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STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

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OFFICIAL
Policy Issuance (PI): 20-28, Change 1

Date: April 9, 2021

To: Michigan Works! Agency (MWA) Directors

From: Krista Johnson, Division Administrator **SIGNED**
Talent Development Division
Workforce Development

Subject: Michigan Disaster Recovery National Dislocated Worker Grant (DWG) -
COVID-19 Disaster Recovery Project

Programs Affected: Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker

Recissions: None

References: The WIOA of 2014, Public Law (PL) 113-128 (29 United States Code Section 3101, *et seq.*)

The WIOA Final Rule 20 Code of Federal Regulation (CFR) Part 682, et al.

Training and Employment Guidance Letter (TEGL) 12-19, Change 1 Operating Guidance for the WIOA National Dislocated Worker Grant Program

TEGL 19-16 Guidance on Services Provided Through the Adult and Dislocated Worker Programs under the WIOA and the Wagner-Peyser Act Employment Service (ES), as Amended by Title III of WIOA, and for Implementation of the WIOA Final Rules

Background: COVID-19 Disaster Recovery Project grants are awarded under the WIOA National DWG Program.

DWGs are discretionary grants awarded by the Secretary of Labor under Section 170 of the WIOA to provide employment-related services for dislocated workers. The Department funds two types of DWGs: Disaster Recovery and Employment Recovery. Disaster Recovery DWGs provide funding to create temporary employment opportunities to assist with

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clean-up and recovery efforts when an area impacted by an emergency or major disaster is declared eligible for public assistance by the Federal Emergency Management Agency (FEMA), or is declared, or otherwise recognized, as an emergency or disaster of national significance by a Federal agency with authority or jurisdiction over Federal response to the disaster or emergency. On March 13, 2020, the President signed a nationwide emergency declaration for COVID-19 pursuant to Sec. 501(b) of the Stafford Act to include all 50 states, the District of Columbia, and four territories.

In April 2020, MWA Directors were surveyed to determine potential need and uses for DWG funding to respond to the ongoing COVID-19 crisis. Based on those survey results, the Department of Labor and Economic Opportunity, Workforce Development (LEO-WD) submitted a \$10 million emergency funding request to the United States Department of Labor (USDOL). The Disaster Recovery application included all 83 Michigan counties and focused on three areas: Disaster-Relief Employment (DRE) to hire contact tracers and for other jobs directly tied to the COVID-19 relief and recovery effort; additional dislocated worker funding to accommodate the expected rise in unemployment during and after the pandemic; and technology upgrades to enhance the Michigan Works! system's ability to better serve participants going forward, particularly through the provision of virtual services.

Due to the unprecedented demand for funds at the national level, states generally received 1/3 of requested funding. On May 28, 2020, the USDOL conditionally awarded Michigan \$3,330,000 in Disaster Recovery DWG funding with a period of performance of May 6, 2020 through June 30, 2022.

Policy:

The WD has distributed \$3,159,043 to all sixteen MWAs based on criteria derived from the COVID-19 emergency funding request to the USDOL. Funding can be used to support Disaster-Relief Employment (DRE), Career and Training Services, and Technology Upgrades in accordance with the final MWA COVID-19 Project Proposals submitted to WD in August 2020. Funding for Technology Upgrades cannot exceed the budgeted amount in the final proposal.

The WD will periodically review expenditures and work with the MWAs to determine if funding levels are appropriate and may recapture and reallocate funds. To ensure expenditure by the June 30, 2022, deadline, and to meet demand, the WD retains the right to recapture and reallocate unexpended COVID-19 Disaster Recovery Project funds at any time after May 1, 2021, based on enrollment and expenditure trends.

COVID-19 Disaster Recovery Project- Allowable Activities

MWAs must assess and determine the needs of each participant to determine the appropriate services rendered under the COVID-19 Disaster Recovery Project DWG.

Not all COVID-19 Disaster Recovery Project DWG participants must participate in DRE. MWAs may also provide employment and training services to participants. MWAs may enroll eligible participants in:

- Disaster-Relief Employment *only*;
- Employment and Training Activities *only*; or
- *Both* DRE and Employment and Training Activities.

Please Note: MWAs must complete an appropriate assessment and Individual Employment Plan (IEP) for all participants, except those who engage in DRE only. Additionally, those participants who only receive DRE are not included in the primary indicators of performance unless they receive other allowable career and training services provided through the DWG.

In addition to the above-mentioned participant activities, Michigan Works! Agencies may use COVID-19 Disaster Recovery Project funds to support technology upgrades if those upgrades were included in the MWA's Project Proposal submitted in August 2020.

Disaster-Relief Employment

DRE is temporary employment of eligible individuals for the purposes described in WIOA Section 170(b)(1)(B) and (d), as well as 20 CFR 687.180(b) and (c). MWAs must demonstrate that DRE created under the COVID-19 Disaster Recovery Project aligns with the category of humanitarian assistance.

