OKLAHOMA
Employment Security Commission

Workforce System Directive

Local Area Initial Designation and Appeals Process

Effective Date of Policy: 5/26/2026 **Policy Number:** WSD 11-2024, Change 1
Rescissions: WSD 11-2024 **Approved By:** Trae Rahill, Chief Executive Officer
Original Approval: Approved by Governor's Council for Workforce and Economic Development: 01/19/2024
Change 1: Department of Labor Compliance, 5/26/2026

STAKEHOLDERS:

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

REFERENCES:

- Workforce Innovation and Opportunity Act, Section 106

PURPOSE: To provide guidance and process for the initial designation of Workforce Development Areas in Oklahoma, along with the process for appealing designation decisions.

STEVENS AMENDMENT: Oklahoma Works programs and services are administered by the Oklahoma Employment Security Commission under the Workforce Innovations and Opportunity Act and are 100% funded by the United Stated Department of Labor Employment and Training Administration (USDOLETA) through awards totaling $17,639,410.

BACKGROUND: The Workforce and Innovation and Opportunity Act (WIOA) mandates that the Governor's Council for Workforce and Economic Development (GCWED) (or "State board") shall assist the Governor in initial designation of Workforce Areas, as required in Section 106, and that an appeals process is in place.

The Governor of the State shall designate local workforce development areas within the State:

i. Through consultation with the State board; and
ii. After consultation with chief elected officials and after consideration of comments received through the public comment process as described in Section 102(b)(2)(E)(iii)(II).

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

WIOA further states that the considerations should include the following:

i. The extent to which the areas are consistent with the labor market areas in the State.
ii. The extent to which the areas are consistent with regional economic development areas in the State; and
iii. The extent to which the areas have available the Federal and non-Federal resources necessary to effectively administer activities under subtitle B and other applicable provisions of the Act, including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools.

WIOA states that a unit of general local government (including a combination of such units) or grant recipient that requests but is not granted designation of an area as a local area, may submit an appeal to the State board under an appeal process established in the State plan.

Initial Local Area Designation

As stated in WIOA section 106, the Governor shall approve a request made for initial designation by any local area if, during Program Years (PYs) 2012 and 2013, the local area:

1. was designated as a local area under WIA.
2. performed successfully; and
3. sustained fiscal integrity.

Initial designation is effective July 1, 2015, through June 30, 2017. Local areas must apply for initial designation using the process included in this directive. Local areas that would like to modify their current geographical boundaries are eligible to apply under their new structure. (See Attachment 2 – Modified Local Area Application for Initial Local Area Designation.)

Subsequent designation will be effective July 1, 2017. Therefore, during the initial designation period, local areas should be planning and preparing to meet the WIOA requirements for subsequent designation [i.e., perform successfully, sustain fiscal integrity, and in the case of a local area in the planning region, meet the regional planning requirements in WIOA section 106(c)(1)]. Additionally, local areas should be preparing to meet the new Office of Management of Budget (OMB) Omni-Circular regulations which apply to new awards and additional funding (funding increments) to existing awards made after December 26, 2014, (i.e., the youth allocations beginning April 1, 2015, and all subsequent allocations).

Definitions

Performed Successfully – A local area has achieved at least 80 percent of their local performance goal on each performance measure for PYs 2012 and 2013.

Sustained Fiscal Integrity – The local area has not been found in violation of one or more of the following during PYs 2012 or 2013:

1. Final determination finding(s) from audits, evaluations, or other reviews conducted by State or local governmental agencies or the Department of Labor identifying issues of fiscal integrity or mis-expended funds due to the willful disregard or failure to comply with any WIA requirement, such as failure to grant priority of service or verify participant eligibility: or
2. Gross negligence – defined as a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both; or

   Any failure to observe accepted standards of administration. Local areas must adhere to the uniform administrative requirements set forth in Title 2 CFR Part 200, and Title 29 CFR Parts 95 and 97. ***Local areas must have fully met their federally mandated responsibilities for the two previous program years (PY 2012 and PY 2013) and including timely reporting of WIA participant and expenditure data, timely completion and submission of the required annual single audit, and have not been placed on cash hold for longer than 30 days.*** [In alignment with WIOA Section 106(e)(2).]

