

REQUEST TO APPROVE

Date: March 8, 2021

Time: 10:00 am



Request

The Illinois Department of Commerce and Economic Opportunity requests the authority to review and approve waiver requests from the Local Workforce Innovation Areas (LWIA) of the requirement that the LWIA obligate at least 80% of the Program Year 2020 Workforce Innovation and Opportunity Act funds for Adults, Dislocated Worker and Youth by June 30, 2021.

Background

WIOA Title IB Obligation Requirement

WIOA Section 132(c) establishes the requirement that states obligate at least 80 percent of each WIOA Title I-B formula grant or face recapture of those funds by the U.S. Department of Labor. Consistent with the requirement that the U.S. Department of Labor (DOL) imposes on states, it has been the State's practice, to hold LWIBs to the same 80 percent obligation standard for the WIOA Title I-B formula grant funds. Because the COVID-19 emergency has resulted in disruptions to local area service delivery, the State is suspended the requirement on LWIBs to obligate at least 80 percent of WIOA Title I-B Adult, Dislocated Worker, and Youth formula grants in Program Year 2019. DCEO is requesting continued flexibility with the Program Year 2020 funds to work through the COVID-19 disruptions and to prepare for increased activity in Program Year 2021 (July 1, 2021 to June 30, 2022).

Program Year 2021 Funding Outlook

The United States Department of Labor issued Training and Employment Notice No. (TEN) 14-20 to provide the states with planning estimates for the WIOA Program Year 2021 Title IB funds. The WIOA formula funds for Illinois are projected to be cut in Program Year 2021. TEN 14-20 outlines the state's relative share of the Program Year 2021 WIOA Adult, Dislocated Worker and Youth funds. It is projected that Illinois' share of the WIOA Title IB funds that are available to all of the states will be reduced from 5.34% in Program Year 2020 to 4.81% in Program Year 2021.

Additional Program Year 2020 Funding to LWIAs

In order to support the Local Workforce Innovation Areas that face cuts in next year's funding and to respond to the ongoing impact of COVID-19, the Illinois Department of Commerce and Economic Opportunity (DCEO) has identified \$2-3 million in Statewide Rapid Response funds to support workforce services over the next 15 months focused on Dislocated Worker jobseekers. DCEO is planning to provide additional Program year 2020 funding to the LWIAs using the formula allocation methodology required by the WIOA regulations.

Considerations

It is anticipated that DCEO will provide additional Program Year 2020 funding that will be added to the LWIA's formula grant within the next three months. It may not be reasonable for all of the local areas to meet the 80% obligation requirement as these additional funds are added to the PY2020 grant in the final two months of the program year.

Motion

"I move that the IWIB Executive Committee authorize the Illinois Department of Commerce and Economic Opportunity's requests to review and approve waiver requests from the Local Workforce Innovation Areas (LWIA) of the requirement that the LWIA obligate at least 80% of the Program Year 2020 WIOA funds."