


# REPORT OF THE CHIEF LEGISLATIVE ANALYST

---

DATE: June 22, 2018

TO: Honorable Members of the Economic Development Committee

FROM: Sharon M. Tso   
Chief Legislative Analyst

Council File No: 18-0543  
Assignment No: 18-06-0592

## **Workforce Development Board Annual Plan Program Year 2018-19 New Policies**

### SUMMARY

The Economic and Workforce Development Department (EWDD) develops the City of Los Angeles Workforce Development Annual Plan (Annual Plan) at the direction of the Workforce Development Board (WDB), City Council, and Mayor. The Annual Plan establishes the priorities, strategies and policies for the City's Workforce Development System (WDS) which provides the following:

- Workforce and training services for adults.
- Education and employment support for youth.

The Annual Plan also seeks to improve the delivery of workforce services to vulnerable populations such as homeless individuals, the re-entry population, and disconnected youth. The Annual Plan details major funding sources and is consistent with the federal Workforce Innovation and Opportunity Act (WIOA) and the California Unified State Plan. The 2018-19 Annual Plan was transmitted on June 11, 2018 (C.F. 18-0543).

The WDB, City Council, and Mayor are responsible for developing policy in response to federal legislation and current state law. As prescribed in the WDB/Local Elected Officials (LEO) Agreement, these bodies provide policy guidance, governance, and program oversight of the City's WDS. Through the development of the Annual Plan, these entities establish the services, activities, and budget of the City's WDS for the upcoming Fiscal Year.

For Program Year 2018-19 (July 1, 2018-June 30, 2019), the City will receive approximately \$35.2 million in WIOA Adult, Dislocated Worker, Youth, and Rapid Response Formula funds from the State and approximately \$30.76 million in non-WIOA workforce-related funds. In addition, WIOA carry-over funds from PY 2017-18 in the amount of \$3.29 million and \$3.23 million in other workforce-related grant funds are estimated to be available for reallocation in Fiscal Year 2018-19. Total new funding for WDS activities, including carry-over funds, is projected to be approximately \$72.48 million. The City Administrative Officer will report on the budgetary components of the Annual Plan under separate cover.

There are a total of 51 policies that govern the delivery of services in the 2018-19 Annual Plan. Of the 51 policies, 14 have been adopted and 30 have been revised to make technical changes in response to new State and federal directives and to enhance the delivery of services to clients. This report focuses on 7 new policies proposed by the WDB (attached). Highlights of these new policies are presented below:

1. Allowable Cost Policy

This policy provides guidance to WIOA-funded service providers in determining which costs are eligible to be paid with WIOA grant funds. This policy requires service providers to use a matrix of possible allowable costs and to consult applicable federal, state, and local regulations when determining which costs can be charged to the grant.

In addition, the policy requires service providers to ensure that costs meet certain criteria, including whether an activity is necessary and reasonable for effective program performance and is needed for proper administration of the grant. This policy was formulated in response to a new directive from the State Employment Development Department (State EDD) which required local areas (such as the Los Angeles) to update policies and procedures in connection with determining eligible costs.

2. Apprenticeship Policy

This policy establishes new requirements regarding the use of WIOA funds for individuals in apprenticeship programs. The policy requires that such programs include the following components:

- The development of a robust apprenticeship program across the region.
- The use of partnerships between WorkSource Centers (WSC) and YouthSource Centers (YSC) and enrolling eligible candidates from WSC and YSCs.
- Citywide implementation of apprenticeship programs.
- Increased representation of women in apprenticeship programs, including outreach plans to increase retention of women.

3. Definition of “Substantial Layoff”

The WIOA establishes eligibility requirements for the use of WIOA Dislocated Workers funds for individuals who have experienced a “substantial layoff.” This policy clarifies the definition of a “substantial layoff” to mean “the lay-off of at least ten employees from a plant, facility, or enterprise within a 30-day period.” The policy would require all City WSC providers to use this definition when determining eligibility for individuals applying for the Dislocated Worker program. This policy is intended to streamline the process of determining if workers are eligible for these funds and to provide clarification to WIOA-funded contractors.

4. Definition of Unlikely to Return

Under the WIOA, prior to the provision of services, agencies must determine if a worker is “unlikely to return to a previous industry or occupation” prior to receiving Dislocated Worker services. This policy clarifies this definition to mean “unlikely to return to previous occupation or industry as a result of plant closure or downsizing.” The policy would require all City WSC providers to use the definition when determining eligibility of individuals applying for the Dislocated Worker Program. This policy is intended to streamline the process of determining if workers are eligible for these funds and to provide clarification and guidance to contractors.

5. Eligibility Determination Policy

Federal and State regulations require that all WIOA-funded agencies verify that participants meet eligibility requirements. This policy requires that contractors maintain proper records and documentation during the eligibility verification process.

6. Fiscal Monitoring Review Policies and Procedures Policy

The EWDD conducts fiscal reviews and audits of grant recipients to ensure that such recipients are complying with all requirements. These activities involve site visits, meetings with grant recipients, and actions to resolve the audit findings. This policy codifies EWDD's existing practices to ensure that these policies and procedures are consistently followed and applied.

7. Trade Adjustment Act (TAA) Co-Enrollment Policy

The Trade Adjustment Assistance (TAA) program is a federal program that assists workers who have lost or may lose their jobs as a result of foreign trade. This policy requires co-enrollment in the TAA and WIOA-funded programs. This policy was formulated in response to guidance issued by the State EDD to require co-enrollment in both programs.

In addition to the seven policies discussed previously, the EWDD is currently preparing a Gender Equity Policy which is referenced in the 2018-19 Annual Plan (C.F. 18-0543). This policy was requested by the Commission on the Status of Women and is also being prepared in accordance with Executive Directive 11 (Gender Equity in City Operations). Given this City priority, we recommend that the EWDD be instructed to transmit the Gender Equity Policy during the first quarter of Fiscal Year 2018-19.

Our Office recommends approval of the new and revised policies inasmuch as they provide greater oversight of funds, are aligned with City policies, and are required by the WIOA. In addition, we recommend that staff be instructed to monitor these policies and report on any impact incurred by the operators or the department as a result of the implementation of the new policies.

## **FISCAL IMPACT**

The recommendations in this report will not have an impact to the General Fund.

## **RECOMMENDATIONS**

That the City Council:

1. Approve and implement all proposed new policies included in the Program Year 2018-2019 Workforce Development Board Annual Plan (C.F. 18-0543).
2. Request the Workforce Development Board, and instruct the Economic and Workforce Development Department, to:
  - a. Transmit the Gender Equity Policy during the first quarter of Fiscal Year 2018-19.
  - b. Monitor the proposed new policies and report on any impact incurred by the operators or the department as a result of the new policies.

Brian Randol  
Brian Randol  
Analyst

Attachment: New Policies

SMT:IS:JW:BR

**Allowable Cost Policy****EFFECTIVE DATE: July 1, 2018****POLICY STATEMENT**

This policy provides guidance on general cost principles and allowable costs under the Workforce Innovation and Opportunity Act (WIOA) and the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Federal Acquisition Regulation Part 31.2, and other applicable Federal, State and Local awards regulations.

