Conference

x. Receive WSIN 15-39/New EDD Regional Advisor Assignments

y. Receive WSIN 15-40/Workforce Accelerator Fund 3.0 – Request for Applications

z. Receive WSIN 15-41/Release of the New Generic Module in CalJOBS

aa. Receive WSIN 15-42/MOU WIOA Required Partner Information

bb. Receive WSIN 15-43/Wagner-Peyser Funds – Deaf and Hard of Hearing Services 2016-17

cc. Receive WSIN 15-44/WIOA Regional Implementation Grants – Solicitation for Proposals

dd. Receive WSIN 15-45/WIOA Formula Allocations – PY 2016-17

WIB members received items A–DD.

9. WIOA Update

Gary Pelfrey reported that Workforce Innovation and Opportunity Act (WIOA) was passed in 2014, the program is up and running, the WIB is in place, and we are waiting for the final regulations.

10. Reports

a. Gary Pelfrey, WIB Chair

Gary thanked everyone who has completed the Conflict of Interest form.

Gary also stated if you have not completed the form, please get it in; and if you have questions in regards to the form or process, please contact him.

b. Elaine Lytle, Executive Director

Elaine reported the update of the Region Sectors Study will be completed by the end of June.

c. Maggie Campbell, Ad Hoc Committee Chair

Maggie reported the committee met on April 6, 2016, and they were able to conduct a lot of business.

Maggie also stated the committee came up with a meeting schedule for the rest 2016. They also discussed a couple of goals they wanted to start with.

11. Other Business That May Come Before the Board

Mark Marquez announced Health and Human Services Agency will be hosting a Job Fair at this location on June 24th, from 9:00am-12:00pm. If you are an employer who is hiring and would like to participate, please contact Steve Roberts.

12. Adjourn

Rob Carrion moved to adjourn the meeting; Brett Sanders seconded; meeting adjourned at 9:43 a.m.

Next Meeting

July 13, 2016

Yolo County HHSA/Clarksburg Room

Woodland One-Stop

8:30-10:00 a.m.

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L10



FAX TRANSMITTAL

Date: May 11, 2016

To: Ms. Karen Larsen, Executive Director

Agency: Yolo County Department of Employment & Social Services

Telephone (530) 661-2750

Fax #: (530)-661-2658

Subject: Final F & P Review PY 2015/16

County of Yolo
 Health and Human
 Services Agency
 Woodland Office
 MAY 12 2016

of Pages to follow: 3

From: Kathleen Doe

**Agency: EDD, Compliance Review Office
 Compliance Monitoring Section**

Telephone: (916) 654-5952

Fax #: (916) 654-6096

California Labor and Workforce Development Agency



May 11, 2016



Edmund G. Brown Jr.
Governor

Ms. Karen Larsen, Executive Director
Yolo County Health and Human Services Agency
25 N Cottonwood Street
Woodland, CA 95695

Dear Ms. Larsen:

**WORKFORCE INNOVATION AND OPPORTUNITY ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2015-16**

This is to inform you of the results of our review for Program Year (PY) 2015-16 of the Yolo County Health and Human Services' Agency (Yolo County DESS) financial management and procurement activities funded by the Workforce Investment Act (WIA) and the Workforce Innovation and Opportunity Act (WIOA). This review was conducted by Ms. Ann Brito from May 2, 2016, through May 6, 2016. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, financial reporting, expenditures charged to the WIA/WIOA grants, cost allocation, indirect cost rate, cash management, internal controls, oversight of your subrecipients, subrecipient audits, and debt collection. For the procurement portion of the review, we examined procurement transactions and property management.

Our review was conducted under the authority of WIOA Sections 183(a) and 184(a)(4). The purpose of this review was to determine the level of compliance by Yolo County DESS with applicable federal and state laws, regulations, policies, and directives related to the WIA/WIOA grant regarding financial management and procurement for PY 2015-16.

We collected the information for this report through interviews with representatives of Yolo County DESS, a review of applicable policies and procedures, and a review of documentation retained by Yolo County DESS for a sample of expenditures and procurements for PY 2014-15 and PY 2015-16.

BACKGROUND

The Yolo County DESS was awarded WIOA funds to administer a comprehensive workforce investment system by way of streamlining services through the America's Job

Ms. Karen Larsen
May 11, 2016
Page two

Center of CaliforniaSM delivery system. For PY 2015-16, Yolo County DESS was allocated: \$552,562 to serve adult participants; \$736,876 to serve youth participants; and \$390,252 to serve dislocated worker participants.