Humanitarian assistance provided by disaster-relief DWG participants generally includes actions designed to save lives, alleviate suffering, and maintain human dignity in the immediate aftermath of disasters. Assistance includes activities such as the provision of food, clothing, and shelter. The humanitarian assistance provided by disaster-relief workers must relate directly to needs created by the COVID-19 pandemic. Disaster-relief positions that deliver humanitarian assistance to address humanitarian needs cannot be used to fund the actual humanitarian aid. For example, funding could be used to support food delivery workers at food shelters but not the food itself.

Examples of DRE for this grant include:

Contact Tracers - Workers will facilitate contact identification, contact listing, and contact follow-up.

Sanitizers - Cleaners to sanitize public facilities and small businesses.

Test Site Facilitators - Coordinators to direct individuals going for testing.

Resource Coordinators - Placed in local workforce centers or community centers to help connect individuals with proper resources.

COVID-19 Vaccine Site Support - Workers to perform initial health screens, assist with patient navigation, schedule appointments, process vaccine shipments, and disburse Personal Protection Equipment (PPE).

Duration of Employment. Participants in disaster-relief positions may be employed for a maximum of 12 months or 2,080 hours, whichever is longer. If there remain humanitarian needs after participants reach the limits on employment duration, MWAs should attempt to employ new eligible individuals to continue the work. If a participant misses work for an extended period of time at the worksite, the staff should determine (1) the reason for the absence, (2) if supportive services are needed to participate in the grant, and (3) if employment needs to be terminated. If the participant is unable to successfully complete any worksite training requirements or adhere to worksite rules and are terminated from temporary employment, career and training services are still available through the COVID-19 Disaster Recovery Project.

Participant Wages. The worksite employer that provides participants temporary DRE is required to pay the higher of the Federal, State, or local minimum wage, or the comparable rates of pay for other individuals employed in similar occupations by the same employer. In accordance with WIOA Section 181(a)(1)(A), generally, participants must be compensated at the same rates, including periodic increases, as employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills. Where applicable, fringe benefits should be paid in accordance with the policies of the worksite employer.

Project Operator. For purposes of this grant, as described in TEGL 12-19, Change 1, WD is the DWG recipient and MWAs are Project Operators.

Responsibilities of Project Operators. In general, Project Operators are responsible for overall project management, selecting Worksite Employers, monitoring worksites and tracking Disaster-Relief Employees.

- **Selection of Worksite Employers** - Project Operators will solicit input from local area stakeholders affected by the crisis to identify temporary employment positions necessary to mitigate effects of the pandemic. Once positions are identified, the Project Operator will determine potential Worksite Employers that can most effectively address the needed humanitarian assistance. The Project Operator will work with the Worksite Employers to determine the number of DREs and establish a budget. Project Operators will then submit the completed ***Disaster Recovery DWG – Project Operator Worksite Information Form*** (Attachment 1) and the ***Disaster Recovery DWG – Enrollment and Expenditure Worksheet Form*** (Attachment 2) to WD.

- **Changing Worksite Employers or Disaster-Relief Employment Positions** - During the course of the emergency it may be beneficial to add or delete Worksite Employers or realign the DRE positions to meet changing needs. Changes in either Worksites or DRE positions must meet criteria detailed in this PI. If either occur, please update the ***Disaster Recovery DWG – Project Operator Worksite Information Form*** (Attachment 1) and the ***Disaster Recovery DWG – Enrollment and Expenditure Worksheet Form*** (Attachment 2) with the change(s) and resubmit to WD.

Worksite Employer. MWAs must apportion DWG funding allocated for wages of temporary workers to only the chosen Worksite Employers for the COVID-19 Disaster Recovery Project. There is no limitation on what type of entity may be a Worksite Employer; Project Operators may serve as Worksite Employers. Worksite Employers will directly manage Disaster-Relief Employees and maintain payroll information in accordance with standard accounting practices. They are also responsible for ensuring worksites comply with health and safety standards and that the same conditions apply to the temporary workers as that of their full-time employees.

Worksite Agreements. The Project Operator and Worksite Employer shall establish a formal worksite agreement that, at minimum, will contain provisions for contract duration, a DRE budget, wage/fringe benefits information, duration of employment, essential job functions and a modification and review process.

Worksite Monitoring. Project Operator staff will be expected to perform monthly site visits to ensure that Worksite Employers and DRE workers are complying with the work site agreement, including ensuring the work performed meets humanitarian assistance requirements detailed in the Disaster-Relief Employment Section of this PI. For those work sites that have occupancy restrictions in place due to the pandemic response, and for the safety of staff, the site visits may be conducted virtually.

MWA Case Managers will work with DRE participants to assist with transitioning them to permanent employment. Case Managers will monitor hours worked to ensure participants do not exceed the maximum allowable hours as detailed in the Duration of Employment Section of this PI.

Reporting Requirements

Data Entry: The WD requires that all WIOA participant information be reported in the One-Stop Management Information System (OSMIS), including eligibility, activities, status, and outcome information. DWG participants must be registered in the OSMIS under the WIOA Dislocated Worker program. All requirements for the WIOA Dislocated Worker program registration and accompanying documentation must be met.