**POLICY AND PROCEDURES**

The following matrix lists the various cost items referenced in Title 2 CFR Sections 200.420 through 200.475 (consideration for selected items of cost). The columns in the matrix provide information whether a cost is allowable (A), allowable with prior approval (AP), allowable with condition (AC), unallowable (U), or not specified in the Uniform Guidance (NS); the specific CFR Sections,; and a comments section.

Subrecipients may use the matrix as an initial tool, rather than a final authority for making a determination of whether or not a cost would be considered allowable. When determining whether the cost of an item is allowable, subrecipients must also refer to the applicable sections of the Uniform Guidance, and other federal, state and local grant regulations.

If a cost item is denoted with two or more legend keys, subrecipients should look further into the various information sources as they may provide the additional clarity that is needed. The "NS" legend key means that information may not be readily available. The "AP" legend key means that prior written approval will be required from the City.

In general, to be an allowable charge, a cost must meet the following criteria:

- Be necessary and reasonable for the proper and efficient program performance and administration of the grant.
- Be allocable to the grant. A grantee may charge costs to the grant if those costs are clearly identifiable as benefitting the grant. In order to be allocable, a cost must be treated consistently with like costs and incurred specifically for the program being operated.
- Conform to any limitations or exclusions set forth in the award.

**New Policies**

- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-federal entity.
- Be accorded consistent treatment.
- Be determined in accordance with generally accepted accounting principles.
- Be adequately documented.
- Not be used to meet cost sharing or matching requirements of any other federally-financed program (without prior approval from the City).

When reviewing the matrix please be guided by the following legend:

<b>Legend Key</b>	<b>Legend Key Definition</b>
A	Allowable
AP	Allowable with Prior Approval
AC	Allowable with Conditions
U	Unallowable
NS	Not Specified in the Uniform Guidance

	<b>Cost Item</b>	<b>Allowability</b>	<b>Uniform Guidance Section</b>	<b>Comments</b>
1	Advertising and public relations	A/U	<u>200.421</u>	1) Unallowable if the costs are to promote other activities of the entity. 2) Costs for promotional items & memorabilia are unallowable.
2	Advisory councils	AC/U	<u>200.422</u>	Unallowable unless authorized by statute, the federal awarding agency or as an indirect cost.
3	Alcoholic beverages	U	<u>200.423</u>	
4	Alumni/ae activities	U	<u>200.424</u>	
5	Audit services	AC/U	<u>200.425</u>	Any cost of auditing a non-federal entity that is exempted (Federal expenditures less than \$750,000) from having an audit conducted under the Single Audit Act is unallowable.
6	Bad debts	U	<u>200.426</u>	
7	Bonding costs	A	<u>200.427</u>	
8	Collection of improper payments	A	<u>200.428</u>	
9	Commencement and convocation costs	AC/U	<u>200.429</u>	Unallowable except as indirect costs.
10	Compensation – personal services	A/U	<u>200.430</u>	Incentive compensation is allowable if it is based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is determined to be reasonable and entered into in good faith between the non-federal entity and the employees before the services were rendered. Per City guidelines, bonuses are not allowable.

**New Policies**

	<b>Cost Item</b>	<b>Allowability</b>	<b>Uniform Guidance Section</b>	<b>Comments</b>
11	Compensation – fringe benefits	A /U	<u>200.431</u>	Allowable provided that the benefits are reasonable and are required by law, non-federal entity-employee agreement, or an established policy of the non-federal entity.
12	Conferences	A	<u>200.432</u>	Under DOL guidelines, food is not allowable.
13	Contingency provisions	AC/U	<u>200.433</u>	Allowable under strict conditions. Any type of “reserve” is unallowable.
14	Contributions and donations	U	<u>200.434</u>	
15	Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringement	AC/U	<u>200.435</u>	Allowable if a specific term or condition of the federal award or a specific written direction of an authorized official of the federal awarding agency.
16	Depreciation	AC	<u>200.436</u>	Must be capitalized based on GAAP and no depreciation may be allowed on any assets that have outlived their depreciable lives. Where the depreciation method is introduced to replace the use allowance method, it must be computed as if the asset had been depreciated over its entire life. Also, the acquisition costs must be reduced by any portion of the cost of buildings and equipment borne by or donated by the Federal Government.
17	Employee health and welfare costs	A	<u>200.437</u>	Must be included in the organization's written policy.
18	Entertainment costs	U/AP	<u>200.438</u>	Allowable where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the federal award or with prior written approval of the Federal awarding agency.
19	Equipment and other capital expenditures	AP/U	<u>200.439</u>	Allowable with prior written approval of the federal awarding agency or pass-through entity.
20	Exchange rates	AP	<u>200.440</u>	
21	Fines, penalties, damages and other settlements	U/AP	<u>200.441</u>	Unallowable except when incurred as a result for compliance with specific provisions of the federal award.
22	Food Cost	U	City Policy	Cost of food for any purpose cannot be charged to the grant.
23	Fundraising and investment management costs	U/AP/A	<u>200.442</u>	Allowable if fund raising costs are for the purposes of meeting the Federal program objectives with prior written approval from the Federal awarding agency.
24	Gains and losses on disposition of depreciable assets	AC	<u>200.443</u>	Must be included in the year in which they occur as credits or charges to the assets.
25	General cost of government	U	<u>200.444</u>	
26	Goods or services for personal use	U/AP	<u>200.445</u>	1) Unallowable regardless of whether the cost is reported as taxable income to the employees. 2) Costs of housing, housing allowances and personal living expenses are only allowable as direct costs and must be approved in advance by the federal awarding agency.
27	Idle facilities and idle	AC/U	<u>200.446</u>	Idle Facilities: Unallowable except to the extent that:

**New Policies**

	Cost Item	Allowability	Uniform Guidance Section	Comments
	capacity			<p>1) They are necessary to meet fluctuation in workload requirements;</p> <p>2) Although not necessary to meet fluctuations in workload, they were necessary when acquired and are now idle because of unforeseen causes;</p> <p>3) Allowable for a reasonable period, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of such facilities.</p> <p>Idle Capacity: Allowable if reasonably anticipated to be necessary to carry out the purpose of the Federal award or was originally reasonable and is not subject to reduction or elimination by use on other Federal awards.</p>
28	Insurance and indemnification	AC/U	<u>200.447</u>	<p>Allowable:</p> <p>a) Costs of insurance required or approved and maintained, pursuant to the federal award;</p> <p>b) Actual losses incurred under nominal deductible insurance coverage if in keeping with sound management practice;</p> <p>c) Minor losses not covered by insurance which occur in the ordinary course of operations.</p> <p>Allowable but subject to limitations:</p> <p>a) Costs of insurance in connection with the general conduct of activities;</p> <p>b) Contributions to a reserve for certain self-insurance programs including workers' compensation, unemployment compensation, and severance pay.</p> <p>Unallowable:</p> <p>Actual losses which could have been covered by permissible insurance.</p>
29	Intellectual property	A/U	<u>200.448</u>	Costs of patents, copyrights and royalties are allowable if required by the Federal Government and by the federal award.
30	Interest	AC/U	<u>200.449</u>	<p>1) Interest on borrowed capital, temporary use of endowment funds, or the use of the non-Federal entity's own funds, however represented, are unallowable.</p> <p>2) Financing costs (including interest) to acquire, construct, or replace capital assets are allowable but subject to specific conditions.</p>
31	Lobbying	U	<u>200.450</u>	
32	Losses on other awards or contracts	U	<u>200.451</u>	
33	Maintenance and repair costs	A	<u>200.452</u>	<p>Allowable if necessary to keep property in an efficient operational condition and:</p> <p>a) Does not add to the permanent value of the property; and/or</p> <p>b) Does not prolong the property's intended life.</p>
34	Material and supplies costs, including costs of computing devices	A	<u>200.453</u>	City requires prior approval for computers and other electronic equipment
35	Memberships, subscriptions, and professional activity costs	A/U	<u>200.454</u>	<p>Allowable:</p> <p>a) Costs of the non-federal entity's membership in business, technical, and professional organizations.</p> <p>b) Costs of the non-federal entity's subscriptions to business, professional, and technical periodicals.</p> <p>c) Costs of membership in any civic or community organization are allowable with prior approval by the federal awarding agency or pass-through entity.</p> <p>Unallowable:</p> <p>a) Costs of membership in any country club or social or dining club or organization.</p> <p>b) Costs of membership in organizations whose primary</p>