For the quarter ending March 31, 2016, Yolo County DESS reported the following WIOA expenditures: \$147,395 for adult participants; \$7,320 for youth participants; and \$84,670 for dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, Yolo County DESS is meeting applicable WIA/WIOA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, Yolo County DESS is meeting applicable WIA/WIOA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

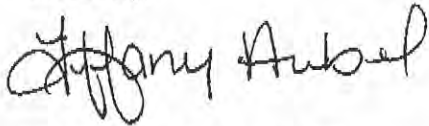
Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is Yolo County DESS's responsibility to ensure that its systems, programs, and related activities comply with the WIA/WIOA grant program, federal and state regulations, and applicable state directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain Yolo County DESS's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review.

Ms. Karen Larsen
May 11, 2016
Page three

If you have any questions regarding this report or the review that was conducted, please contact Ms. Ann Brito at (916) 651-3325 or Ms. Kathy Meyer at (916) 654-9587.

Sincerely,



TIFFANY AUBEL, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Gloria Earl, MIC 50
Greg Gibson, MIC 50
Daniel Patterson, MIC 45
Georganne Pintar, MIC 50

amb:6113:6114

WORKFORCE SERVICES INFORMATION NOTICE

Number: WSIN15-51

Date: June 9, 2016

Expiration Date: 07/09/18

69:187:kc

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: PROGRAM YEAR 2016-17 RAPID RESPONSE FUNDING

The Employment Development Department announces the Rapid Response (RR) and Layoff Aversion (LOA) funding provided to Local Workforce Development Areas (Local Area) for the period of July 1, 2016, through June 30, 2017; see attachment for specific funding detail. Please note these allocations include both the formula RR funding along with separate allocations for LOA, consistent with policy detailed in Workforce Services Directive [WSD14-3](#) published on September 03, 2014.

Use of Rapid Response and Layoff Aversion Funds

These funds can only be used to defray the cost of required and allowable RR activities in response to layoffs, business closures, and natural disasters. Only expenditures for activities described in Sections 3(51) and 134(a)(2)(A) of the *Workforce Innovation and Opportunity Act* (WIOA) will be reimbursed under the formula RR grant codes. Other activities not described in these sections must be paid with other funds.

As referenced in Directive WSD14-3, baseline, layoff-based, and hold-harmless RR funds will continue to be issued to each Local Area in their master subgrant, as grant codes 540 and 541. These formula RR funds may be spent on the wide range of required and/or allowable activities. Local Areas shall continue to report Incumbent Worker Training (IWT) participant enrollments funded with RR formula funds, under grant code 2274. LOA funding will be issued under grant codes 292 and 293 in each Local Area's master subgrant. These funds are to be spent exclusively on LOA activities, which don't include IWT.

Participants receiving Additional Assistance services must be enrolled in grant code 241. Funds used for training services when serving Additional Assistance participants qualify as "leveraged resources," which will assist Local Areas in meeting the training expenditure requirement, as described in Directive [WSD14-1](#).

Consistent with other PY 2016-17 WIOA allocations, these funds will not be available until the state budget is in place.

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

PY 2015-16 RR and LA Funds

In light of the fact that WIOA transition is stretching into a second year and up to 50 percent of PY 2015-16 RR funds can be used for WIOA transition, the state has decided to allow Local Areas to carry forward any unspent PY 2015-16 RR and LAO funds, and will extend the term end dates for those funds to June 30, 2017. The state will **not** reduce the Local Areas' PY 2016-17 RR and LOA allocations by their PY 2015-16 carry forward amounts.

If you have any questions regarding this information, please contact your assigned [Regional Advisor](#).

