



Workforce System Directive

Transfer of Formula Funds

Effective Date of Policy: 1/19/24

Policy Number: WSD #71-2024

Rescissions: OWDI #07-2016

Approved By: Trae Rahill, Chief Executive Officer

Approved by Governor's Council for Workforce and Economic Development: 01/19/2024

STAKEHOLDERS:

- Chief Local Elected Officials
- Workforce Development Board Chairs
- Workforce Development Board Staff
- Designated Fiscal Agent Staff
- Oklahoma Career Tech
- Oklahoma Rehabilitation Services
- Wagner Peysner

REFERENCES:

- [Workforce Innovation and Opportunity Act](#) Title I
- [Federal Register/Vol. 81](#) No. 161, Parts 677 and 683

PURPOSE: The Oklahoma Employment Security Commission (OESC), as the Governor's chosen Workforce Innovation and Opportunity Act (WIOA) administrative entity provides this issuance as guidance related specific policy, procedures, and guidelines for the transfer of funds between the Title I Adult and Dislocated Worker Programs of the Workforce Innovation and Opportunity Act (WIOA, or "the Act").

MESSAGE:

WIOA allows a local board to transfer up to 100 percent of the fiscal year funds allocated to the local area for adult and dislocated worker employment and training services between the Adult Program and DLW Program. It also states the Governor is responsible for approving such transfers and for establishing the criteria for approving those transfers.

The ability to transfer funds between the adult and the dislocated worker programs is intended to give greater flexibility to LWDBs to meet the workforce needs of their local area. The desire to transfer funds should be driven by demonstrated need in a specific program and the ability to utilize those dollars more effectively to achieve the objectives of the local area. Local

Workforce Development Boards (LWDBs) may serve clients from multiple funding streams, including discretionary grants administered by OESC, and the ability to transfer funds is intended to provide greater flexibility for managing all available funds to best meet the needs of customers. Further, Rapid Response and layoff aversion activities are duties of the local workforce development board, and up to 25% of its dislocated worker funds may be used for such activities.

Performance Outcomes

Local areas are accountable for meeting the negotiated WIOA performance measures for the Dislocated Worker and Adult programs and for reaching enrollment and expenditure targets. Transferring funds away from a program does not relieve the local area of its obligation to achieve any of the performance targets for that program. However, the State anticipates that enrollment, expenditure targets, or costs per participant will be adjusted proportionate to the amount of funds approved for transfer.

Approval Request Process

Local boards must submit a written Transfer of Funds Request to the Oklahoma Employment Security Commission (OESC) who, as the Governor's designated administrative entity for workforce development, approves or denies the transfer of funds between the Adult and Dislocated Worker Programs.

Each local area must consider how adjusted levels of performance for the primary indicators will be met before requesting such a transfer. A rationale for the transfer of funds between the programs must address:

- a documented need to transfer funds in order to respond to market conditions and use resources effectively that is based on labor market data.
- documented outreach activities performed to reach dislocated workers or adults.
- justifications for the transfer supported by local data, including the number of TAA petitions, WARNs and Rapid Response events in the local area, anticipated layoffs based on local economic conditions, Reemployment Services and Eligibility Assessment (RESEA), and other local American Job Center (AJC) data.
- the impact on jointly funded employment and training programs, the usage of the funds to be transferred, and the consistency of usage with the local strategic plan.
- the local area's progression toward the achievement of the 40% direct participant training expenditure requirement for funding available during the program year for Adults and Dislocated Workers, as well as the local area's determination that they are on track to meet the required 40% for the current program year; and
- that the local area is on track to meet participant measurements for the Adult and Dislocated Worker programs.

Additionally, if a local area is requesting to transfer more than 60 percent of its funds, the local

area must also address:

- if the priority of service requirements for the Adult program is on track to be met.
- how work-based learning enrollments, including Registered Apprenticeship, On-the-Job training, and Work Experience, are a part of the local area's plans.
- local collaborations with partner agencies demonstrated by co-enrollments and leveraging multiple funding streams and program referrals; and
- how business services activities, including Rapid Response and layoff aversion strategies such as incumbent worker training, have been carried out in the local area.

Local areas must submit a copy of the LWDB approved minutes showing the Board's approval of the transfer of funds and a Transfer of Funds Request form, Attachment A, along with the rationale and guarantees to the Oklahoma Employment Security Commission at Deanna.Smith@oesc.ok.gov.

Approval Process

- OESC, as the Governor's designated administrative entity, has the authority to approve or disapprove all transfer of funds requests. Approving status and any additional guidance will be issued upon receipt of all proper documentation.
- Notification of status will be made by e-mail within 15 days of receipt of request.

