



Fall Forum 2021

Stimulus Funds and UGG, and You and Me, So Happy (Back) Together

WIOA and ARP

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Questions for this session

1. May CARES and ARPA funds be used to support Perkins, AEFLA and WIOA activities?
2. What are the limitations on State and Local Fiscal Recovery Funds?
3. May Perkins, AEFLA, WIOA, and SFRC funds be “BLENDED” to support allowable program costs?
4. If the funds cannot be blended, how can grantees/subgrantees “BRAID” funds to support programs?



Braiding Coronavirus State and Local Fiscal Recovery Funds





SFRF - Purpose

- **Responding to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts**
- Providing premium pay to eligible workers of the State, territory, or Tribal government that are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- Replacing lost revenue for eligible State, local governments;
- Making necessary investments in water, sewer, or broadband infrastructure.



Negative Economic Impacts

“to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality”

ARP § 9901(c)(1)(A)



SFRF - Specified Uses of Funds

- Assistance to unemployed workers
- Assistance to businesses and industry
- Expenses related to COVID-19 prevention
- Hiring State and local government staff
- Administrative costs of non-federally funded programs
- Broadband investments

31 CFR 35.6(b)



WIOA - Purpose

“To increase, for individuals in the United States, particularly those individuals with barriers to employment, access to and opportunities for the employment, education, training, and support services they need to succeed in the labor market.”

WIOA § 2



Perkins V - Purpose

“to develop more fully the academic knowledge and technical and employability skills of secondary education students and postsecondary education students who elect to enroll in career and technical education programs and programs of study”

Perkins V § 2



Adult Education - Purpose

- It is the purpose of this title to create a partnership among the Federal Government, States, and localities to provide, on a voluntary basis, adult education and literacy activities, in order to—
 - (1) assist adults to become literate and obtain the knowledge and skills necessary for employment and economic self sufficiency;
 - (2) assist adults who are parents or family members to obtain the education and skills that are necessary to becoming full partners in the educational development of their children and lead to sustainable improvements in the economic opportunities for their family;
 - (3) assist adults in attaining a secondary school diploma and in the transition to postsecondary education and training, including through career pathways; and
 - (4) assist immigrants and other individuals who are English language learners in improving their reading, writing, speaking, and comprehension skills in English; mathematics skills; and acquiring an understanding of the American system of Government



Braiding Federal Funds

- Braiding: “Financial assistance from several sources is coordinated... to support a single initiative or strategy, while each individual award maintains its award specific identity.”
 - *No statutory authority necessary*
 - *Good project management*
 - *Best practice*



Also consider...

- Infrastructure bill, Build Back Better Act may use the WIOA core infrastructure to distribute funds
- WDBs may be the common denominator in braiding these new funding streams



Questions to Ask

- Can I clearly articulate the scope of my project and what I am trying to achieve?
- Have I identified suitable partners?
- Have I verified that sufficient resources will be available to accomplish what I want to achieve?
- Have I identified potential barriers or challenges to implementation and determined how I can overcome them?
- Have I established how I will know whether my goals have been achieved?



Braiding Process

1. Needs assessment
2. Coordinated project plan
3. Coordinated budget
4. Monitor performance outcomes



Braiding Step 1: Needs Assessment

- Determine which stakeholders should be involved
- Between stakeholders, where is there the greatest need for collaboration
- What areas have the greatest need?
 - *Data recording/tracking?*
 - *Intake?*
 - *Providing Services?*
 - *Identifying eligible participants?*



SFRF - Improving Efficacy of Programs

- Funds can be used “to improve efficacy of public health or economic relief programs.” 31 CFR 35.6(b)(10).
- Includes:
 - *Data analysis*
 - *Targeted outreach*
 - *Improvements to data or technology*
 - *Program evaluations*
- Can also be used to facilitate access to federal health and social services such as tax credits, benefits, or assistance programs.



Braiding Step 2: Project Plans

- Each federal program has its own application/plan:
- When braiding federal funds, each plan/application must be considered and State must spend within the approved plan/application
- ALL assurances and requirements must still be met for all programs involved



Stakeholder Should Consider:

- Length of the braiding agreement
- Federal programs and federally-funded services involved
- Federal and non-federal funds being used
- State, local or tribal programs involved;
- Population(s) to be served;
- Cost-effective federal oversight procedures, as well as state, local or tribal oversight procedures to maintain accountability for the use of federal funds
- Outcome(s) the braiding is designed to achieve and the outcome-measurement methodology
- Consequences of not achieving specified outcomes.