**New Policies**

	Cost Item	Allowability	Uniform Guidance Section	Comments
				purpose is lobbying.
36	Organization costs	U/AP	<u>200.455</u>	Unallowable except with prior approval of the federal awarding agency.
37	Participant support costs	AP	<u>200.456</u>	Allowable with prior approval of the federal awarding agency. Participant support costs as defined in the annual plan are allowable.
38	Plant and security costs	A	<u>200.457</u>	
39	Pre-award costs	AP	<u>200.458</u>	Allowable if: a) Incurred directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. b) They would have been allowable if incurred after the effective date; and c) Only with the written approval of the Federal awarding agency. d) not allowable per City guidelines
40	Professional services costs	A	<u>200.459</u>	To determine allowability, consider the following factors; (1) The nature and scope of the service rendered in relation to the service required. (2) The necessity considering the non-Federal entity's capability in the particular area. (3) The past pattern of such costs, particularly in the years prior to federal awards. (4) The impact of federal awards on the non-federal entity's business. (5) Whether the proportion of Federal work to the non-federal entity's total business is such as to influence the non-federal entity in favor of incurring the cost. (6) Whether the service can be performed more economically by direct employment rather than contracting. (7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities. (8) Adequacy of the contractual agreement for the service.  <i>Retainer fees must be supported by evidence of bona fide services available or rendered.</i> All professional services costs must have prior written approval from the City's program monitor.
41	Proposal costs	A	<u>200.460</u>	Costs of preparing bids, proposals, or applications on potential Federal and non-Federal awards or projects, including the development of data necessary to support the non-federal entity's bids or proposals.  Should be treated as indirect costs and allocated currently to all activities of the non-federal entity.
42	Publication and printing costs	A	<u>200.461</u>	
43	Rearrangement and reconversion costs	A/AP	<u>200.462</u>	(a) Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable as indirect costs. (b) Costs incurred specifically for a Federal award are allowable as a direct cost with the prior approval of the federal awarding agency or pass-through entity.
44	Recruiting costs	A/U	<u>200.463</u>	Allowable to the extent that such costs are incurred pursuant to the non-federal entity's standard recruitment program and with prior approval from the City's program monitor. Unallowable: a) Salaries, fringe benefits and allowances incurred to attract professional personnel that do not meet the test of reasonableness and/or do not conform to the non-federal entity's established hiring practices.

**New Policies**

	Cost Item	Allowability	Uniform Guidance Section	Comments
				b) Relocation costs incurred incident to recruitment of a new employee have been funded in whole or in part to a federal award, and the newly hired employee resigns for reasons within the employee's control within 12 months after hire.
45	Relocations costs of employees	AC/U	<u>200.464</u>	Allowable with prior approval from the City's program monitor and: 1) The move is for the benefit of the employer. 2) Reimbursement to the employee is in accordance with an established written policy consistently followed by the employer. 3) The reimbursement does not exceed the employee's actual (or reasonably estimated) expenses.  Limitations do exist.
46	Rental costs of real property and equipment	AC/U	<u>200.465</u>	Allowable to the extent that the rates are reasonable: a) Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available; b) Rental costs under "sale and lease back" arrangements are allowable only up to the amount that would be allowed had the non-federal entity continued to own the property. Unallowable: Rental of any property owned by any individuals or entities affiliated with the non-federal entity, to include commercial or residential real estate, for purposes such as the home office workspace.
47	Scholarships and student aid costs	AC	<u>200.466</u>	1) Costs of scholarships, fellowships, and other programs of student aid at IHEs are allowable only when: a) The purpose of the federal award is to provide training to selected participants; and b) Approved by the federal awarding agency. 2) Tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that: a) The individual is conducting activities necessary to the Federal award; b) Provided in accordance with established policy of the IHE; and consistently provided in a like manner to students in return for similar activities conducted under Federal awards as well as other activities; and c) Payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work. d) It is the IHE's practice to similarly compensate students under federal awards as well as other activities.
48	Selling and marketing	U/AP	<u>200.467</u>	Costs of selling and marketing any products or services of the non-Federal entity are unallowable, except: a) As direct costs, with prior approval by the federal awarding agency; and b) When necessary for the performance of the federal award.
49	Specialized service facilities	AC	<u>200.468</u>	Costs of services provided by highly complex or specialized facilities operated by the non-federal entity, such as computing facilities, wind tunnels, and reactors are allowable with conditions.
50	Student activity costs	U/AP	<u>200.469</u>	Costs incurred for intramural activities, student publications, student clubs, and other student activities, are unallowable, unless specifically provided for in the federal award. DOL exception: Unallowable unless the activities meet a program requirement and have prior written approval from the federal awarding agency.
51	Taxes	AC	<u>200.470</u>	Taxes that a governmental unit is legally required to pay are allowable.
52	Termination costs	AC/U	<u>200.471</u>	Reasonable costs that would not have arisen had the Federal

**Year 19 Annual Plan PY 2018-19****New Policies**

	Cost Item	Allowability	Uniform Guidance Section	Comments
				award not been terminated.
53	Training and education costs	A	<u>200.472</u>	The cost of training and education provided for employee development are allowable.
54	Transportation costs	A	<u>200.473</u>	
55	Travel costs	AC	<u>200.474</u>	Allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award.
56	Trustees	A	<u>200.475</u>	Travel and subsistence costs of trustees are allowable.

**New Policies**

**Prior Written Approval**

The Uniform Guidance lists the following cost items that are allowable only with prior written approval.