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division

Attachment is available on the internet:

1. [PY 2016-17 Rapid Response Funding Allocations](#)

PY 2016-17 Rapid Response and Layoff Aversion Funding

	Rapid Response			Layoff Aversion			PY 16-17 Grand Total
	GC 540	GC 541	Total GC 540/541	GC 292	GC 293	Total GC 292/293	
Alameda County	\$ 53,770	\$ 286,499	\$ 340,269	\$ 15,230	\$ 81,150	\$ 96,380	\$ 436,649
Anaheim	\$ 29,257	\$ 155,887	\$ 185,144	\$ 8,287	\$ 44,154	\$ 52,441	\$ 237,585
Contra Costa	\$ 48,339	\$ 257,560	\$ 305,899	\$ 13,692	\$ 72,953	\$ 86,645	\$ 392,544
Foothill	\$ 28,310	\$ 150,841	\$ 179,151	\$ 8,019	\$ 42,725	\$ 50,744	\$ 229,895
Fresno City/County	\$ 32,432	\$ 172,803	\$ 205,235	\$ 9,186	\$ 48,946	\$ 58,132	\$ 263,367
Golden Sierra	\$ 36,892	\$ 196,566	\$ 233,458	\$ 10,449	\$ 55,677	\$ 66,126	\$ 299,584
Humboldt	\$ 21,968	\$ 117,052	\$ 139,020	\$ 6,222	\$ 33,155	\$ 39,377	\$ 178,397
Imperial	\$ 34,877	\$ 185,832	\$ 220,709	\$ 9,879	\$ 52,636	\$ 62,515	\$ 283,224
Kern/Inyo/Mono	\$ 47,251	\$ 251,766	\$ 299,017	\$ 13,384	\$ 71,311	\$ 84,695	\$ 383,712
Kings	\$ 22,314	\$ 118,892	\$ 141,206	\$ 6,320	\$ 33,676	\$ 39,996	\$ 181,202
Long Beach	\$ 78,791	\$ 419,814	\$ 498,605	\$ 22,317	\$ 118,911	\$ 141,228	\$ 639,833
Los Angeles City	\$ 167,099	\$ 890,352	\$ 1,057,451	\$ 47,332	\$ 252,183	\$ 299,515	\$ 1,356,966
Los Angeles County	\$ 184,870	\$ 985,025	\$ 1,169,895	\$ 52,364	\$ 279,005	\$ 331,369	\$ 1,501,264
Madera	\$ 27,362	\$ 145,788	\$ 173,150	\$ 7,750	\$ 41,294	\$ 49,044	\$ 222,194
Marin	\$ 29,126	\$ 155,190	\$ 184,316	\$ 8,250	\$ 43,957	\$ 52,207	\$ 236,523
Mendocino	\$ 19,488	\$ 103,838	\$ 123,326	\$ 5,520	\$ 29,412	\$ 34,932	\$ 158,258
Merced	\$ 24,396	\$ 129,984	\$ 154,380	\$ 6,910	\$ 36,818	\$ 43,728	\$ 198,108
Monterey	\$ 27,651	\$ 147,328	\$ 174,979	\$ 7,832	\$ 41,730	\$ 49,562	\$ 224,541
Mother Lode	\$ 80,317	\$ 427,943	\$ 508,260	\$ 22,749	\$ 121,214	\$ 143,963	\$ 652,223
Napa-Lake	\$ 30,623	\$ 163,165	\$ 193,788	\$ 8,674	\$ 46,216	\$ 54,890	\$ 248,678
NoRTEC	\$ 109,111	\$ 581,364	\$ 690,475	\$ 30,905	\$ 164,670	\$ 195,575	\$ 886,050
North Central Counties	\$ 54,964	\$ 292,861	\$ 347,825	\$ 15,568	\$ 82,952	\$ 98,520	\$ 446,345
NOVA	\$ 215,720	\$ 1,149,400	\$ 1,365,120	\$ 61,102	\$ 325,563	\$ 386,665	\$ 1,751,785
