

MERCED COUNTY WORKFORCE DEVELOPMENT BOARD

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POLICY BULLETIN

MCWDB PB # 05-25	Date of Release: June 26, 2025
To:	All Merced County Workforce Development Board Staff and Service Providers
From:	Erick Serrato, Merced County Workforce Development Board
Effective Date:	June 26, 2025
Subject:	National Dislocated Worker Grants (NWDGs)
Responsible Official:	MCWDB Program Manager

PURPOSE

This policy defines and establishes the National Dislocated Worker Grant criteria for determining eligibility for the Workforce Innovation and Opportunity Act (WIOA), National Dislocated Worker Grant (NDWG) program.

BACKGROUND

NDWGs provide supplemental funding in response to major economic dislocations or other events that cause or contribute to a shortage of existing WIOA Dislocated Worker formula funds and other relevant resources in states and local areas. This creates challenges in their ability to provide workforce services to eligible participants. NDWGs enable states and communities to respond to and recover from large, often unexpected dislocation events and their associated impacts.

NATIONAL DISLOCATED WORKER GRANTS

Under Section 170 of the WIOA, NDWGs are discretionary funds from the Secretary of Labor to assist areas impacted by significant job losses due to large, unexpected layoff events or a major disaster. The purpose of the NDWGs is to reemploy dislocated workers through earning and employability enhancements to help recovery efforts in the clean-up and recovery following a federally-declared disaster or a mass layoff event. The California Employment Development Department (EDD) administers two different types of NDWGs: Disaster Recovery (DR) and Employment Recovery (ER). Unique opportunities for NDWGs may also be released by the DOL to address specific disasters, public health emergencies, or other economic events, and will be accompanied by a corresponding TEGL. These grants may be applicable to workers directly OR indirectly affected by the broader economic consequences of a disaster or layoff event.

NOTE: Eligibility for Disaster and Employment Recovery vary due to the function and purpose of each type of NDWG.

Disaster Recovery (DR) NDWGs

Disaster Recovery NDWGs provide disaster-relief and humanitarian assistance employment. DR NDWGs also provide employment and training services, as appropriate, to minimize the employment and economic impact of declared disasters and emergency situations, in disaster-declared areas as defined in Title 20 CFR Section 687.110(b). DR NDWG projects must include disaster-relief employment in response to the federally-declared disaster event. The Employment Training Administration (ETA), at its discretion, may choose to approve grants that offer only employment and training activities. These are rare exceptions where the circumstances and nature of the disaster do not allow for clean-up or humanitarian temporary employment opportunities authorized by WIOA Section 170 or are awarded due to

an influx of individuals relocated from a disaster area, where the grant recipient is not responding to the declared disaster, because it is in another geographic area.

A federal declaration of emergency or disaster is required for all DR NDWs, including the following:

1. Emergencies and major disasters, as defined under Section 102 of the Stafford Act (42 U.S.C. 5122(6)), declared by Federal Emergency Management Agency (FEMA) as eligible for Public Assistance.
2. Emergencies or disaster situations of national significance, natural or man-made, that could result in a potentially large loss of employment, as declared or otherwise recognized and issued in writing by the chief official of a Federal agency with jurisdiction over the Federal response to the disaster or emergency. Federal agency declarations might be made by the Department of Health and Human Services, the Environmental Protection Agency, the Small Business Administration, Economic Development Administration, or others. In some cases these declarations, such as the public health emergency declarations for COVID-19 or the opioid epidemic, established a new qualifying event that remains in effect until the qualifying declaration is rescinded or expires.

Not every Federal emergency or disaster declaration will automatically meet the standard for "national significance" as required by WIOA, TEGL 09-24. Applicants requesting a Disaster Recovery DWG for an emergency or disaster of national significance must demonstrate that a potentially large loss of employment could result from a disaster or emergency. ETA defines "potentially large" in this context as the potential loss of at least 50 jobs within the disaster area covered by the relevant declaration within the jurisdiction of the applicant.

3. Relocation of a substantial number of individuals from a state, tribal area, or outlying area affected by a disaster or emergency to other states, tribal areas, or outlying areas outside the disaster or emergency area.