<b>Circumstance</b>	<b>Section</b>
Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts	<u>§200.201</u> , paragraph (b)(5)
Cost sharing or matching	<u>§200.306</u>
Use of program income including interests earned	<u>§200.307</u> City contract section 404
Revision of budget and program plans	<u>§200.308</u>
Real property	<u>§200.311</u>
Equipment	<u>§200.313</u>
Fixed amount sub awards	<u>§200.332</u>
Direct costs	<u>§200.413</u> , paragraph (c)
Compensation – personal services	<u>§200.430</u> , paragraph (h)
Compensation – fringe benefits	<u>§200.431</u>
Entertainment costs	<u>§200.438</u> For non-DOL programs, unallowable for DOL programs
Equipment and other capital expenditures	<u>§200.439</u>
Exchange rates	<u>§200.440</u>
Fines, penalties, damages and other settlements	<u>§200.441</u>
Fund raising and investment management costs	<u>§200.442</u>
Goods or services for personal use	<u>§200.445</u>
Insurance and indemnification	<u>§200.447</u>
Memberships, subscriptions, and professional activity costs	<u>§200.454</u> , paragraph (c)
Organization costs	<u>§200.455</u>
Participant support costs	<u>§200.456</u>
Pre-award costs	<u>§200.458</u>
Rearrangement and reconversion costs	<u>§200.462</u>
Selling and marketing costs	<u>§200.467</u>
Taxes (including Value Added Tax)	<u>§200.470</u>
Travel costs	<u>§200.474</u>

Subrecipients should thoroughly review the Uniform Guidance sections referenced above, all applicable Federal, State, City and Local guidelines to determine when prior written approval must be obtained from the City's program monitor, and assess if their specific circumstance(s) require prior approval from the City. As indicated in DOL Exception Section 2900.407, inclusion of item(s) in the statement of work or budget when awarded **does not** constitute prior approval; subrecipients must still follow all applicable policies and procedures outlined in this directive.

Property procurements with a unit acquisition cost of \$5,000 or more must have prior written approval. A non-property related purchase or circumstance that fits into one of

**New Policies**

the above referenced categories may still require prior written approval, regardless of the dollar amount.

**Prior Written Approval Procedures**

Subrecipients must complete and submit the City's Prior Written Approval Request Form (Attachment 2) to their assigned program monitor along with all necessary supporting documentation, to their assigned Program Monitor no less than 30 days before the requested action is to occur.

The EWDD will consider the following factors in its review of the requests:

- Is this purchase necessary and reasonable?
- Have the best products been selected?
- What other costs are associated with the purchase?
- If applicable, what procurement method will be used?
- If applicable, was a lease option considered in lieu of the purchase?

**REFERENCES**

- Title 2 Code of Federal Regulations (CFR) Part 200 and 2900;
- WIOA (Public Law 113-128) Sections 184(a)(3), 134(4)-(d), and 129;
- Workforce Services Directive 16-16;
- Federal Acquisition Regulation Part 31.2 Contracts with Commercial Organizations;
- US DOL One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG), Part II Chapters 11-13, Cost Principles; Chapter 11-14 Allowable Costs;
- City of Los Angeles Contract, Section 403, Allowable and Unallowable Costs

(New PY 18-19)

## **Apprenticeship Policy**

**EFFECTIVE DATE: July 1, 2018**

### **POLICY STATEMENT**

This policy provides guidance and establishes the procedures regarding the use of *Workforce Innovation and Opportunity Act* (WIOA) funds for individuals in occupations with available apprenticeships, including pre-apprenticeship training. It is the shared vision of the City of Los Angeles Mayor, City Council, and Workforce Development Board (WDB) to have a robust apprenticeship policy that leads the nation in apprenticeship development, placement, and outcomes.

### **BACKGROUND**

Both the Workforce Innovation and Opportunity Act (WIOA) and the California State Unified Plan (SUP) promote the “earn and learn” training model, which the SUP defines as “using training and education best practices that combine applied learning opportunities with material compensation while facilitating skills development in the context of actual labor market participation.” This definition is echoed in Senate Bill 342 (H.B. Jackson, Chapter 507, Statutes of 2015).

The State of California issued draft directive WSDD-178 in late March 2018, entitled “Quality Apprenticeship and Pre-Apprenticeship Opportunity.” WSDD-178 applies to Local Workforce Development Boards (WDB) and Local Workforce Development Areas, and includes only state-imposed requirements.

In 2011, Assembly Bill (AB) 554 modified California Unemployment Insurance Code (CUIC) Section 14230(e) to require Local WDBs to ensure that WIOA-funded programs and services involving apprenticeships and pre-apprenticeships are coordinated with apprenticeship programs already approved by the Department of Industrial Relations-Division of Apprenticeship Standards (DIR-DAS) under specific conditions, and include the fostering of collaboration between community colleges and approved apprenticeship programs.

Other specifications include increasing the representation of women in pre-apprenticeship programs in the building and construction trades; following Multi-Craft Core Curriculum (MC3) in building and construction; and providing the apprenticeship and pre-apprenticeship programs and services geared toward the geographic location of the apprenticeable industries.

**POLICIES & PROCEDURES:**

The Economic and Workforce Development Department's Apprenticeship Policy will emphasize the following key principles:

1. Build a robust apprenticeship program (which includes non-traditional industries) across the Los Angeles Region;
2. Leverage strategic partnerships with the WorkSource Center (WSC) and YouthSource Center (YSC) systems, businesses/corporations, economic development organizations, sector intermediaries, community colleges, K-12, trade unions/associations, State and local government, and government workforce groups, as well as develop key partnerships with the Department of Corrections to service the re-entry population, and with The Department of Industrial Relations-Division of Apprenticeship Standards and the Department of Labor;
3. Implement an apprenticeship program that will include participation across City departments to ensure stated goals are met Citywide;
4. Actively promote to and enroll eligible candidates from the City's WSC and YSC programs.

Per WSDD-178, the Local WDB must follow the guidelines in CUI Section 14230(e), which include conducting the WIOA-funded apprenticeship programs and pre-apprenticeship training "in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area." Additionally, a policy must be developed regarding "fostering collaboration between community colleges and approved apprenticeship programs in the geographic area to provide pre-apprenticeship training, apprenticeship training, and continuing education in apprenticeable occupations through the approved apprenticeship programs."

Furthermore, per CUI Section 14230(e), WIOA-funded apprenticeships and pre-apprenticeship training must, "to the maximum extent feasible," align with and follow MC3, and work to increase representation of women in pre-apprenticeship training.

WSDD-178 also notes that Local WDBs "must establish the following:

- WIOA funded programs are operated in coordination with at least one DIR-DAS approved apprentice program in the relevant geographic area for the relevant apprenticeable occupation.
- WIOA funded pre-apprenticeship training in the building and construction trades utilizes the MC3 curriculum.

**New Policies**

- Pre-apprenticeship program operators funded with WIOA have a plan detailing, in writing, how they will conduct outreach to and ensure the retention of women in the pre-apprenticeship program.”

Local WDBS are also required by WSDD-178 to:

- Retain a list of all programs they work with, noting which ones are WIOA-funded and “who the relevant DIR-DAS approved apprentice programs are for the relevant geographic area and occupations, and the manner in which the WIOA funded apprentice and pre-apprentice programs are coordinating with the relevant programs”;
- Retain “a copy of all written outreach and retention plans developed to meet the statutory and policy mandates detailed in this policy directive. Local Boards may be required to submit the foregoing information as part of their Local Plans and any future High Performance Board Certifications.”

