

FAPL 13

Fiscal Administrative Procedure Letter (FAPL) No. 13

April 17, 2009

To: Fiscal Administrative Procedure Manual Holders
From: Douglas E. Lumpkin, Director
Subject: AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)
PROVISIONS FOR WORKFORCE INVESTMENT ACT

The Ohio Department of Job and Family Services (ODJFS) is implementing federal guidance regarding the disbursement and use of funds subsidized by the American Recovery and Reinvestment Act of 2009 (ARRA). These funds will be used to supplement Program Year (PY) 2008 allotments for WIA Title I Adult, Dislocated Worker and Youth Activities Programs, and Employment Service (ES) activities, as required by the Wagner-Peyser Act (as amended) and to provide Reemployment Service (RES) funding.

ARRA grants will be set up and maintained in the County Finance Information System (CFIS). Local areas will be notified of CFIS coding and the amount they will receive in separate allocation letters. The allocation methodology will be consistent with the standard formulary grant allocations outlined in OAC 5101:9-31-02, using the most current data available. Administrative rules will be provided in the near future with more specific information and further guidance.

ARRA emphasizes transparency and frequent communication between local areas and communities about services and funding provisions. Accordingly, ODJFS is developing reporting guidelines that will minimize any new collection burdens, yet, provide timely and accurate accounting of system performance and outcomes.

General Guidelines

In accordance with the intent of the Recovery Act, funds must be spent expeditiously and effectively, with full transparency and accountability. Stimulus funds will provide an opportunity for the workforce system to accelerate its transformational efforts and demonstrate its full capacity to innovate and implement effective One-Stop service delivery strategies. As local areas plan how their One-Stop systems will make immediate use of the Recovery Act funds, ODJFS encourages local areas to expand how the funds can be implemented and utilized to achieve a new level of success in communities and the public workforce system. Successful implementation of the Recovery Act includes not only quick and effective provision of services and training for workers in need, but also leverages changes in the system's basic operations. The One-Stop system has an opportunity to emerge as a strong, invigorated, innovative public workforce system capable of helping enable future economic growth and advancing shared prosperity for all Ohioans.

Funds provided must be expended in accordance with all applicable federal statutes, regulations, policies, and guidance, including those of the ARRA of 2009 and the Workforce Investment Act of 1998. In addition, ARRA funds must be spent in accordance with the approved WIA State Plan, including approved Plan amendments. ARRA funding shall be spent concurrently with other WIA and Wagner-Peyser funding

to improve the effectiveness of the One-Stop system and is not intended to replace existing WIA Title I formula funds, or state/local funding currently dedicated to workforce development and summer jobs. Local areas are encouraged to expend all ARRA funding or risk the loss of unexpended funds per ARRA guidelines.

Continuous monitoring will be conducted to ensure all financial and program provisions are being met. Written communication regarding this monitoring will be sent to the monitored party and to the program and fiscal offices of ODJFS. This communication will be used to offer technical assistance and require corrective action as needed.

The following lays out guidance specific to program areas:

Grant funding for Adult Services -

- Period of Availability -

Funds are available to WIA Area Subrecipients for allowable expenditures from February 17, 2009 through June 30, 2010.

- Use of funds

ARRA Adult grants are available for employment and training services to adults through the One-Stop system in accordance with WIA formula subgrant requirements.

- Local areas may use up to 10% of the Adult ARRA funds for local administration.
- Local areas may use up to 20% of the Adult ARRA funding for incumbent worker training.
- ODJFS will issue program policy which details additional program requirements for the use of ARRA funds.
- ODJFS will issue an ARRA Expenditure, Recapture and Redistribution Policy which applies to these funds

- Distinction between Adult ARRA funds and Adult Title I funding

Per DOL TEGL 14-08, some waivers granted by the U.S. Department of Labor and currently in effect for WIA Title I funding do not apply to ARRA funding:

- Local areas may only transfer 30 percent of their ARRA funding between the adult and dislocated worker programs rather than 50 percent allowed for WIA Title I funding in 5101:9-31-02 of the Ohio Administrative Code. Therefore, a local area may code a portion equal to or less than 30 percent of the allocated WIA Adult grant for expenditures that are allowable under the WIA dislocated worker grant. Local areas electing to charge the ARRA adult grant for dislocated worker activities shall use the county finance information system (CFIS) transfer coding established for this purpose:

Stimulus Dislocated Worker Under Adult JFSFWCS9

- Local areas may not use ARRA funding for the capitalization of small businesses, however ARRA funds can be used to pay for entrepreneurial training.
- Random Moment Sampling (RMS)

- New program codes have been established for each RMS observation form as follows:

WIA Stimulus (WI)	JFSSWW402
WIA Stimulus (IM)	JFSSAI402
WIA Stimulus (SS)	JFSSAS402

- Current activity codes will be used with appropriate stimulus program codes when a worker is performing an activity related to ARRA funding.

