

Mass Workforce Issuance

Workforce Issuance No. 09-70

☒ **Policy** ☐ **Information**

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DCS Regional Managers

cc: WIA State Partners

From: Michael Taylor, Director
Department of Workforce Development

Date: October 29, 2009

Subject: **USDOL Notice: ACORN and Affiliates Prohibited from Receipt of Federal Funds in Accordance with Continuing Appropriations Resolution.**

Purpose: To provide notice to CEOs, Local Workforce Investment Boards, One-Stop Career Center Operators and other local workforce investment partners of the requirement that no funds are to be provided to the Association of Community Organizations for Reform Now (ACORN) under the terms of the current Continuing Appropriation Resolution for the Workforce Investment Act.

Background: The U.S Department of Labor Employment and Training Administration (ETA) published Training and Employment Guidance Letter (TEGL) No. 8-09 on October 19, 2009 (see link below) to provide guidance with respect to compliance with requirements of Section 163 of the Continuing Appropriations Resolution, 2010, Division B of Public Law No.111-68, prohibiting the provision of covered funds to ACORN. Section 163 reads:

“None of the funds made available by this joint resolution or any prior Act may be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, or allied organizations.”

TEGL No. 8-09 requires all recipients and sub-recipients of Federal funds made available through ETA to “immediately commence all necessary and appropriate steps to comply with Section 163 of the Continuing Appropriations Resolution.”

This includes:

“a. No Future Obligation of Funds. No direct or indirect recipient of Federal funds from ETA may obligate Federal funds to ACORN or any of its affiliates, subsidiaries, or allied organizations (collectively “affiliates”) during the period of the Continuing Resolution. To the extent a direct or indirect recipient of federal funds from ETA has determined that Federal funds should be obligated to provide funds to ACORN or its affiliates but has not yet entered into any agreement to provide such funds to ACORN or any of its affiliates, the direct or indirect recipient of Federal funds from ETA may not enter into any such agreement to do so.”

“As section 163 makes clear, its prohibition applies not only to the funding that is made available by the CR, but also to the funding that was made available by previously enacted statutes.”

“b. Suspension of grant and contractual payments. Direct or indirect recipients of Federal funds from ETA who have existing federally-funded grant agreements, sub-grant agreements, contracts, sub-contracts, cooperative agreements, agreements, memoranda of understanding, or an other kind of procurement or funding instrument with ACORN or any of its affiliates must 1) where permissible, immediately suspend performance of any obligations under such agreement, including suspension of the payment of Federal funds; and 2) consult promptly with legal counsel and ETA concerning the legal considerations that bear on the performance of such obligations under the procurement or funding instrument.”

“c. Direct or indirect recipients of Federal funds from ETA shall require all of their sub-recipients and sub-grantees to comply with the requirements described in [in TEGL No. 8-09]...and shall immediately modify sub-recipient and sub-grantee agreements to incorporate the requirements described in this guidance.”

Required: All local areas must review their funding agreements to assure compliance with the requirements of Section 163 of the Continuing Appropriations Resolution and described herein.

Please refer to the TEGL No. 8-09 for detailed information:

<http://wdr.doleta.gov/directives/attach/TEGL/TEGL08-09acc.pdf>

Inquiries: Direct all inquiries to PolicyQA@detma.org. Please indicate this issuance by number and title.