**REFERENCES**

- WDDS-178 on [http://www.edd.ca.gov/Jobs\\_and\\_Training/pubs/wsdd-178.pdf](http://www.edd.ca.gov/Jobs_and_Training/pubs/wsdd-178.pdf)
- Senate Bill 342 (H.B. Jackson, Chapter 507, Statutes of 2015)
- WIOA, Public Law 113-128
- California Unemployment Insurance Code Section 14230(e)
- Assembly Bill (AB) 554, Chapter 499, Statutes of 2011
- AB 2288, Chapter 692, Statutes of 2016
- Title 8 regulations, California Apprenticeship Council, Chapter 2, “Subchapter 1. Apprenticeship” (Sections 200-242.6), at <https://www.dir.ca.gov/t8/ch2sb1.html>
- Department of Labor, <https://www.dol.gov/apprenticeship/>

(New PY 18-19)



## **Definition of Substantial Layoff**

**EFFECTIVE DATE:** July 1, 2018

### **POLICY STATEMENT**

This policy clarifies the definition of substantial layoff and provides guidance to America's Job Center/WorkSource Provider staff in determining eligibility for the Dislocated Worker Program.

### **BACKGROUND**

WIOA Section 3(15) defines the term dislocated worker, and identifies the various categories for determining dislocated worker eligibility. The dislocated worker category relating to substantial layoff is defined as an individual who:

Has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;

(ii) is employed at a facility at which the employer has made a general announcement that such facility will close within 180 days; or

(iii) for purposes of eligibility to receive services other than training services described in section 134(c)(3), career services described in section 134(c)(2)(A)(xii), or supportive services, is employed at a facility at which the employer has made a general announcement that such facility will close;

The WIOA regulations allow the local Workforce Development Boards to further define "substantial layoff."

### **POLICY**

The term substantial layoff is defined locally as the layoff of at least 10 employees from a plant, facility, or enterprise within a 30-day period.

### **PROCEDURE**

This policy requires all City of Los Angeles WorkSource Center Operators use the definition when determining eligibility for individuals applying for the Dislocated Worker program.

Documentation to verify substantial layoff includes, but is not limited to, WARN Notice (Separation Notice) or a Letter of authorization from the State WIOA Administrative Department.

**New Policies**

Documenting and verifying the eligibility of participants in WIOA is mandatory. WIOA-funded agencies must confirm eligibility requirements through an examination of documents. Eligibility determination shall be made prior to enrollment in WIOA.

**REFERENCES**

WIOA Section 3 (15)

(New PY 18-19)

## **Definition of Unlikely to Return**

**EFFECTIVE DATE:** July 1, 2018

### **POLICY STATEMENT**

This policy clarifies the definition of “unlikely to return” to previous occupation or industry from employment generally due to plant closures or downsizing, and provides guidance to America’s Job Center/WorkSource Provider staff in determining eligibility for the Dislocated Worker Program.

### **BACKGROUND**

WIOA Section 3(15) defines the term dislocated worker, and identifies the various dislocated worker categories. The dislocated worker category relating to “unlikely to return” is defined as an individual who:

(A)(i) has been terminated or laid off, or who has received a notice of termination or layoff, from employment;  
(ii)(I) is eligible for or has exhausted entitlement to unemployment compensation; or  
(II) has been employed for a duration sufficient to demonstrate, to the appropriate entity at a one-stop center referred to in section 121(e), attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that were not covered under a State unemployment compensation law; and (iii) is unlikely to return to a previous industry or occupation;  
The WIOA regulations allow the local Workforce Development Boards to further define “unlikely to return”.

### **POLICY**

The City of Los Angeles allows the use of any of the following considerations in defining “unlikely to return” when written documentation is available to prove that the applicant:

- Worked in a declining industry/occupation, as documented on State or locally-developed lists of such industries/occupations; or
- Has had a lack of job offers as documented by local EDD Workforce Services or Unemployment Insurance staff, rejection letters from employers in the area, or other documentation of unsuccessful efforts to obtain employment in the prior industry/occupation; or
- Is insufficiently educated, does not have the necessary skills or can no longer meet the minimum requirements of jobs available in field or occupation (e.g., clerical worker without word processing skills) for reentry into the former

**New Policies**

industry/occupation, as documented through the assessment of the individual's educational achievement, testing, or other suitable means; or

- Has a physical limitation or an injury which limits the individual's ability to perform the job from which they were dislocated or other problems which would preclude reentry into the former industry/occupation, as documented by a physician or other professional (e.g., psychiatrist, psychiatric social worker, chiropractor, etc.); or
- Has a poor employment history indicating a reduced capacity or ability to be re-employed in the former industry or occupation. Documentation to verify poor employment history may include, but is not limited to, proof that:
  - Employment has been limited to one or more part-time (20 hours per week or less), or short-term (four months or less), jobs within the prior year, which were for the purpose of income maintenance rather than a career path (i.e., employment in "dead end" jobs, which would not prepare the individual for permanent reemployment in the previous industry or occupation);
  - Unemployment insurance and/or public assistance receipt in the prior year, with little or no employment in interim periods, indicating a poor work history; or
  - Terminated or laid-off due to mechanization ("to do or operate by machinery, not by hand").
- Determination by the service provider staff that an individual's likelihood of returning to his/her previous industry or occupation is unlikely due to circumstances that cause significant barriers to employment. Barriers to employment include:
  - Offender
  - High school dropout
  - Homeless
  - Cultural or language barrier
  - Older worker (Age 55+)
  - Basic skills deficient
- Referred through the Worker Profiling and Reemployment System

**Unlikely to Return - Recently Separated Service Members**

Recently separating service members who are within 48 months of discharge (other than dishonorable) or release from active military, naval, or air service automatically meet the dislocated worker requirement that the individual is unlikely to return to his or her previous industry or occupation.

**Unlikely to Return – Military Spouses**

A military spouse may be documented as "unlikely to return" if the spouse was required to leave employment due to a result of a military member's transfer. These

**New Policies**

circumstances do not position the spouse to return immediately to his/her previous occupation or industry for the following reasons:

- Even if a spouse resumes employment with the same employer, the employment is in a new location, and may not be the same structurally or organizationally as in the prior location;
- When military spouses do get jobs in their new locations, they often start at lower levels of seniority than the levels of their positions in their prior locations;
- There is frequently a gap in employment, which may lessen their likelihood of returning to the same level of occupation or job;
- The skills of the spouse may be obsolete or inadequate to meet the advancing competency needs of the current workforce and economy.

Agency staff may use one of the rationales listed above to indicate that the military spouse is unlikely to return to their previous industry or occupation. As with all documentation, if there is no documentary evidence from an official source, document the failed attempts to obtain the documents and then a Self-Attestation form may be used.

WIOA-funded agencies may use one of the rationales listed above to indicate that a farmworker or individual who worked seasonally is unlikely to return to their previous industry or occupation.

**PROCEDURE**

This policy requires all City of Los Angeles WorkSource Center Operators use the definition when determining eligibility for individuals applying for the Dislocated Worker program.