Grant Funding for Dislocated Worker Services

- Period of Availability
 - Funds are available to WIA Area Subrecipients for allowable expenditures from February 17, 2009 through June 30, 2010.
- Use of funds
 - ARRA Dislocated Worker funds are available for employment and training services to eligible adults through the One-Stop system in accordance with WIA formula grant requirements.
 - Local areas may use up to 10% of the Dislocated Worker ARRA funds for local administration.
 - Local areas may use up to 20% of the Dislocated Worker ARRA funding for incumbent worker training.
 - ODJFS will issue program policy which details additional program requirements for the use of ARRA funds.
 - ODJFS will issue an ARRA Expenditure, Recapture and Redistribution Policy which applies to these funds.

- Distinction between Dislocated Worker ARRA funds and Title I Dislocated Worker funding

Per DOL TEGL 14-08, some waivers granted by the U.S. Department of Labor and currently in effect for WIA Title I funding do not apply to ARRA funding:

- Local areas may only transfer 30 percent of their ARRA funding between the adult and dislocated worker programs rather than 50 percent allowed for WIA Title I funding in 5101:9-31-02 of the Ohio Administrative Code. Therefore, a local area may code a portion equal to or less than 30 percent of the allocated WIA Adult grant for expenditures that are allowable under the WIA dislocated worker grant. Local areas electing to charge the ARRA adult grant for dislocated worker activities shall use the county finance information system (CFIS) transfer coding established for this purpose:
Stimulus Adult Under Dislocated Worker JFSFWBS9
- Local areas may not use ARRA funding for the capitalization of small businesses, however ARRA funds can be used to pay for entrepreneurial training.

- Random Moment Sampling (RMS) Coding

- New program codes have been established for each RMS observation form as follows:

WIA Stimulus (WI)	JFSSWW402
WIA Stimulus (IM)	JFSSAI402
WIA Stimulus (SS)	JFSSAS402

- Current activity codes will be used with appropriate program codes when a worker is performing an activity related to ARRA funding.

Grant Funding for Youth Activities -

- Period of Availability
 - Funds are available to WIA Area Subrecipients for allowable expenditures from February 17, 2009 through June 30, 2010.
- Use of funds
 - ARRA Youth grants are available for any youth activities allowable under WIA. In addition, ARRA has expanded the age eligibility to include youth age 22-24.
 - Local areas must utilize a minimum of 30 percent of ARRA funding to service out-of school youth.
 - The Summer Youth Employment Opportunity period is defined May 1 through September 30.
 - Local areas may use up to 10% of the Youth ARRA funds for local administration.
 - ODJFS will issue program policy which details additional program requirements for the use of ARRA funds.
 - ODJFS will issue an ARRA Expenditure, Recapture and Redistribution Policy which applies to these funds.
- Distinction between Youth stimulus funds and regular funding
 - ARRA may serve an expanded youth population which includes 22-24 year olds.

Random Moment Sampling (RMS) Coding

- New program codes have been established for each RMS observation form as follows:

WIA Stimulus (WI)	JFSSWW402
WIA Stimulus (IM)	JFSSAI402
WIA Stimulus (SS)	JFSSAS402

- In addition to current activity codes, which may be used with appropriate program codes, when a worker is performing an activity related to ARRA funding, ODJFS has established the following new codes:

WIA Youth Ages 22-24	In School	JFSSWW409
WIA Youth Ages 22-24	Out of School	JFSSWW410

General Requirements for ARRA grants

The following information is specific to usage of ARRA funds and is in addition to any existing terms and conditions:

- **Limit on Funds:** None of the funds appropriated or otherwise made available in the ARRA may be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.
- **Wage Rate Requirements:** Subject to further clarification issued by the Office of Management and Budget and notwithstanding any other provision of law and in a manner consistent with other provisions of ARRA, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Grantor pursuant to this award shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code. (ARRA Sec. 1606).
- **Whistleblower Protection** - Each sub-recipient awarded funds made available under the ARRA shall promptly refer to the Grantor Office of Inspector General any credible evidence that a principal, employee, agent, contractor, sub-recipient, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds. (ARRA Sec. 1553).
- **Buy American - Use of American Iron, Steel, and Manufactured Goods:** None of the funds appropriated or otherwise made available by the ARRA may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. See ARRA Section 1605 - Buy American Requirements.

NOTE: WIA Title I prohibition on construction, in accordance with 20 CFR 667.260, remains applicable to subrecipients.

Further information will be forthcoming in the form of allocation letters, rules, and administrative policy providing direction and guidance for administration of funds and reporting requirements. In the interim, should local areas have additional questions please contact your ODJFS Fiscal Supervisor or call the Bureau of County Finance and Technical Assistance at (614) 752-9194.