

Category/Subject: Workforce Innovation Grant Program (Innovation Grants)
Colorado Policy Guidance Letter#: GRT-2021-02
Revise/Replace PGL#: N/A
Date: August 6, 2021
Distribution: CDLE Management/Finance, State/Local Workforce Directors & Staff, Partners

**August 2021 Comment Period Changes Highlighted**

**I. REFERENCES:**

- A. [Colorado House Bill 21-1264](#), Funds Workforce Development Increase Worker Skills
- B. State and Local Fiscal Recovery Funds [Compliance and Reporting Guidance](#)
- C. Policy Guidance Letter (PGL) [ADM-2019-07, Internal and Subrecipient Monitoring](#)

**II. PURPOSE:**

Provides guidance for local workforce boards to implement the Workforce Innovation Grant Program (Innovation Grants).

**III. BACKGROUND:**

On June 23, 2021, Colorado House Bill 21-1264 was signed into law by Governor Jared Polis. The bill appropriated \$75 million in federal funds from the American Rescue Plan to support talent development. This includes \$60 million to the Colorado Workforce Development Council to invest in programs and grants that support training for the unemployed and underemployed during times of substantial unemployment.

Colorado's unemployment rate remains higher than pre-COVID levels, and the impacts of low-quality jobs and demands for skilled workers create stress within the labor market. The [2020 Colorado Talent Pipeline Report](#) highlights impacts of the pandemic, top jobs and in-demand credentials, and discusses the plan for recovery in 2021. The execution of all workforce-related legislation from the 2021 session will build on the data in the Talent Pipeline Report and work to achieve the overarching goals of the state and local areas to support Coloradans.

The Innovation Grants compose \$35 million of this stimulus package. Of this amount, \$17,500,000 will be distributed by formula to local workforce boards to award funds to eligible applicants through a competitive process.

#### **IV. POLICIES/ACTIONS:**

##### **A. Funding Allocation and Work Plans**

\$17,500,000 will be distributed by formula to all ten local workforce boards through the Notice of Funding Award (NFA) process. The allocation will be available July 1, 2021. Local areas must submit an NFA work plan detailing the specific strategies and activities that will be implemented with the funding allocation.

##### **B. Period of Performance**

At minimum, 90% of fund allocations must be obligated no later December 31, 2023. Local areas and their subrecipients must expend 100% of funds by December 31, 2024.

##### **C. Grant Focus Areas and Allowable Activities for Sub-Recipients**

Local boards shall award grants to eligible applicants (a minimum of 90% of their local funding allocation) that will build in-demand skills, connect workers and learners to quality jobs, and drive employer engagement in talent development in any of the following areas:

1. Supporting work-based learning, skill development, training completion, and quality job placement through the following:
  - a. Providing quality education and training for reskilling, upskilling and next-skilling individuals who are in COVID-19 impacted households and underserved populations that were disproportionately impacted by the COVID-19 Public Health Emergency;
  - b. Building accountable partnerships and systems to improve outcomes or decrease costs for workers and learners to access quality education and training;
  - c. Provide support services and equipment to workers and learners with barriers to accessing education, training, and job placement;
  - d. Increasing access to career counseling and navigation programs for in-school and out-of-school workers and learners;
  - e. Develop new, work-based learning programs in partnership with employers;
  - f. Increasing access to English as a Second Language (ESL) and other career readiness programs that enable equitable access and integration.

2. Supporting employers and small business to mitigate financial hardships resulted from the public health emergency or providing greater opportunities for communities disproportionately affected by COVID-19 to engage in talent development through the following:
  - a. Providing services to businesses and employers;
  - b. Supporting initiatives to enhance job quality;
  - c. Increasing adoption of skills-based practices, including incentivizing new skills-based hires;
  - d. Developing or expanding incumbent worker training and work-based programs in partnership with Colorado Workforce Centers, training providers, community based organizations, local education providers, and institutions of higher education;
  - e. Building new internal pathways for existing employees.
3. Increasing participation by underserved communities including, but not limited to, black, indigenous, and people of color, people with disabilities, new americans, ex-offenders, and older workers through the following:
  - a. Adopting focused outreach strategies specific to underserved communities;
  - b. Increasing partnership with community-based organization that serve these populations in order to support existing trusted messengers that can enhance outreach;
  - c. Improving language access, to include American sign language, to ensure outreach and participation.

Outcome-based or pay-for-performance contracts may be utilized with grant recipients selected through the competitive process.

Funds must be used in compliance with the relevant NFA funding provisions and this PGL, which may be updated as additional guidance becomes available.

#### **D. Eligible Grant Applicants**

The following entities are eligible to apply to local workforce boards for Innovation Grants:

1. Public and Private Sector Employers, Employer Organization, or Trade Associations
2. Apprenticeship Sponsors
3. Community-Based Organizations
4. Colorado Workforce Centers
5. Formalized Sector Partnerships recognized by the CWDC

Eligible applicants may apply in partnership with sub-applicants, including: higher education, libraries, K-12 Local Education Agencies (LEAs) or Boards of Cooperative Educational Services (BOCES), adult education programs, proprietary (private) training providers, economic development corporations, and non-profit organizations. Applicants are encouraged to apply with partners that support transformative strategies focused on systemic alignment with the Colorado Workforce Center ecosystem.