Braiding Step 3: Budget

- Individual budget constraints **STILL** apply.
- The key is to use these constraints jointly with other programs
- May require budget amendments, especially as needs are identified.
- Funding streams are still independent, but now all streams flow towards a common goal



UGG Exception – SFRF Budgets

- Recipients of Treasury funds are not required to submit a budget or planned expenditures to Treasury. FAQ # 4.5.
- BUT... look to applicable state requirements.



Eligible Participants



SFRF Eligibility

Eligible Individual:

- Must want and be available for work
- Must be unemployed or employed part-time seeking full-time work
- May include workers unemployed prior to pandemic if continued unemployment is a result of the pandemic



SFRF Eligibility – Cont.

Group Eligibility

- If a recipient can demonstrate a negative economic impact on a population or group
- May provide services to any individual that is within the population or group

Treasury FAQ #2.17



Workforce Participant Eligibility

Perkins	Secondary and postsecondary students who elect to enroll in organized educational activities that offer a CTE sequence
AEFLA	Adults who have attained 16 years of age, not enrolled or required to be enrolled in secondary school, and 1) Basic skills deficient, or 2) does not have a secondary school diploma or equivalent, or 3) is an English language learner.
WIOA Youth	Age 16-24 at time of enrollment; Must meet at least one of the eight conditions of "disadvantage" (e.g. offender, homeless, a parent, disability, dropout)
WIOA Adult	18 years of age or older



SFRF Eligible Services



Unemployed Workers

Eligible Services:

- Job training
- Efforts to accelerate rehiring:
 - Childcare assistance
 - *Transportation assistance to jobsite or interview*
 - Incentives for newly employed workers

Treasury FAQ #2.13



Unemployed Workers

Other Potentially Eligible Services:

- Workforce readiness training
- Apprenticeship or pre-apprenticeship opportunities
- Skills development
- Placement services
- Coaching and mentoring services
- Wraparound services

Treasury FAQ #4.8



Public Jobs Programs

- SFRF funds can be used to establish a public jobs program in response to the pandemic
- May include:
 - *Subsidized employment*
 - *Education and on-the-job training*
 - *Programs to accelerate rehiring*
 - *Other employment supports*

FAQ# 2.16



Unemployed Workers

- SFRF funds cannot be used for general economic or workforce development
- Must have documentation to show that funding “directly addresses a negative economic impact of COVID-19”

Treasury FAQ #2.13





Summer Youth Employment

- Assistance to unemployed workers includes subsidized jobs for young people.
- “Summer youth employment programs directly address the negative economic impacts of the pandemic on young people and their families and communities.”

FAQ# 4.8



Addressing Educational Disparities

- “Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students’ social, emotional, and mental health needs;”

FAQ# 2.11



Businesses and Industry

- Assistance to small businesses, including loans, grants, in-kind assistance, **technical assistance or other services**, that responds to the negative economic impacts of the COVID-19 public health emergency.
- Aid to tourism, travel, hospitality, and other impacted industries that responds to the negative economic impacts of the COVID-19 public health emergency.



Businesses and Industry

What about other industries?

- May aid other industries if they experienced an impact equal to hospitality
 - *17% decline in employment and 24% decline in revenues*
- Must show that the decline in employment and revenue is related to COVID-19 and not long term economic or industrial trends

Treasury FAQ #2.10



WIOA Youth Programs Crosswalk

	WIOA Youth (16-24)	Perkins/CTE (7th grade and above)	AEFLA (at least 16)	SFRF
1. Tutoring	Yes	Not remedial	Yes	Yes
2. Alternative Secondary School	Yes	Yes	Yes	Yes
3. Paid and unpaid work experiences	Yes	Yes	Yes	Yes
4. Occupational skills training	Yes	Yes	Yes	Yes
5. Education offered concurrently with occupational workforce preparation	Yes	Yes	Yes	Yes
6. Leadership development	Yes	Yes	No	Yes
7. Supportive services	Yes	Yes	Yes	Yes
8. Adult mentoring	Yes	Yes	Yes	Yes
9. Follow up services	Yes	Yes	Yes	Yes
10. Comprehensive guidance & counseling	Yes	Yes	Yes	Yes
11. Financial literacy education	Yes	Yes	Yes	Yes
12. Entrepreneurial skills training	Yes	Yes	Yes	Yes
13. Labor market information	Yes	Yes	Yes	Yes
14. Postsecondary education transition	Yes	Yes	Yes	Yes