DESIGNATION:

WIOA requires that existing federally recognized workforce areas are designated during the first two program years, which is referred to as Initial Designation, and again after the first two program years, which is referred to as Subsequent Designation. Units of general local government that desire to become a new (Attachment 1) or new modified (Attachment 2) local workforce area should follow the WIOA Designation for New Areas requirements in section B.

A. **INITIAL WIOA DESIGNATION FOR EXISTING REGIONS:** Existing workforce regions operating in accordance with the Workforce Investment Act of 1998 may request initial designation as a Local Workforce Development Area if they have performed successfully and sustained fiscal integrity. An area seeking initial designation must address the following:
   1. Submit a completed application to the Governor's Council for Workforce and Economic Development by close of business **July 15, 2015**.
   2. The completed application must include Attachment 1 which provides evidence that the area, in program years 2012 and 2013, met or exceeded the agreed upon adjusted levels of performance for the Common Measures, as defined by existing performance agreements, and was not subject to the sanctions process resulting from missing the same measure two years in a row.
   3. Provide assurance that during program years 2012 or 2013, the U.S. Secretary of Labor, or the State in place of the Secretary, has not made a formal determination that the grant recipient or administrative entity for the local area has mis expended funds due to willful disregard, gross negligence, or failure to comply with accepted standards of administration.
   4. Provide evidence that the area, in program years 2012 and 2013, was committed to providing quality service through continuous improvement efforts and implemented plans that supported sector partnerships or career pathways, or enhanced services

to employers or outreach efforts to the local community. Progress reports submitted to the Oklahoma Employment Security Commission (OESC) on annual plans for the years will serve as sufficient data.

The OESC will recommend approval to the Governor of a local area's request that satisfies these requirements in accordance with WIOA Section 106(b)(2). Initial designation as a local area will remain valid until June 30, 2017.

WIOA DESIGNATION FOR NEW AREAS: Any unit of general local government may request designation as a Local Workforce Development Area under WIOA. Modified Local Area Designations for Initial Designation (Attachment 2) will only become effective on July 1 of the next program year. In order for designation to be approved for the start of the next program year, the following steps and timeline must be met.

1. A Modified Local Area Application (Attachment 2) must be submitted to the Oklahoma Employment Security Commission (OESC) no later than **February 15, 2016.** The OESC will work with the requesting area to determine the deadline for the full request.
2. The application must clearly outline the circumstances for the request of designation.
3. The application must also address and explain how the following criteria are met:
   a. Consistency with natural labor market areas
   b. Consistency with regional economic development areas
   c. Existence of education and training providers, such as institutions of higher education and career and technical education schools in the area.

ACTION REQUIRED:
The Chief Local Elected Official must submit the completed application for Initial Designation to the Governor's Council for Workforce and Economic Development, Oklahoma Employment Security Commission, no later than **July 15, 2015,** to:

Mail: Oklahoma Employment Security Commission
2401 N. Lincoln Blvd.
Oklahoma City, OK 73105

<u>Assessment of the Application for Initial Designation</u>:
Once a completed application is received, the Governor's Council for Workforce and Economic Development), in collaboration with the appropriate staff from the OESC will verify the information provided in the application. The GCWED will use the results of this assessment to determine whether to recommend approval or denial of the application.

The CLEO will be notified in writing by **July 30, 2015,** regarding the approval or denial of its initial designation application. If approved, the initial designation will be effective July 1, 2015, through June 30, 2017. If denied, the CLEO may contest the decision using the appeal process below.