Oakland	\$ 44,226	\$ 235,648	\$ 279,874	\$ 12,527	\$ 66,746	\$ 79,273	\$ 359,147
Orange County	\$ 122,554	\$ 652,990	\$ 775,544	\$ 34,713	\$ 184,957	\$ 219,670	\$ 995,214
Richmond	\$ 18,798	\$ 100,157	\$ 118,955	\$ 5,324	\$ 28,370	\$ 33,694	\$ 152,649
Riverside County	\$ 49,187	\$ 262,076	\$ 311,263	\$ 13,932	\$ 74,232	\$ 88,164	\$ 399,427
Sacramento	\$ 48,376	\$ 257,755	\$ 306,131	\$ 13,702	\$ 73,009	\$ 86,711	\$ 392,842
San Benito	\$ 17,322	\$ 92,296	\$ 109,618	\$ 4,906	\$ 26,143	\$ 31,049	\$ 140,667
San Bernardino City	\$ 17,322	\$ 92,296	\$ 109,618	\$ 4,906	\$ 26,143	\$ 31,049	\$ 140,667
San Bernardino County	\$ 38,075	\$ 202,873	\$ 240,948	\$ 10,785	\$ 57,463	\$ 68,248	\$ 309,196
San Diego	\$ 188,826	\$ 1,006,101	\$ 1,194,927	\$ 53,484	\$ 284,975	\$ 338,459	\$ 1,533,386
San Francisco	\$ 33,270	\$ 177,270	\$ 210,540	\$ 9,424	\$ 50,211	\$ 59,635	\$ 270,175
San Joaquin	\$ 43,651	\$ 232,581	\$ 276,232	\$ 12,364	\$ 65,878	\$ 78,242	\$ 354,474
San Jose/Silicon Valley	\$ 110,379	\$ 588,120	\$ 698,499	\$ 31,264	\$ 166,583	\$ 197,847	\$ 896,346
San Luis Obispo	\$ 34,836	\$ 185,614	\$ 220,450	\$ 9,867	\$ 52,575	\$ 62,442	\$ 282,892
Santa Ana	\$ 61,713	\$ 328,818	\$ 390,531	\$ 17,480	\$ 93,137	\$ 110,617	\$ 501,148
Santa Barbara	\$ 35,248	\$ 187,808	\$ 223,056	\$ 9,984	\$ 53,196	\$ 63,180	\$ 286,236
Santa Cruz	\$ 20,022	\$ 106,681	\$ 126,703	\$ 5,671	\$ 30,217	\$ 35,888	\$ 162,591
SELACO	\$ 19,488	\$ 103,838	\$ 123,326	\$ 5,520	\$ 29,412	\$ 34,932	\$ 158,258
Solano County	\$ 19,206	\$ 102,332	\$ 121,538	\$ 5,440	\$ 28,985	\$ 34,425	\$ 155,963
Sonoma County	\$ 23,854	\$ 127,097	\$ 150,951	\$ 6,756	\$ 36,000	\$ 42,756	\$ 193,707
South Bay	\$ 62,403	\$ 332,499	\$ 394,902	\$ 17,676	\$ 94,179	\$ 111,855	\$ 506,757
Stanislaus County	\$ 29,942	\$ 159,540	\$ 189,482	\$ 8,481	\$ 45,189	\$ 53,670	\$ 243,152
Tulare County	\$ 24,574	\$ 130,936	\$ 155,510	\$ 6,961	\$ 37,087	\$ 44,048	\$ 199,558
Ventura County	\$ 59,201	\$ 315,437	\$ 374,638	\$ 16,769	\$ 89,346	\$ 106,115	\$ 480,753
Verdugo	\$ 58,301	\$ 310,641	\$ 368,942	\$ 16,514	\$ 87,988	\$ 104,502	\$ 473,444
Yolo County	\$ 25,610	\$ 136,456	\$ 162,066	\$ 7,254	\$ 38,651	\$ 45,905	\$ 207,971
Statewide Total	\$ 2,611,312	\$ 13,913,610	\$ 16,524,922	\$ 739,645	\$ 3,940,980	\$ 4,680,625	\$ 21,205,547