The DR NDWG is designed to address disaster/emergency impacted areas through disaster relief employment through a Temporary Jobs (TJ) component and may provide employment and training activities through a Workforce Development (WD) component, detailed in Title 20 CFR Section 678.180(b). The TJ component provides funds for eligible participants to provide cleanup and recovery efforts including demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities and lands located within the disaster area and in offshore areas related to the emergency or disaster, and humanitarian efforts. DR funds are available to pay the cost of the labor provided by the temporary workers. DR funds may not be used for the cost of materials such as food or blankets for disaster victims, or for lumber or concrete to repair damaged structures. The WD component may not apply to all DR NDWs.

Disaster Relief (DR) Eligibility

Individuals eligible to enroll in allowable activities and receive services provided through a DR NDWG must be one of the following, per Title 20 CFR Section 687.170(b):

1. Individuals temporarily or permanently laid off as a consequence of the emergency or disaster.
2. Dislocated workers as defined in WIOA Section 3(15), including displaced homemakers as defined in WIOA Section 3(16); see TEGL 19-16 for more specific information on the flexibilities that WIOA provides to Governors with regard to establishing procedures for interpreting and applying the definition of dislocated worker to individuals.
3. Long-term unemployed individuals, as defined by the grant recipient.
4. Self-employed individuals who became unemployed or significantly underemployed as a result of the disaster or emergency

Temporarily or Permanently Laid Off as a Consequence of the Disaster

For purposes of NDWG only, the EDD adopts the definition of an individual “laid off as a consequence of the disaster” if they became unemployed because their work, living, or family conditions changed due to the disaster that prompted the DR NDWG. Individuals in this category remain eligible to participate in this grant even if they take substitute employment outside of their normal career field out of financial necessity.

Long-term Unemployed Worker

For purposes of NDWG only, the EDD adopts the following definition for “long-term unemployed worker:”

A long-term unemployed worker is an individual who meets any of the following criteria:

1. (a) Is not currently employed, (b) has not been employed for the previous four weeks, (c) has actively looked for work during the previous four weeks, and (d) is currently available for work.
2. (a) Is not currently employed, (b) has not been employed for the previous four weeks, (c) has or had a barrier to actively looking for work during the previous four weeks, and (d) is currently available for work or will be available for work once the barrier is addressed.
3. (a) Is not currently employed, (b) was unemployed for at least 15 of the previous 26 weeks, (c) was employed for at least one day within the previous four weeks, (d) exited the last employment for reasons other than being dismissed for misconduct, and (e) is currently available for work.
4. (a) Is not currently employed, (b) has no work history, and (c) is currently available for work.

For “long-term unemployed worker” definition 2(c), example barriers to actively looking for work include but are not limited to incarceration, illness, temporary or permanent disability, homelessness, and discouragement from workforce participation; other barriers may apply to potential participants.

Significantly Underemployed

For purposes of NDWG only, the EDD adopts the following definition for “significantly underemployed” as it applies to potentially-eligible self-employed workers:

A significantly underemployed worker is an individual who meets any of the following criteria:

1. is highly skilled but is working in a low-paying job,
2. is highly skilled but is working in a low-skill job,
3. is working part-time but would prefer to work full-time and whose underemployment represents the loss of at least 25% of their pre-disaster income.

As a reminder, “significant underemployment” ONLY applies to self-employed individuals whose income was impacted by the disaster, not to any other group.

Employment Recovery (ER)NDWGs

ER NDWGs are designed to address major economic dislocations through employment and training services, as defined below:

1. Mass layoffs/closures - Layoffs or plant closures affecting 50 or more workers from one employer.
2. Community Impact - Multiple small dislocations occurring over a period of up to 12 months that have significantly increased the number of unemployed individuals in a regional or local workforce development area (Local Area). Community Impact grants are typically awarded to serve rural areas where the employer base is predominantly smaller companies with fewer than 50 employees each, and where such layoffs may not meet the definition of “mass layoffs” noted above.

3. Higher-than-Average Demand for Services from Dislocated Service Members - A higher than-average demand for employment and training activities from dislocated military service members and dislocated military spouses that exceeds state and local resources for providing such activities may qualify for ER NDWG funding. Such events have requirements in addition to those for other ER NDWGs; these requirements are detailed in TEGL 16-21.

Career services as described in WIOA section 134(c)(2), including but not limited to outreach, assessments, labor exchange, labor market information, and transitional jobs are allowable grant activities. Training services defined in WIOA section 134(c)(3) including but not limited to on-the-job training, customized training, and occupational skills training are allowable grant activities. Participants receiving career and training services are eligible to receive supportive services as detailed in WIOA section 134(d)(2).