Appeal Process for Designation:

An area or areas seeking to be designated as a Local Workforce Development Area, which has requested but has been denied its request for initial designation as a Local Area, may appeal the decision to the Governor's Council for Workforce and Economic Development, Executive Committee, through the Oklahoma Employment Security Commission (OESC) and request a hearing by the following process:

1. An appeal and request for a hearing must be mailed to the Oklahoma Employment Security Commission within ten (10) calendar days from the mailing date of the notice of denial of designation.
   Mail: Oklahoma Employment Security Commission
   Attn: Workforce Services Division
   2401 North Lincoln Blvd.
   Oklahoma City, OK 73105
2. The appeal must be in writing and contain a specific statement of the grounds upon which the appeal is sought and, must state the reasons why the appellant should be designated.
3. Within thirty (30) calendar days of the receipt of the appeal, the Chair of the Executive Committee will contact the appellant to schedule a hearing date. The hearing will be scheduled within thirty (30) calendar days.
4. The GCWED Executive Committee will conduct the appeal hearing process and provide a written decision to the appellant no later than five (5) calendar days after the hearing. The approval or denial will be sent as a recommendation to the Governor.
5. The final decision rests with the Governor.

Appeal of Executive Committee Decision:

An area seeking to be a Local Workforce Development Area, which has requested and has been denied its request for initial or subsequent designation by the GCWED, may also appeal the denial to the U.S. Department of Labor. [WIOA Section 106 (b)(5)] This second level of appeal must be sent within 30 days to:

Assistant Secretary of Employment and Training
U.S. Department of Labor
200 Constitutional Avenue, N.W.
Washington, DC 20210

A copy of the appeal must also be provided to the state and the:

ETA Regional Administrator
U.S. Department of Labor
525 S. Griffin Street
Dallas, TX 75202

IMPLEMENTATION DATE:

Immediately upon receipt.

EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT: All Recipients, and Sub-recipients must comply with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex, 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.

ATTACHMENTS:
Attachment 1 – Existing Local Area Application for Initial Local Board Area Designation
Attachment 2 – Modified Local Area Application for Initial Local Area Designation

INQUIRIES: For any questions or concerns related to this issuance, please begin by submitting a Technical Assistance Request. If additional clarification is needed after your request has been reviewed, you may email WorkforceServices.Inquiry@oesc.ok.gov.

Existing Local Area

Application for Initial Local Board Area Designation

Program Year 2015-2016

Local Area

Existing Local Area
Application for Initial Local Area Designation
Program year 2015-2016

This application will serve as your request for Local Workforce Development Area (local area) initial designation under the Workforce Innovation and Opportunity Act (WIOA) for Program Year (PY) 2015-2016.

If the Oklahoma Employment Security Commission determines the application is incomplete, it will either be returned or held until the necessary documentation is submitted.

_____

Name of Local Area

_____

Mailing Address

_____

City, State ZIP

_____

Date of Submission

_____

Contact Person

_____

Contact Person's Phone Number

Local Area Levels of Performance

Instructions: Enter your local area's negotiated levels of performance and actual levels of performance for PY's 2012-2013 and 2013-2014.

Performance Table				
Name of Local Area: _____				
Common Measure	**Negotiated PY 2012**	**Actual PY 2012**	**Negotiated PY 2013**	**Actual PY 2013**
Adult				
Entered Employment Rate				
Employment Retention Rate				
Average Earnings				
Dislocated Worker				
Entered Employment Rate				
Employment Retention Rate				
Average Earnings				
Youth (Ages 14-21)				
Placement in Employment or Education				
Attainment of a Degree or Certificate				
Literacy and Numeracy Gains				

Sustained Fiscal Integrity

The Local area herby certifies that it has not been found in violation of any of the following during either PYs 2012 or 2013:

1. **Final determination finding(s)** from audits, evaluations, or other reviews conducted by State or local governmental agencies or the Department of Labor identifying issues of fiscal integrity or mis expended funds due to the willful disregard or failure to comply with any WIA requirement, such as failure to grant priority of service or verify participant eligibility; or

2. **Gross negligence** defined as a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both; or

3. **Failure to observe accepted standards of administration**. Local areas must adhere to the uniform administrative requirements set forth in Title 2 CFR Part 200, and Title 29 CFR Parts 95 and 97. Local areas must have fully met their federally mandated responsibilities for the two previous program years including timely reporting of WIA participant and expenditure data, timely completion and submission of the required annual single audit, and have not been placed on cash hold for longer than 20 days [in alignment with WIOA Section 106(e)(2)].