Documentation to verify "unlikely to return" includes, but is not limited to, internet site that indicates lack of industry occupation availability, insufficient skills or significant wage variable; newspaper employment section that indicates lack of industry/occupational availability; doctor's statement verifying applicant's inability to return to previous occupation/industry due to physical limitations; documentation of IAW Profiling (WPRS); court records/telephone verification from Probation Officer; documents listing age.

**Acceptable Documentation**

Documentation to verify recently separated service members includes, but is not limited to the DD214 or other appropriate documentation that shows a separation or imminent separation from the Armed Forces.

Documentation to verify Spouse of a Member of the Armed Forces includes, but is not limited to military transfer papers; employer verification; phone verification; self-attestation.

**New Policies**

Documenting and verifying the eligibility of participants in WIOA is mandatory. WIOA-funded agencies must confirm eligibility requirements through an examination of documents. Eligibility determination shall be made prior to enrollment in WIOA.

**REFERENCES**

WIOA Section 3 (15)

(New PY 18-19)

## **Eligibility Determination Policy**

**EFFECTIVE DATE:** July 1, 2018

### **POLICY STATEMENT**

This policy provides guidance and establishes the procedures regarding the eligibility verification process. Documenting and verifying the eligibility of participants is mandatory and WIOA-funded agencies must confirm eligibility requirements through an examination of documents.

### **BACKGROUND**

Verification of eligibility is used to ensure the reliability of the participant information system, to guarantee services are provided to persons most in need, and to avoid potential disallowed costs. Once an applicant is determined to be eligible, verification of eligibility must be completed.

### **POLICY**

Documenting and verifying the eligibility of participants in WIOA is mandatory. WIOA-funded agencies must confirm eligibility requirements through an examination of documents. Agency staff must enter WIOA participant data into CalJOBS via the JobsLA portal within 15 days from the date of service. No WIOA services may be provided until the participant has furnished proof of eligibility to the enrolling agency.

### **PROCEDURE**

The procedure for determining eligibility and maintaining participant case records include the following:

- a) 100% up-front documentation of eligibility will be required for all WIOA applicants **prior** to accessing services.
- b) Applicants will complete a WIOA Application for WIOA-funded services.
- c) Verification of supporting eligibility documentation will be recorded in the participant file and in case notes as needed.
- d) Initial documentation of applicant eligibility will be based on the date of application.
- e) Participant records including all required WIOA forms and eligibility documentation, case notes, and supporting documentation for training activities will be maintained in the participant file as appropriate.
- f) All participant files are subject to monitoring and audit.

### **REFERENCES**

WIOA Section 3(2), WIOA Section 3(36), WIOA Section 3(24), WIOA 134(c)(2)&(3), 20 CFR 680.110, 20 CFR 680.120, 20 CFR 680.130, CFR 680.600, 20 CFR 680.660,

(New PY 18-19)

## **Fiscal Monitoring Review Policies and Procedures**

**EFFECTIVE DATE: July 1, 2018**

### **POLICY STATEMENT**

This policy establishes procedures for the performance of a fiscal review and resolution of any subsequent findings and observations.

### **POLICY**

The Economic and Workforce Development Department (EWDD) awards federal, state, and local grants to for-profit and non-profit organizations (Subrecipient). It is the policy of the department to conduct on-site fiscal reviews to determine the subrecipient's compliance with federal, state, local, and city grant regulations, including the audit requirements of the 2 CFR 200.500 to 200.521, and ensure the resolution of any findings and questioned and/or disallowed costs.

The EWDD's Financial Management Division (FMD) Audit Section is responsible for conducting the fiscal reviews of subrecipients. The objectives of the fiscal reviews are to determine if:

- Funds are used for allowable activities,
- Expenditures are appropriately allocated to funding sources and required cost categories,
- Proper fiscal records are maintained and are auditable,
- Grant regulations and contract provisions are complied with, and
- Corrective actions from prior fiscal reviews and audits are being implemented.

### **PROCEDURES**

#### **I. PREPARATION FOR FISCAL REVIEW**

##### **A. Scheduling of the Site Visit**

The FMD Auditor must coordinate with the subrecipient to schedule the field work. The date should be scheduled at least **ten business days** prior to the start of the field work to allow the subrecipient to prepare for the visit.



**New Policies**

Once the dates have been confirmed, the FMD Auditor must send an appointment letter to:

- Confirm the dates of the site visit,
- Inform the subrecipient of records that should be ready and available for review, and
- Send a fiscal review checklist that must be completed and submitted by the subrecipient on or before the Entrance Conference.

**B. Preparation for the Field Work**

Prior to the field work, the FMD Auditor must prepare for the site visit by reviewing the following:

- Contracts,
- Prior Year's Fiscal Review Reports,
- Latest Single Audit report,
- Prior Year Closeout Expenditure Reports,
- Latest Expenditure Report,
- Approved Budget,
- Latest Indirect Cost Rate Proposal,
- Program Monitoring Report, and
- Others, as necessary.

**II. FIELD WORK**

The length of the field work ranges from **five to twenty business days**, depending on the size, complexity and structure of the organization, the availability and auditability of fiscal records, and the number of contracts and fiscal years to be covered.

**A. Entrance Conference**

The entrance conference is the initial meeting with the subrecipient staff and starts off the field work. At this meeting, the following must be discussed:

- Objectives of the fiscal review,
- City contract(s) and fiscal year(s) to be covered,
- Planned on-site field work dates,
- Fiscal review procedures that will be performed and the standard timeline,
- Financial records to be reviewed,
- Completed Fiscal Review Checklist,
- Any changes in the subrecipient's accounting system, fiscal personnel, etc.
- Subrecipient's other non-City funding sources,
- If preferred by the subrecipient, the assignment of a Single Point of Contact (SPOC) or contact persons for specific areas of the review,
- Requests for FMD Auditor working space, and
- Other questions and concerns the subrecipient may have.

It is preferable that the subrecipient's Executive Director attend the Entrance Conference in order to ensure full cooperation from staff most familiar with the internal control system and financial transactions. At the minimum, the subrecipient's Chief Financial Officer and senior accounting staff should attend the meeting.

**B. Review**

The FMD Auditor should conduct the review immediately after the entrance conference and perform the fiscal review procedures as discussed during entrance meeting. During the review, the FMD Auditor must:

- Make every effort to minimize the disruption to the subrecipient's daily operations by scheduling interviews in advance and by coordinating

**New Policies**

requests for information and documentation in an organized and clear manner;

- Prepare Requests for Documentation for additional records or supporting documentation needed. Issue a Notice of Insufficient Documentation if documentation requested is incomplete or not received within **three business days**;
- When deemed necessary, offer or provide technical assistance on financial related matters such as grant regulations, proper internal controls, EWDD's financial reporting requirements, cost allocation, cost allowability, indirect cost proposals, fiscal monitoring, Single Audit, etc.;
- Follow-up on any outstanding prior year fiscal review findings and Single Audit issues and/or deficiencies;

**C. Exit Conference**

The exit conference concludes the field work. At the meeting, the FMD Auditor must provide the subrecipient with an Exit Report that lists all preliminary findings and discuss the following:

- Elements of each preliminary finding --- i.e., criteria, condition, cause, effect, and recommendation,
- Any questioned costs,
- Additional information and/or supporting documentation the subrecipient can provide to resolve preliminary findings and questioned costs and when these should be submitted (See Section III-A),
- Implication of questioned costs becoming disallowed costs and the process for repayment to EWDD,
- The process for using stand-in costs, and
- Timetable for issuance of draft and final reports.