Dislocated worker early intervention strategies that include Rapid Response services should be deployed as soon as there is knowledge of a mass layoff, when funds are available. An application for an ER NDWG must present a rationale for grant activities and enrollment goals with demographic information, assessments, and participant needs, including demonstrating that the need exceeds the capacity of formula funded dislocated worker services. Early intervention activities are important for gathering this information and identifying the needs and interests of affected workers. ER NDWGs should be submitted to DOL within 120 days of a qualifying layoff event so services can be delivered timely.

Employment Recovery (ER) Eligibility

For ER NDWGs, the following individuals are eligible to receive employment and training assistance:

1. Dislocated worker as defined in WIOA Section 3(15), including displaced homemakers as defined in WIOA Section 3(16).
2. Civilian employee of the Department of Defense or the Department of Energy employed at a military installation that is being closed, or that will undergo realignment, within the next 24 months after the date of the determination of eligibility.
3. Individual who is employed in a non-managerial position with a Department of Defense contractor, who is determined by the Secretary of Defense to be at risk of termination from employment as a result of reductions in defense expenditures, and whose employer is converting operations from defense to nondefense applications in order to prevent worker layoffs.
4. Member of the Armed Forces who meets the following criteria:
 - a. Was on active duty or full-time National Guard duty.
 - b. Is involuntarily separated (as defined in section 1141 of title 10, United States Code) from active duty or full-time National Guard duty, or is separated from active duty or full-time National Guard duty pursuant to a special separation benefits program under 10 U.S.C. 1174a, or the voluntary separation incentive program under section 1175 of that title.
 - c. Is not entitled to retired or retained pay incident to the separation described in Subclause b above.
 - d. Applies for employment and training assistance within 180 days of that separation.

REFERENCES

WIOA Section 3(15)(A)(iii)

WIOA Section 170

TEGL 09-24, TEGL 23-19

California EDD State Directive WSD 23-01, WSD 24-04

20 CFR § 678.180, 687.110, 687.170, 680.130

California Unemployment Code – UIC § 14005

California EDD CalJOBS Dislocated Worker Categories

Qualifying Events	Disaster Recovery DWG	Employment Recovery DWG
FEMA-declared emergencies and major disasters; emergencies or disaster situations of national significance declared by a chief official of a federal agency with jurisdiction; or relocation of a substantial number of individuals from a state, tribal area, or outlying area, due to a declared disaster or emergency	✓	
Mass layoffs or plant closures that affect 50 or more workers from one employer, or multiple small dislocations, or higher-than-average demand for employment and training activities from dislocated military service members and dislocated military spouses		✓

Eligible Applicants	Disaster Recovery DWG	Employment Recovery DWG
A State	✓	✓
Outlying areas	✓	✓
Indian tribal governments (as defined by the Stafford Act, 42 U.S.C. 5122(6)).	✓	
Entities eligible for funding through the Indian and Native American program at WIOA Section 166 .		✓
Entities determined appropriate to apply by the Governor.		✓
Entities that demonstrate to the Secretary of Labor their capability to effectively respond to particular dislocation events.		✓
Eligible Participants	Disaster Recovery DWG	Employment Recovery DWG
Dislocated workers as defined in WIOA Section 3(15) .	✓	✓
Individuals temporarily or permanently laid off because of the emergency or disaster.	✓	
Long-term unemployed individuals, as defined by the grantee.	✓	
Self-employed individuals who became unemployed or significantly underemployed due to disaster.	✓	

Allowable Grant Activities	Disaster Recovery DWG	Employment Recovery DWG
Employment and Training <ul style="list-style-type: none"> Career Services. See the Career Services section of TEGL 19-16 beginning on page 2 for details. Training Services. See the Training Services section of TEGL 19-16 starting on page 5 for details. 	✓	✓
Temporary disaster-relief employment that enables <ul style="list-style-type: none"> clean-up and recovery efforts within the declared disaster area and/or delivery of appropriate humanitarian assistance in the aftermath of a federally declared disaster or emergency. 	✓	
Supportive Services to enable individuals to <ul style="list-style-type: none"> participate safely and effectively in disaster-relief employment, and/or achieve success in employment and training activities (such as assistance with transportation, and childcare). 	✓	
Supportive Services to enable individuals to participate in employment and training activities	✓	✓