WIOA Adult Programs Crosswalk

	WIOA Adult	Perkins/CTE	AEFLA	SFRF
1. Occupational skills training	Yes	Yes	Yes	Yes
2. On-the-job training	Yes	No	No	Yes
3. Incumbent worker training	Yes	No	No	Yes
4. Workplace training combined with related instruction	Yes	No	Yes	Yes
5. Private-sector-operated trainings	Yes	No	No	Yes
6. Skills upgrading and retraining	Yes	Yes	No	Yes
7. Entrepreneurial training	Yes	Yes	Yes	Yes
8. Transitional jobs	Yes	No	No	Yes
9. Job readiness training	Yes	Yes	Yes	Yes
10. Adult education	Yes	No	Yes	Yes
11. Customized training	Yes	No	No	Yes
12. Supportive services	Yes	Yes	Yes	Yes



Other Eligible Uses of SFRF



COVID-19 Prevention

“Expenses for the mitigation and prevention of COVID-19”

- PPE and sanitization supplies
- Disinfection costs
- Expense of paid sick and paid family and medical leave (to the extent necessary to complain with public health precautions)
- Expenses for the improvement of ventilation systems



Hiring Government Staff

- Can only be used to hire up to the number of employees on **January 27, 2020**
- Includes payroll, covered benefit, and other costs



Administrative Costs

- Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID–19 public health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

FAQ #10.2



Admin Costs of Non-Federal Programs

- Must be a program responding to the negative economic impacts of COVID-19
- Look to SFRF allowable uses – does the non-federally funded program meet requirements?



Broadband Investments

- Includes digital literacy training or other programs that promote access to the Internet
- Limited to households facing a negative economic impact due to COVID-19

Treasury FAQ #6.6



Other Costs

1. Do they address an economic harm resulting from or exacerbated by the public health emergency?
 - A. *Must make the tie to COVID-19*
 - B. Economic impact can be immediate or delayed
 - C. *BUT cannot be used to provide services to unaffected individuals*
2. Do they “respond to” the identified economic harm?
 - A. Response must be proportionate to the harm



Ineligible Uses

- May not directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of fiscal year in which funds have been spent.
 - *I.e., cannot pay for tax cuts with Coronavirus State/Local Fiscal Recovery Funds*
- No recipient may use this funding to make a deposit to a pension fund.
 - *“Deposit” is an extraordinary contribution for the purpose of reducing and accrued, unfunded liability. Routine payroll contributions for employees whose wages and salaries are eligible use of funds are ok*
- Cannot be used to pay interest or principal on outstanding debt.



SFRF Exceptions to the Uniform Guidance Requirements



What UGG requirements apply?

- ALL of them
- Except:
 - 200.204 (Notices of Funding Opportunities)
 - 200.205 (Federal awarding agency review of merit of proposal)
 - 200.210 (Pre-award costs)
 - 200.213 (Reporting a determination that a non-Federal entity is not qualified for a Federal award)
 - 200.308 (revision of budget or program plan)
 - 200.309 (modifications to period of performance)
 - 200.305 (b)(8) and (9) (Federal Payment)



Timeliness of Spending

- SFRF can only cover costs incurred from **March 3, 2021** – **December 31, 2024**
- A cost is incurred when it is obligated
- Obligated funds can be liquidated through **December 31, 2026**
- If recipient fails to obligate or liquidate, must return funds



Federal Payment – 200.305(a)(8)&(9)

- NOT required to maintain SFRF funds in an interest-bearing account
- NOT required to remit interest earned to Treasury



Pooling funds

- SFRF funds may be pooled to fund regional projects, provided:
 - *The entire project is an eligible use of funds*
 - *Recipients can track the use of funds and meet reporting and compliance requirements*
 - *Can transfer funds to another government to undertake the project on behalf of multiple participants*
 - But must document proportional benefit and follow transfer rules in Interim Final Rule.