**III. DRAFT REPORT**

**A. Pre-Issuance of Draft Fiscal Review Report**

Within **five business days** after the date of the exit conference, the subrecipient must be allowed to:

**New Policies**

- Submit additional information and/or supporting documentation to resolve any potential findings, as agreed upon at the Exit Conference or
- Submit a written request and justification for an extension to the deadline, subject to the review and approval of the FMD Audit Section head.

**B. Issuance of Draft Fiscal Review Report**

The FMD Auditor must issue the draft fiscal review report within **ten business days** from the date of the exit conference, the submission of the additional information and/or supporting documentation or the extended deadline.

The draft fiscal review report will include the following:

- Subrecipient's background information,
- City Contracts, funding sources and period covered by the fiscal review,
- Findings and resulting questioned costs, if any, that were not resolved during the field work and pre-issuance period,
- Applicable federal and State grant regulations and directives (e.g., 2 CFR 200) and City contract provisions that were violated, if any,
- Supporting schedules,
- Recommended corrective actions,
- Status of Prior Year's Fiscal Review findings,
- Status of Single Audit report deficiencies and findings,
- Other matters of concern, and
- Deadline for the Contractor to submit a written response to each finding.

**IV. FINAL FISCAL REVIEW REPORT**

**A. Pre-Issuance of Final Fiscal Review Report**

**New Policies**

Upon issuance of the draft fiscal review report, the subrecipient has **fifteen business days** to submit a written response. During this fifteen-day period, the subrecipient may request for a meeting if necessary and/or if assistance is needed. If no written response is received from the subrecipient by the 10<sup>th</sup> business day, the FMD Auditor must make a follow-up on the status. If additional time to respond is needed, the subrecipient must send a written request and justification, at least **five business days** before the deadline and subject to the review and approval of the FMD Director,

**B. Issuance of Final Fiscal Review Report**

The FMD Auditor must issue the final fiscal review report within **ten business days** after receipt of the subrecipient's response. If no response was received from the subrecipient, the FMD Auditor must issue the final fiscal review report within **three business days** after the subrecipient's response was due.

The final fiscal review report must include all information included in the draft fiscal review report **plus** the following:

- Subrecipient's response (or lack of) to the findings,
- Status of findings and any changes in recommended corrective actions based on subrecipient's response,
- Amount of unearned grants and/or disallowed costs, supporting computations, and instructions on how to return funds to EWDD,
- Sanctions that may be imposed (e.g., withholding of cash request), and
- Other areas of concern.

**C. Distribution of the Final Fiscal Review Report**

The final fiscal review report must be sent to the subrecipient's Executive Director and/or Chief Finance Officer. If findings include serious internal control deficiencies, fraud, substantial questioned costs, going concern issues, and program-related findings, copies of the final fiscal review report must be sent to the following:

- EWDD Program Operations Divisions Director,
- EWDD Program Operations Assistant General Manager,
- EWDD EDD Director

- EWDD EDD Assistant General Manager.

## **V. FINAL DETERMINATION AND RESOLUTION OF FINDINGS**

Upon issuance of the final fiscal review report, the subrecipient has **ten business days** to submit a written response to the remaining outstanding issues. The FMD Auditor must send the subrecipient a reminder letter if a written response is not received **three business days** before the due date.

If the subrecipient requests a meeting with the EWDD's Executive Management, the FMD Director must:

- Advise the subrecipient to contact the EWDD's Assistant General Manager, and
- Brief the EWDD's Assistant General Manager of unresolved issues.

Within **ten business days** from the date the written response is due or received from the subrecipient, the FMD Auditor must issue a final resolution report that includes the subrecipient's additional responses and the FMD Auditor's final determination/resolution and recommended corrective actions, including the following:

- Reason(s) justifying the final determination/resolution for each finding,
- Questioned costs resolved and the reason(s) for allowance,
- Disallowed cost and the reason(s) for disallowance,
- Instructions for the repayment of disallowed costs,
- Instructions on how to request for installment payment arrangement for the disallowed costs,
- Sanctions that will be imposed for non-payment,
- Subrecipient's rights under the WIOA Complaint Resolution Procedures, and
- Other areas of concern.

**VI. SUMMARY OF TIMELINE**

<b>Task</b>	<b># of business days</b>
Preparation for field work	5
Field work	20
Draft fiscal review report – including review of additional supporting documentation	15
Subrecipient response	15
Final fiscal review report	15
Subrecipient response to remaining outstanding findings	10
Final determination and resolution letter	10
<b>Total # of business days</b>	<b>90</b>

**VII. SUBRECIPIENT'S APPEAL RIGHTS**

If the subrecipient disagrees with FMD Final Fiscal Review Determination/Resolution Report, it may exercise its appeal rights in accordance with the rules and regulations applicable to the grant affected. In the case of WIOA, the City of Los Angeles Workforce Investment Opportunity Act (WIOA) Complaint Resolution Procedures shall be followed. In such case, the FMD Final Fiscal Review Resolution shall constitute the Initial Determination. Accordingly, fiscal review resolution shall follow the three part process under the WIOA Complaint Resolution Procedures,

**VIII. PAYMENT OF DISALLOWED COST**

If the subrecipient agrees with the findings and the related questioned costs or if the disallowed costs have been finally determined under the City and applicable grant's resolution procedures, the subrecipient shall pay the questioned and /or disallowed costs as follows:

- Issue a check payable to the City of Los Angeles - EWDD.
- Apply stand-in costs in accordance with the conditions set forth below.
- Request for a repayment plan to the Director, EWDD Financial Management Division and comply with the approved repayment plan.

**New Policies**

Upon notice to the subrecipient, the EWDD may withhold questioned or disallowed costs from amounts due to the subrecipient pending resolution or payment of questioned or disallowed costs.

**IX. STAND-IN COSTS**

A subrecipient may propose the use of stand-in costs to substitute for questioned or disallowed costs during the audit resolution process. To be acceptable, the stand-in cost must meet the following criteria:

- It must be incurred for allowable program costs that have not been charged to the program.
- The cost must be included within the scope of the audit, accounted for in the subrecipient's financial system, and adequately documented as all other program costs.
- It must have been expended in support of the same title and program year as the costs they propose to replace.
- It must not cause a violation of the cost limitations and must be actual expenses paid with nonfederal funds.
- The proposal to replace disallowed costs with stand-in costs must be submitted before the end of the informal resolution period.
- Stand-in costs may not be considered as a substitute for disallowed costs for which non-federal cash repayment is required.

**REFERENCES:**

2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;  
2 CFR 2900 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Department of Labor;  
2 CFR 200 Sub Part D - Post Federal Awards Requirements- Subrecipient Monitoring and Management;  
2 CFR 200.331 Requirements for Pass-thru Entities;  
City Contract, Section 608 Audits and Inspections.