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: UNILATERAL DE-OBLIGATION

SUBJECT MATTER HIGHLIGHTS

PLEASE NOTE

This draft directive supersedes Directive WIAD04-11, dated November 18, 2004.

This draft directive updates language and references in Directive WIAD04-11 to reflect the changes from the Employment Development Department's Workforce Investment Division (WID) to the Central Office Workforce Services Division (COWSD) and the change from the *Workforce Investment Act (WIA)* to the *Workforce Innovation and Opportunity Act (WIOA)*.

COMMENTS DUE

June 24, 2016

Comments can be submitted through one of the following ways:

Fax	WSD, Attention: Kirstin Cordova at 916-654-9119
E-Mail	Kirstin.Cordova@edd.ca.gov (Include "draft comments" in the subject line)
Mail	COWSD / P.O. Box 826880 / MIC 50 / Sacramento, CA 94280-0001

All comments received by the end of the comment period will be considered before the final directive is issued. The Workforce Services Branch does not respond individually to each comment received. However, a summary of comments will be released with the final directive. **Comments received after the specified due date will not be considered.**

If you have any questions, contact Kirstin Cordova at (916) 653-0521.

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: UNILATERAL DE-OBLIGATION

EXECUTIVE SUMMARY

Purpose

The Employment Development Department is providing the criteria and processes that will be used to de-obligate or cancel funds when a state-funded project is lagging.

Scope

This directive applies to subrecipients of the *Workforce Innovation and Opportunity Act* (WIOA) Title I Governor's Discretionary and 25 Percent Additional Assistance, Rapid Response (RR), and Layoff Aversion funds. This directive does not apply to adult, dislocated worker, and youth funding provided on a formula-allocation basis to Local Workforce Development Areas (Local Areas), in accordance with WIOA Sections 128(b) and 133(b).

Effective Date

This directive is effective on the date of issuance.

REFERENCES

- WIOA Sections 128(b) and 133(b)
- Workforce Services Directive WSD14-3 Subject: *Rapid Response and Layoff Aversion Activities* (September 3, 2014)
- Workforce Investment Act Directive WIAD05-18 Subject: *Dislocated Worker 25 Percent Funding Policy Requirements* (June 14, 2006)
- WIAD02-14 Subject: *15 Percent Project Requirements* (April 24, 2003)
- Workforce Services Information Notice WSIN12-62 Subject: *Late Monthly, Quarterly, Closeout, Audit and Participation Reports* (May 23, 2013)

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

STATE-IMPOSED REQUIREMENTS

This directive contains only state-imposed requirements.

FILING INSTRUCTIONS

This directive supersedes Directive WIAD04-11, dated November 18, 2004. Retain this directive until further notice.

BACKGROUND

The state's experience with WIOA Title I Governor's Discretionary and 25 Percent grants has indicated that some projects do not make ongoing and timely use of awarded funds or lag in serving participants. Consequently, the state has established criteria that will guide action to ensure timely and effective use of available WIOA Title I Governor's Discretionary and 25 Percent resources.

POLICY AND PROCEDURES

This policy applies only to special projects funded with WIOA Title I Governor's Discretionary and 25 Percent funds allotted to the state under WIOA Sections 128(a) and 133(a). This directive does not apply to adult, dislocated worker, and youth funding provided on a formula-allocation basis to Local Areas, in accordance with WIOA Sections 128(b) and 133(b).

In accordance with WIOA Section 134(a)(2)(B), the state will also "recapture" any funds reserved for RR and Layoff Aversion that remain unspent at the end of the program year of obligation and utilize them for state set-aside activities. A statewide recapture waiver may be granted to provide flexibility in certain circumstances.

The Central Office Workforce Services Division (COWSD) staff will review projects monthly, quarterly, or as needed to determine whether projects are achieving their goals and making timely use of awarded funds. The COWSD will use a 20 percent variance of planned vs. actual expenditure and participant data in determining if a project is "lagging." If COWSD staff finds a project to be lagging, either programmatically or fiscally, the COWSD may exercise the option to unilaterally de-obligate and recapture excess funds or terminate the project. The COWSD will notify the subrecipient well in advance of either planned action.

Projects with Lagging Expenditures

Projects with lagging expenditures are subject to funding de-obligation or termination based on the percentage of the project expenditures found to be below plan. For example, if a project is 20 percent below the planned expenditure level, COWSD could reduce the project's overall funding by 20 percent. Project termination would be an option if the spectrum of lagging factors is such that the project appears unlikely to be successful.

Projects with Lagging Participant Service Attainments

Projects with lagging participant service levels are also subject to funding de-obligation or termination, based on the percentage the project participant service attainments are found to be below plan. For example, if a project's enrollments are 20 percent below plan, COWSD could reduce the project's overall funding by 20 percent. Project termination would be an option if the spectrum of lagging factors is such that the project appears unlikely to be successful. However, if funding is reduced due to low expenditures it will not be further reduced for low participant service attainments.

Combined Factors

Staff will compare the rates of expenditure and participation to determine the viability of the project. If the percentage of actual to planned expenditures exceeds the percentage of actual to planned participants by more than 20 percentage points, the state will consider the project to be lagging. For example, a project is lagging if its expenditures are 111 percent of plan and its enrollments are 90 percent of plan.