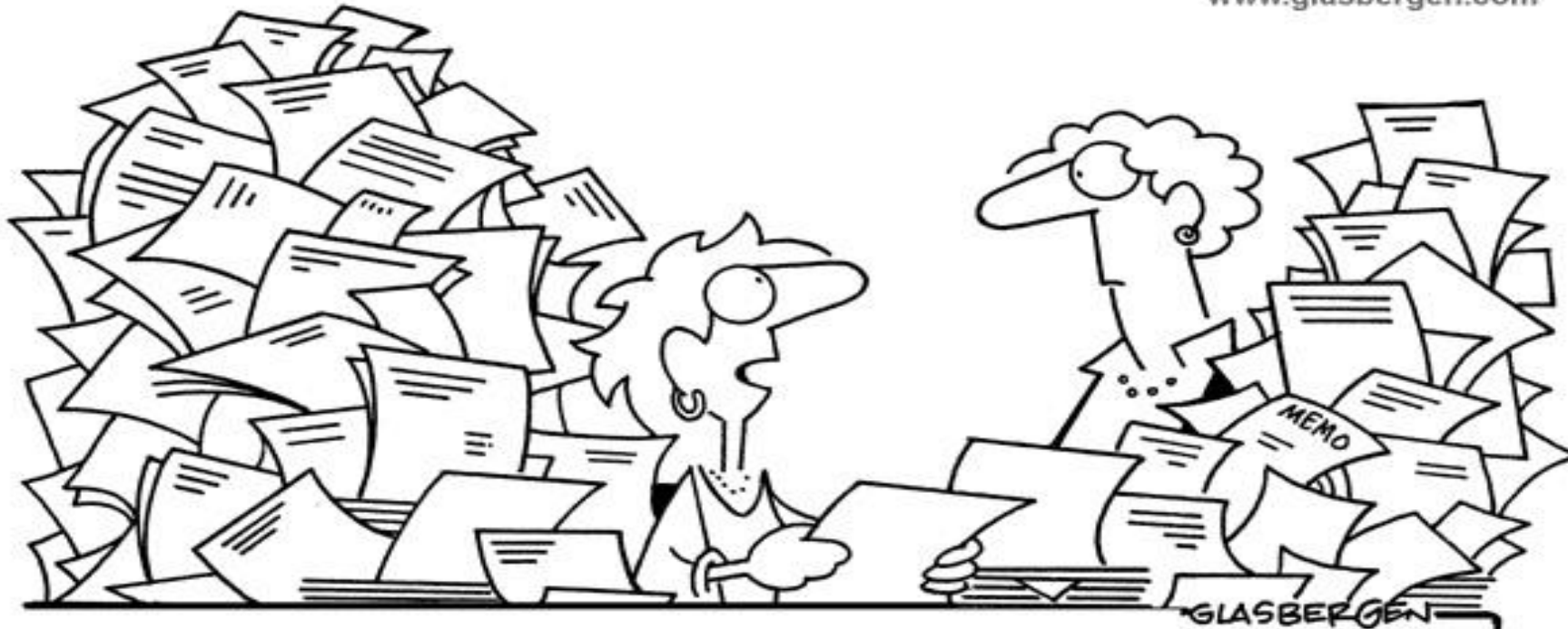


SFRF Documentation Requirements



Know Where your Documents Are!

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**“I am not disorganized — I know *exactly* where everything is!
The newer stuff is on top and the older stuff is on the bottom.”**



Retention Requirements For Records – 2 CFR 200.334

- Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a **period of three years** from the date of submission of the final expenditure report.
- BUT Treasury has a longer requirement: “financial records and supporting documentation related to the award must be retained for a **period of five years** after all funds have been expended or returned to Treasury, whichever is later”

Treasury FAQ #9.1



Resources

- **Interim Final Rule:** <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>
- **FAQs:**
<https://home.treasury.gov/system/files/136/SLFRPFAQ.pdf>
- **Fact Sheet:**
<https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>



Questions?





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