#### **E. Application Process**

Local boards are required to award funds to eligible applicants through a competitive process. Local boards can partner with each other to administer funds. Local areas may not apply for their own grants. Funds may be allocated through an existing contract if it was awarded through a competitive process, but applicants must meet eligibility and identify all the required items below in a supplemental response.

Applications must identify:

1. **Sub-applicants:** the specific role of each sub-applicant and how the lead applicant would distribute funds to sub-applicants, including funding amounts;
2. **Need:** How and why the applicant designed this project, based on data and evidence;
3. **Innovation:** How the proposal supports innovative, locally driven solutions to respond to community needs;
4. **Proposed Impact:** How the proposal will improve outcomes for workers and students and/or increase employer engagement;
5. **Partnerships:** What support does the applicant have from community organizations such as local chambers of commerce, non-profits, businesses, or faith-based organizations;
6. **Sustainability:** How the applicant will continue the project after the grant term expires;
7. **Governance:** How the applicant will ensure appropriate administration, monitoring, reporting, and compliance for the grant; and
8. **Equity:** How the proposal will improve education and economic outcomes for underserved populations or communities.

#### **F. Participant Eligibility**

Eligible individuals must be age 16 or older and (currently or previously) economically impacted by the COVID-19 pandemic. This includes individuals who experienced household income loss or job loss since March 2020, or inability to access or continue education or training due to the COVID-19 pandemic. Participant eligibility may be self-attested and the reason must be documented in case notes. Incumbent workers are

eligible when the worker or employer have been economically impacted by the COVID-19 pandemic.

**G. Program Enrollment and Tracking**

Connecting Colorado is the database of record for this program. All entities receiving funding through this program must utilize Connecting Colorado as the database of record to track participants. Local areas may either grant access for data entry or complete data entry for the entity. Program participants must be registered in Connecting Colorado under Program Code **SI**. All services must be entered using existing service codes in Connecting Colorado. There is no requirement to use the **CV** service code for participants in this program.

**H. Administrative and Program Support Costs**

Local boards may use up to 10% of their local allocation for administrative or program support costs. Allowable local area administrative and program support costs include equipment (costing less than \$5,000 for any single item purchase); personnel costs for a project manager or key staff; program materials and supplies; and program implementation and administration, including reporting activities. In addition, local areas may allow sub-grantees to use up to 10% of their sub-grants for administrative costs per the traditional WIOA definition. Sub-grantees should expend a portion of their program funds for program support.

**I. Non-Allowable Costs**

1. Funding may not be used to 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 the fiscal year in which the funds provided have been spent,
2. No recipient, including cities, non entitlement units of government, and counties, may use funding to make deposits to a pension fund,
3. Funding debt service,
4. Legal settlements or judgements,
5. Deposits to rainy day funds or financial reserves,
6. General infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision,
7. Politically related activities,
8. Entertainment,
9. Fines/penalties,
10. Donations,
11. Fundraising activities,
12. Individual memberships and subscriptions, and
13. Any activities related to the marijuana industry.

**J. Reporting**

Local boards must report to CWDC on the impact of the programs and use of funds. Quarterly reports must be submitted through the [CWDC Grant Portal](#) to demonstrate measurable outcomes achieved, including the number of participants served, the number of individuals who have started training programs, the number of people who completed short-term training programs, the number and type of credentials earned, the number entering employment, and year-to-date expenditure of funds to demonstrate the success of the grant. A quarterly reporting template will be provided in an update to the PGL.

**K. Monitoring and Oversight**

CWDC will oversee the program at the state level to ensure that the overall grant activities, deliverables, expenditures and performance meet state and federal legislative requirements. Local boards will be responsible for oversight and monitoring of subrecipients that are awarded grants.

**L. Evaluation**

External evaluation activities will be conducted on all programs by CWDC and local areas must provide data and participate in these activities. Evaluation activities will be used to determine whether the program, project, or initiative demonstrates an impact on workforce development and innovation in the following areas:

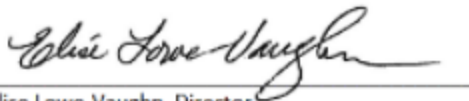
1. Skill/Competency attainment
2. Industry Recognized Credential
3. Graduation or credential attainment rates
4. Job placement
5. Job quality

**V. IMPLEMENTATION DATE:**

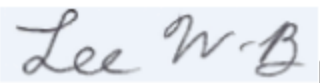
Effective July 1, 2021.

**VI. INQUIRIES:**

Please direct all inquiries to Colorado Workforce Development Council staff: [cwdc@state.co.us](mailto:cwdc@state.co.us).



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