After a Request is Approved

- Under no circumstances will the budget change on the "From" or "To" title/part.
- To adequately document the approved transfer within your accounting records, make a journal entry within the funding stream where the funds will come "From" showing the expense in the full amount. This will require that you establish a "Transfer" code in your chart of accounts for tracking purposes.
- Also, in your records, show the individual expenditures as they occur for approved activities under their associated account codes from your chart of accounts. These should be tracked under the funding stream being transferred "From". Note: For monitoring purposes, it will be necessary for the Fiscal Agent to run a financial report that lists only those expenditures incurred as part of the approved transfer. Recommendation: Establish account codes specific to these expenditures.
- When entering the monthly expenditure report in OKGrants (Oklahoma's grant management database for fiscal processes) for the month the request is approved, enter the amount of the approved transfer under "TRANSFERS" on the monthly expenditure report where funds are being transferred "FROM". Splitting the expenditures between admin and program, enter under "Current Month."

Terms and Conditions

- The transfer of funds cannot result in an overall deficit in any program.
- The transferred funds only change activity identity and not monetary

identity. Therefore, a contract modification is not required.

- WIOA law allows for transfer of funds, therefore submission of budget modifications will not be required. However, expenditure reports and on-site monitoring should reflect actions taken to implement the approved request for the transfer.
- The transferred funds are subject to all rules of the receiving title/part, including cost limitations and eligibility requirements.
- Expenditures associated with transferred funds are tracked in the title/part from which they were transferred.
- Unless approved in writing by OESC, performance standards for each title remain unchanged.
- Only current program year funds may be transferred between titles, no carryover funds may be transferred.
- Transfer of funds may be done twice per program year. Note: transfers during the program year are cumulative. A second transfer request made during the program year that cumulatively adds up to 60% or more of the program year funds will require responses to the additional criteria included on the Transfer of Funds Request to be considered for approval.
- Funds may not be transferred to avoid recapture procedures or grant under/over procedures.
- Funds transferred to the adult employment and training activities, or the dislocated worker employment and training activities will be a part of the base amount for determining compliance with Section 128(c) and 133(c) of the Act for reallocation of unobligated funds in excess of 20 percent.

EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT: All Recipients, and Sub-recipients/Sub-grantees must comply with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

ACTION REQUIRED: This Workforce Service Directive (WSD) is to become a part of your permanent records and made available to appropriate staff and sub-recipients.

INQUIRIES: If you have any questions or concerns regarding issuance email: WorkforceServices.Inquiry@oesc.ok.gov.

ATTACHMENTS:

Attachment A: Transfer of Funds Request

Attachment A: Transfer of Funds Request

Transfer of Funds Request

Local Area: Click or tap here to enter text.

Contact Person: Click or tap here to enter text. **E-Mail:** Click or tap here to enter text.

Subgrant Number: Click or tap here to enter text. **Request Date:** Click or tap to enter a date.

Program Year: Click or tap here to enter text. **Amount of Transfer:** Click or tap here to enter text.

Direction of Transfer (Check One): Adult to Dislocated Worker Dislocated Worker to Adult

Date of Local Board approval: Click or tap to enter a date.

Each local area must consider how adjusted levels of performance for the primary indicators will be met before requesting such a transfer. A rationale for the transfer of funds between the programs must address the following:

Describe how the requested transfer will allow the local area to respond to market conditions and use resources effectively. Must include labor market data in description.
Click or tap here to enter text.

Provide the numbers for each category listed below demonstrating the number of events in the local area:

Adult enrollments previous PY: Click or tap here to enter text. **Dislocated Worker enrollments previous PY:** Click or tap here to enter text.

TAA petitions: Click or tap here to enter text. **WARNs:** Click or tap here to enter text.

Rapid Response Events: Click or tap here to enter text. **Anticipated layoffs:** Click or tap here to enter text.

RESEA: Click or tap here to enter text.

Other data (Optional. Please describe.): Click or tap here to enter text.

Describe outreach activities performed to reach dislocated workers or adults:
Click or tap here to enter text.

Describe the impact of the requested transfer on jointly funded employment and training programs, how the transferred funds will be strategically used, and how the usage is consistent with the local strategic plan:

Click or tap here to enter text.

As a percentage, please enter the local area's current progress toward the achievement of the required 40% direct participant training expenditure rate.

Click or tap here to enter text.

Is the local area on track to achieve the required 40% by the end of the current program year? (Check one)

Yes

No

If no, please explain: Click or tap here to enter text.

Is the local area on track to meet participant measurements for the Adult and Dislocated Worker programs? (Check one)

Yes

No

If the local area is requesting to transfer more than 60 percent of its funds, the local area must also address:

How will the local area remain on track to meet priority of service requirements?

Click or tap here to enter text.

How does the local area include work-based learning enrollments, including Registered Apprenticeship, On-the-Job training, and Work Experience, as part of the local area's adult or dislocated worker program strategy?

Click or tap here to enter text.

How has the local area collaborated with partner agencies to co-enroll participants, leverage multiple funding streams, and increase program referrals? Include numbers.

Click or tap here to enter text.

How has the local area carried out business services activities, including Rapid Response and layoff aversion strategies such as incumbent worker training? Provide specific examples and dollar amounts where applicable.

Click or tap here to enter text.

By signing below, the Local Area Director requests a transfer of funds and certifies that this transfer request was approved by the local workforce development board.

Signature: _____ **Date:** Click or tap to enter a date.

Name: Click or tap here to enter text. **Title:** Click or tap here to enter text.