(New PY 18-19)



**Gender Equity Policy**

EFFECTIVE DATE: July 1, 2018

POLICY STATEMENT: *POLICY UNDER DEVELOPMENT*

BACKGROUND:

POLICY

(New PY 18-19)

**Trade Adjustment Act (TAA) Co-Enrollment Policy**

**EFFECTIVE DATE:** July 1, 2018

**POLICY STATEMENT:**

The Trade Adjustment Assistance (TAA) Code of Federal Regulations dictates that all TAA eligible workers must have access to core and intensive services through the America's Job Center of California network. Co-enrollment in the TAA and Workforce Innovation and Opportunity Act (WIOA) will ensure workers are connected to education, training, information resources, and employment in a timely and effective manner following displacement.

**BACKGROUND:**

The TAA program is a federal program that assists U.S. workers who have lost or may lose their jobs as a result of foreign trade. This program provides adversely affected workers with opportunities to obtain the skills, credentials, resources, and support necessary to become reemployed. The Federal Regulations of the TAA program require coordinating the administration of the TAA program with the WIOA program to ensure trade-affected workers obtain all the benefits and services they are eligible to receive. With a state and federal goal of 100 percent statewide compliance, this federal mandate is met through 'WIOA/TAA co-enrollment'<sup>1</sup>.

Co-enrollment necessitates a high level of communication and coordination among WIOA and TAA partners. Because of this, through a Memorandum of Operation (MOO) entered into with the California Employment Development Department (EDD), the City of Los Angeles (EWDD and WDB) has negotiated WIOA/TAA co-enrollment guidelines to be implemented by the WorkSource System. Co-enrollment procedures include areas of responsibility relating to assessments for TAA workers, TAA case management, service planning, training services, client data entry, supportive services, post-training placement assistance, and follow-up services.

---

<sup>1</sup> Co-Enrollment means enrollment in more than one program at a time to allow for coordination of training and services. Co-enrollment across funding streams helps leverage limited resources, eliminates duplication of services, and helps meet the needs and expectation of all customers.

(Refer to EDD Workforce Services Directive WSD16-4 and executed WIOA/TAA Co-Enrollment MOO)

**POLICY**

Per the executed MOO with EDD, the WDS is committed to the delivery of customer-focused, integrated, and coordinated services and the sharing of relevant customer program information and records (with the participant's written consent), including referrals, assessment results, training plans, progress reports, sign-in sheets, and job development strategies. Both will strive to promote co-enrollments and to coordinate cohesive and consistent services, which complement and strengthen the services offered by each of the organizations. Furthermore, both will motivate respective customers to utilize the full spectrum of each partner's services to enhance successful program outcomes.

Co-enrollment procedures and clearly delineated in the Trade Act Co-enrollment Technical Assistance Guide (TAG), DE 8306, dated June 2015 and such shall be adhered to in the implementation of TAA and WIOA co-enrollment practices.

EWDD and EDD have further agreed that the City's Rapid Response Unit serves as the starting point of co-enrollment and a front line marketing tool for both the WIOA and TAA programs. As outlined in TEN31-11, Rapid Response coordinators are required to coordinate each session with all applicable partners and/or include all required Rapid Response material at each Rapid Response/TAA session.

WorkSource Centers shall:

1. Designate WSC staff, including Case Managers, to attend EDD's WIOA/TAA Co-Enrollment training at minimum once per year.
2. Designate a point of contact to attend EWDD-facilitated forum where co-enrollment issues and concerns are addressed timely.
3. Ensure WSC staff adheres to the EDD's Trade Act Co-Enrollment Technical Assistance Guide DE8306 Rev 5 (6-15), which includes the purpose and policy of WIOA/TAA co-enrollment; roles and responsibilities; and step by step WIOA/TAA co-enrollment procedures.
4. Ensure all WSC decisions relative to the provision of services to the WIOA/TAA eligible clients are made in the best interest of the clients and in alignment with local, state, and federal policies.

---

**New Policies**

5. Maintain a paper-based case file with the original and/or copies of all applicable WIOA/TAA co-enrollment documentation (such as, referral form DE 8308)
6. Provide services in accordance to the following procedures:
  - a. Participate in TAA Orientations as coordinated by the City's Rapid Response Unit when invited by EDD staff;
  - b. Case Management: Discuss career goals, barriers, career changes, and any discussions involving advice or guidance to a WIOA/TAA co-enrolled worker;
  - c. Barriers to Employment: Discuss and document lack of transportation, language barriers, and/or educational levels;
  - d. Provide Comprehensive Assessment: An extensive examination testing a client's proficiency in a specific field and/or their education level (a comprehensive assessment is a tool to measure a client's proficiency levels in math, English, etc.);
  - e. Job Referrals: Assist TAA clients with suitable job training.
  - f. Job Placement: Assist TAA clients in finding jobs that match their skills and abilities;
  - g. Supportive Services (20 CFR, 663.800): Whenever necessary and if funds exist, provide TAA clients with WIOA allowable supportive services assistance.

EDD will ensure that:

1. WSCs receive the administrative/policy guidance and available resources for the necessary TAA-funded services required by each participant's Individual Employment Plan (IEP).
2. EDD will further provide and support staff development activities that enhance the implementation of this TAA/WIOA Co-Enrollment Policy.
3. City's Rapid Response Unit obtains a copy of TAA Orientation sign-in sheets to track who has been to both Rapid Response and TAA Orientations with the understanding that participant information will ONLY be used for this purpose and will not be shared with any third party or used for marketing purposes until EDD has obtained the WIOA/TAA co-enrollment/referral form (DE8308) that must be signed by the customer, partner, and EDD Representative..

4. EDD Workforce Services Division runs a QMF to enhance outreach efforts, contingent on the City providing appropriate justification.
5. Participants receive all TAA related forms in their native language (once these are developed).
6. TAA services are provided in accordance to the following procedures:
  - a. TAA Orientations: Led and facilitated by TAA;
  - b. Case Management: Discuss career goals, barriers, career changes, and any discussions involving advice or guidance to a WIOA/TAA co-enrolled worker;
  - c. Barriers to Employment: Discuss and document lack of transportation, language barriers, and/or educational levels;
  - d. Job Referrals: Assist TAA clients with suitable job referrals;
  - e. Job Placement: Assist TAA clients in finding jobs that match their skills and abilities;
  - f. Training Support: Fund client training through the TAA program;
  - g. TAA Benefits and Services: Provide TAA benefits and services in accordance with published TAA guidance (i.e., current and published TAA Policy and Procedure Checklist).

NOTE: There are no retroactive reimbursements for services rendered through WIOA prior to TAA certification. However, once WIOA participants enrolled in a training program are deemed eligible under TAA, the following options may proceed based on what best meets the needs of the participant and funding guidelines:

1. WIOA funded training continues its course until a natural break occurs (e.g., semester ends, module completion, etc.), then if deemed necessary, TAA funds any additional training;
2. WIOA expends up to the maximum \$7,500 training cap, and TAA funds any additional training not to exceed its maximum allowance; and
3. WIOA remains the only funding source for training when training does not meet the 6 criteria for approved TAA funding.

(New PY 18-19)