Local Area Assurances

Through PY 2015-2016, the local area assures that:

A. It will comply with the applicable uniform cost principles included in the appropriate circulars or rules of the Office of Management and Budget (OMB). [WIOA Section 184(a)(3)].

B. All financial reporting will be done in compliance with federal and State regulations and guidance (i.e. directives and information notices) issued by the Oklahoma Employment Security Commission potential cash hold. [29 Code of Federal Regulations (CFR) 97.21(g)].

C. It will meet State requirements and spend a minimum of 15 percent of combined total of adult and dislocated worker formula fund allocations on training services, beginning with PY 2015-2016 funding.

D. All close out reports will comply with the policies and procedures issued by the Oklahoma Employment Security Commission.

E. It will comply with the audit requirements specified by the State. Failure to comply may result in sanctions imposed by the State.

F. It will maintain and provide auditors, at all levels, accounting and program records including supporting source documentation.

G. No funds received under WIOA will be used to assist, promote, or deter union organizing. [WIOA Section 181(b)(7)]

H. The local board will comply with the nondiscrimination provisions of WIOA Section 188, including the collection of necessary data.

I. The local board will collect, enter, and maintain data related to participant enrollment, activities, and performance necessary to meet all reporting requirements and deadlines.

J. Funds will be spent in accordance with written Department of Labor guidance, and other applicable federal and State law and regulations.

K. It will comply with future State policies and guidelines, legislative mandates and/or other special provisions as may be required under federal law or policy, including the WIOA or State legislation.

L. Priority shall be given to veterans, recipients of public assistance, or other low-income individuals, and individuals who are basic skills deficient for receipt of career and training

services funded by WIOA Adult funding. [WIOA Section 134(c)(E) and Training and Employment Guidance Letter 10-09]

M. Priority will also be given to the participation in the designated regional planning areas assisting the Chief Local Elected Officials and Local Board Chairs in developing the regional plan to assist in addressing effectiveness and the reduction of costs.

Application Signature Page

Instructions: The local Chief Local Elected Official (CLEO) and local board chair must sign and date this form. Include the original signatures in the application package.

By signing the application below, the local CLEO and local board chair request initial designation of the existing local area. They certify that the local area has performed successfully and sustained fiscal integrity during PYs 2012 and 2013. Additionally, they agree to abide by the local area assurances include in this application.

Local Workforce Development Board Chair	Local Chief Elected Official
_____	_____
Signature	Signature
_____	_____
Name	Name
_____	_____
Title	Title
_____	_____
Date	Date

Modified Local Area

Application for Initial Local Board Area Designation

Program Year 2015-16

Local Area

Modified Local Area Application
For
Initial Local Area Designation
Program Year 2015-16

This application will serve as your request for initial designation as a Modified Local Workforce Development Area (local area) under the Workforce Innovation and Opportunity Act (WIOA) for Program Year (PY) 2015-16. Examples of modified 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 Governor's Council for Workforce and Economic Development (State Board) determines the application is incomplete, it will either be returned or held until the necessary documentation is submitted.

Name of Local Area _____

Mailing Address _____

City, State, Zip _____

Date of Submission _____

Contact Person _____

Contact Person's Phone Number _____

Modified Local Area Levels of Performance

Instructions: For each local area that is associated with the newly modified local area, enter the local negotiated levels of performance and actual levels of performance for PYs 2012 and 2013.
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.

Performance Table				
Name of Local Area:				
Common Measure	**Negotiated PY 2012**	**Actual PY 2012**	**Negotiated PY 2013**	**Actual PY 2013**
Adult				
Entered Employment Rate				
Employment Retention Rate				
Average Earnings				
Dislocated Worker				
Entered Employment Rate				
Employment Retention Rate				
Average Earnings				
Youth (ages 14-21)*				
Placement in Employment or Education	72%			
Attainment of a Degree or Certificate	60%			
Literacy and Numeracy Gains	54%			

*Note: For PY 2012-13, each local area's youth performance goals were the same as the State level goals.