All participants will have the “National Emergency Grant” funding source selected on the OSMIS “Funding Sources/Programs” screen.

Please follow these instructions when completing the National Emergency Grant (NEG) portion of the “Funding Sources/Programs” screen for COVID-19 Disaster Recovery Project participants:

- For “National Emergency Grant,” select “Yes.”
- For “Grant Number,” select “2627 – COVID-19.”
- For “Grant Start Date,” enter the participant’s date of NEG enrollment (when COVID-19 funds are first spent on the participant).

The MWAs must enter the date that the participant was enrolled in the DWG in the “Grant Start Date” field below each Grant Number field. The entry of a NEG grant number will not be accepted without the entry of a corresponding enrollment date. Participants with the “2627 – COVID-19” funding source selected will be included in federal PIRL reporting.

Disaster-Relief Employment Participants: Under the “Assistance Tab”, select “Disaster Relief Assistance – yes”. Only use this indicator for participants in Disaster-Relief Employment.

Entering Grant Specific Participants in the OSMIS

TEGL 12-19, Change 1 contains special eligibility provisions for those affected by disasters. The Michigan COVID-19 Disaster Recovery Project DWG includes all four allowable Eligible Participant categories:

1. Temporarily or permanently laid off as a consequence of the disaster;
2. A dislocated worker as defined at 29 U.S.C. 3102(3)(15);
3. A long-term unemployed worker; or
4. A self-employed individual who became unemployed or significantly underemployed as a result of the disaster or emergency.

The OSMIS currently allows dislocated worker participants to be entered under categories 2 and 4. When applicable, enter participants using the established process for these two categories.

As the OSMIS currently lacks the ability to enter participants eligible under categories 1 and 3, the following process should be followed to accommodate the additional categories:

Category 1: An individual temporarily or permanently laid off as a consequence of the disaster or emergency.

1. Select 1. (a) Has notice of or is Terminated or Laid-off from Employment (Y/N): Y and:
(b) Unlikely to Return to Prior Industry or Occupation, (Y/N): Y and:
(c) Meets One-Stop Center Attachment to Workforce (Y/N): Y

2. Enter the following case note:

(Participant Name) is determined eligible for the COVID-19 Disaster Recovery Project DWG under TEGL 12-19, Change 1 Eligible Participant Criteria # 1, an individual temporarily or permanently laid off as a consequence of the disaster. It has been determined the COVID-19 pandemic is the root cause of job loss and the participant is eligible to receive services through the COVID-19 Disaster Recovery Project DWG.

Category 3: A long-term unemployed individual.

- Select 1. (a) Has notice of or is Terminated or Laid-off from Employment (Y/N): Y and:
(b) Unlikely to Return to Prior Industry or Occupation, (Y/N): Y and:
(c) Meets One-Stop Center Attachment to Workforce (Y/N): Y

2. Enter the following case note:

(Participant Name) is determined eligible for the COVID-19 Disaster Recovery Project DWG under TEGL 12-19, Change 1 Eligible Participant Criteria #3, a long-term unemployed individual. It has been determined the COVID-19 pandemic has destabilized the job market and (Participant Name) to be long-term unemployed as defined by (insert MWA name) policy (#/Name/effective date). The participant is eligible to receive services through the COVID-19 Disaster Recovery Project DWG.

Fiscal Information

The local area will process all cash requests through the Management of Awards to Recipients System (MARS) in accordance with the MARS Manual. The local area must have on file appropriate documentation to support each cash draw.

The USDOL/ETA requires all grantees to report all financial transactions on a full accrual basis. Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for (1) goods and other tangible property received; (2) services performed by employees, contractors, sub-grantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit amounts.

In general, total accrued expenditures are costs incurred for goods and services received regardless of whether the payment has been made.

All reporting of fiscal expenditures for the funds provided in this policy must be reported to the WD on a quarterly basis. A final close-out report is also required. All quarterly financial expenditure reports are due to the WD no later than the 20th calendar day after the end of the calendar quarter. The final close-out report is due to the WD no later than 60 days after the end of the grant period. In the event that the due date falls on a weekend or state government holiday, the report is due on the last business day prior to the due date. Local areas must submit reports in the [MARS](#). If there are any questions regarding cash requests or the submission of required expenditure reports, please call Mr. Michael LaCharite at 517-335-6051.

All other provisions of PI 20-28 not expressly altered by this policy change remain unchanged and in effect.

Action: MWAs must take appropriate action to implement the directives of this policy issuance.

Inquiries: Questions regarding this policy should be directed to Mr. Rick Niedieck at Niedieckr@michigan.gov.

This policy is available on the [WD's website](#).

The information contained in this policy will be made available in alternative format (large type, audio tape, etc.) upon special request to this office. Please contact Ms. Carla Burdick at 517-647-9384 or via email at BurdickC@michigan.gov for details.

WD is funded by state and federal funds; more details are available on the Legal Disclaimer page at www.michigan.gov/workforce.

Expiration

Date: June 30, 2022

KJ:RN:cjb
Attachments