In response to the above example, the COWSD could reduce the project's overall funding. Project termination would be an option if the spectrum of lagging factors significantly exceeds that of the example, to the extent that the project appears unlikely to be able to succeed.

Mitigating Factors

In conducting the review, COWSD staff will take into account any mitigating factors, such as the following:

1. How long the recipient actually has had the funding (e.g., whether the project is in its initial stages).
2. Whether unforeseen temporary barriers caused low expenditures or client services (e.g., the fact that the project is lagging is not indicative of its future operations).
3. Whether the project's lagging performance reflects a past performance issue, which then was overcome in the subsequent operation of the project.
4. Whether the project operator currently has other state projects serving similar populations that are lagging.
5. Whether the project operator has a corrective action plan that appears likely to be successful.
6. Whether the project operator is executing the project in accordance with the scope and purpose of the contract.

The COWSD staff will make recommendations to COWSD management regarding all lagging projects. Recommendations will be to reduce funding, terminate the project, let it continue to operate unchanged, or let it continue to operate with stipulations (which may include a

probationary period wherein improvements are to be shown, a viable corrective action plan, or other agreed-upon actions which have the potential to ensure the success of the project). The COWSD Chief will review and approve all recommendations to reduce funding or to terminate projects before they are implemented.

These policies and procedures depend on initial implementation of sound, realistic participant and expenditure plans and on maintenance of these plans on an ongoing basis. It is essential for project operators to work with their assigned Regional Advisor or Project Manager to develop and receive approval of a realistic initial plan and to make timely changes as circumstances dictate. Mere submission of revised participant and/or expenditure plans will not constitute adequate corrective action. Any requested changes, and in particular requests for “time-only” extensions, must be accompanied by strong justification and supporting documentation. The Regional Advisor or Project Manager will consider the quality of such requests in making his/her recommendation.

Incremental and Split-year Funding Decisions

These policies, procedures, and other considerations also apply to incrementally and split-year funded projects. If the analysis of current expenditures or participant services indicates the project is lagging and its funding is at risk of being reduced or terminated, the award of previously-reserved incremental funding and/or funding for the subsequent year may be affected. Such funding may be reduced or denied, consistent with any de-obligation decision which has been reached regarding the project’s current program year funding.

ACTION

Please bring this directive to the attention of appropriate staff.

INQUIRIES

If you have any questions concerning this directive, please contact your assigned Regional Advisor or Project Manager.

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: SUBSIDIZED EMPLOYMENT AND EMPLOYEE BENEFITS

EXECUTIVE SUMMARY

Purpose

This policy provides guidance for determining compliance with the employee benefit provisions of the *Patient Protection and Affordable Care Act (ACA)* and *Healthy Workplaces, Healthy Families Act of 2014 (HWHFA)* for subsidized work based training and employment programs under the *Workforce Innovation and Opportunity Act (WIOA)*.

Scope

This directive applies to all Local Workforce Development Areas.

Effective Date

This directive is effective on the date of issuance.

REFERENCES

- WIOA (Public Law 113-128)
- ACA (Public Law 111-148)
- Title 26 *Code of Federal Regulations (CFR)* Chapter 43, Section 4980H
- *California Assembly Bill (AB) 1522, "HWHFA"*, Chapter 317, Statutes of 2014
- AB 304, "Sick Leave: Accrual and Limitations", Chapter 67, Statutes of 2015

STATE-IMPOSED REQUIREMENTS

This directive contains no state-imposed requirements.

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

FILING INSTRUCTIONS

This directive finalizes Workforce Services Draft Directive WSDD-141, issued for comment on April 22, 2016. The Central Office Workforce Services Division did not receive any comments during the draft comment period. Retain this directive until further notice.

BACKGROUND

The WIOA emphasizes the importance of establishing an integrated and job-driven workforce system. Along with this comes an increased focus on using subsidized, work-based training and employment opportunities. Subsidized, work-based training and employment typically refers to a program in which WIOA funds are used to subsidize all or a portion of a participant's hourly wage for a specific period, while the participant receives training and/or employment. Examples of these programs include, but are not limited to, on-the job training and youth work experience.

Subsidized work-based training and employment has many benefits, such as providing participants with an opportunity to gain new skills, exposure to a new profession, and experience for their résumé. It can also serve as an effective transitional tool to move an unemployed participant into permanent employment. In addition, subsidized employment can be used in some emergency response situations where there is an urgent demand for short-term wage replacement, such as in the case of a National Dislocated Worker Grant.