Performance Table				
Name of Local Area:				
Common Measure	**Negotiated PY 2012**	**Actual PY 2012**	**Negotiated PY 2013**	**Actual PY 2013**
Adult				
Entered Employment Rate				
Employment Retention Rate				
Average Earnings				
Dislocated Worker				
Entered Employment Rate				
Employment Retention Rate				
Average Earnings				
Youth (ages 14-21)*				
Placement in Employment or Education				
Attainment of a Degree or Certificate				
Literacy and Numeracy Gains				

*Note: For PY 2012-13, each local area's youth performance goals were the same as the State level goals.

Modified Local Area Narrative

A modified local area must submit a narrative to support an application for initial designation.

1. Local Area Modification Considerations

The following considerations represent the type of information a modified local area must submit in order to be initially 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.

Sustained Fiscal Integrity

The local area hereby certifies that it has not been found in violation of any of the following during either PYs 2012 or 2013:

1. **Final determination finding(s)** from audits, evaluations, or other reviews conducted by State or local governmental agencies or the Department of Labor identifying issues of fiscal integrity or mis expended funds due to the willful disregard or failure to comply with any WIA requirement, such as failure to grant priority of service or verify participant eligibility; or

2. **Gross negligence** defined as a conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both; or

3. **Failure to observe accepted standards of administration**. Local areas must adhere to the uniform administrative requirements set forth in Title 2 CFR Part 200, and Title 29 CFR Parts 95 and 97. ***Local areas must have fully met their federally mandated responsibilities for the two previous program years including timely reporting of WIA participant and expenditure data, timely completion and submission of the required annual single audit, and have not been placed on cash hold for longer than 30 days.*** [in alignment with WIOA Section 106(e)(2)]

Local Area Assurances

Through PY 2015-16, the local area assures that:

A. It will comply with the applicable uniform cost principles included in the appropriate circulars or rules of the Office of Management and Budget (OMB). [WIOA Section a.184(a)(3)]

B. All financial reporting will be done in compliance with federal and State regulations, and guidance (i.e., directives and information notices) issued by the Office of Workforce Solutions. Failure to comply with financial reporting requirements will be subject to potential cash hold. [29 Code of Federal Regulations (CFR) 97.21(g)]

C. All close out reports will comply with the policies and procedures issued by the Oklahoma Employment Security Commission.

D. It will comply with the audit requirements specified in Title 2 CFR Subtitle A Chapter II Part 200 Subpart F. Failure to comply may result in sanctions imposed by the State.

E. It will maintain and provide to auditors, at all levels, accounting and program records including supporting source documentation.

F. No funds received under WIOA will be used to assist, promote, or deter union organizing. [WIOA Section 181(b)(7)]

G. The local board will comply with the nondiscrimination provisions of WIOA Section b. 188, including the collection of necessary data.

H. Funds will be spent in accordance with written Department of Labor guidance, and other applicable federal and State laws and regulations.

I. Its procurement procedures will avoid acquisition of unnecessary or duplicative items, software, and subscriptions. (In alignment with 2 CFR Part 200.318)

J. It will comply with future State Board (GCWED) policies and guidelines, legislative mandates and/or other special provisions as may be required under federal law or policy, including the WIOA or State legislation.

K. Priority shall be given to veterans, recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient for receipt of career and training services funded by WIOA Adult funding. [WIOA Section 134(c)(3)(E) and Training and Employment Guidance Letter 10-09]

L. If it is located within a planning region, it will meet the regional planning requirements in WIOA Section 106(c)(1).

Application Signature Page

Instructions: The local CLEOs of all affected local areas must sign and date this form. Include the original signatures in the application package.

By signing the application below, the local CLEO requests initial designation as a modified local area. The local CLEO certifies that the local area has performed successfully and sustained fiscal integrity during PYs 2012 and 2013. Additionally, (s)he agrees to abide by the local area assurances included in this application.

Local Chief Elected Official(s):

Name	Title
Signature	Date
Name	Title
Signature	Date
Name	Title
Signature	Date