POLICY AND PROCEDURES

Over the past several years, two important pieces of legislation were passed related to employee benefits. The ACA was signed into federal law by President Obama in 2010. It established a federal mandate for employers to provide health insurance to eligible employees. The HWFHA was signed into state law by Governor Brown in 2014. It established a state mandate for employers to offer paid sick leave to eligible employees.

Questions have arisen regarding whether the employer of record for a subsidized work based training and employment program is required to comply with the provisions found in the ACA and/or the HWHFA. Unfortunately, the State cannot provide blanket guidance on this topic. This is due to large variances in (1) how each subsidized training and employment program is structured, (2) the laws and regulations that govern the employee benefits, and (3) the entities which oversee the laws. For example, the U.S. Internal Revenue Service (IRS) provides guidance and oversight for the employer shared responsibility provisions of the ACA, whereas the California Department of Industrial Relations provides guidance and oversight for compliance with the HWHFA.

In order to determine whether the employer of record would be subject to these laws, each WIOA subrecipient must review the provisions of its subsidized training and employment contracts (e.g., hours worked, type of work, length of employment) and compare them with the applicable federal or state guidance. A high level summary of key provisions found in each law,

as well as links to additional sources of information, is provided below to assist WIOA subrecipients with this process.

Patient Protection and Affordable Care Act

Signed by President Obama in March 2010, the ACA was passed in order to increase the quality and affordability of health insurance, lower the uninsured rate by expanding public and private insurance coverage, and reduce the costs of healthcare for individuals and the government.

A key component of the ACA is the employer shared responsibility provisions, sometimes referred to as the employer mandate, which is a penalty that can potentially be incurred by employers who do not offer health insurance to their full-time workers. The IRS issued final regulations as well as a press release, fact sheet, and a series of questions and answers on this mandate. This guidance includes important changes and transition rules that may be of value to employers.

Several factors can determine whether the employer of record for a subsidized work based training or employment program would be subject to this mandate, as it relates to their WIOA subsidized employment. Therefore, WIOA subrecipients should look at their subsidized training or employment contracts and compare them with the applicable federal guidance.

For more information, please reference the following resources:

- [ACA Tax Provisions for Large and Small Employers](#)
- [ACA Employer Shared Responsibility Provisions](#)
- [ACA Employer Shared Responsibility Provisions - Questions and Answers](#)
- [ACA Employer Shared Responsibility Provisions - Federal Regulations](#)

Healthy Workplaces, *Healthy Families* Act of 2014

Signed by Governor Brown in September 2014, the HWHFA requires employers to provide paid sick leave to specified California employees beginning July 1, 2015.

Under this legislation, an employee working in California on or after July 1, 2015, for the same employer for 30 or more days within a year, is entitled to paid sick leave. The paid sick leave accrues at the rate of one hour for every 30 hours worked and is payable at the employee's current rate of pay. Employees are entitled to begin using any sick leave they have accrued on the 90th day of employment.

The HWHFA contains very limited exceptions of who is not considered to be an employee. These exceptions include, but are not limited to, the following:

- Employees covered by a valid collective bargaining agreement which provides for paid sick days
- In-home support services employees
- Airline flight deck or cabin crew employees who have equivalent benefits

- Specified retired annuitants

Withstanding the exceptions identified in statute, including those listed above, this law applies to all temporary, part-time and full-time employees.

According to the HWHFA, employers are required to do the following:

- Allow eligible employees to use accrued paid sick leave upon reasonable request.
- Show how many days of sick leave an eligible employee has available. This must be on a paystub or a document issued the same day as a paycheck.
- Keep records for three years that show how many hours have been earned and used by an eligible employee.

For more information on the HWHFA and to determine whether your current contracts would be subject to any of the provisions, please visit the following resources:

- [AB 1522 - Healthy Workplace Healthy Family Act of 2014](#)
- [AB 304 - Healthy Workplace Healthy Family Act of 2014 Amendments](#)
- [Healthy Workplace Healthy Family Act of 2014 Information and Guidance](#)

ACTION

Please bring this guidance to the attention of all relevant parties.

INQUIRIES

If you have any questions, please contact your [Regional Advisor](#) at 916-654-7799.

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division