

CHAPTER 1: JTED PROGRAM OVERVIEW

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PROGRAM OVERVIEW

The Illinois Department of Commerce AND ECONOMIC OPPORTUNITY ("ILLINOIS DEPARTMENT OF COMMERCE," "Commerce" or "the Department") issued the Notice of Funding Opportunity (NOFO) under 20 ILCS 605/605-415 (JTED Act). Through the NOFO, the Department funded proposals that support regional and local economic development for businesses and individuals most impacted by the COVID-19 pandemic. Funding is provided for services in as many Economic Development Regions (EDRs) as possible, proportional to their population.

The objective of the NOFO was to address the economic impacts experienced by employers and individuals either under-employed, unemployed, or facing one or more barriers to employment by providing career pathway opportunities and support services needed for successful re-entry into the labor force. **ADDITIONALLY, THE NOFO OFFERED FLEXIBLE FUNDING THROUGH BARRIER REDUCTION, WHICH SUPPORTS ACCUMULATED EMERGENCY COSTS FOR BASIC NEEDS. THESE FUNDS WERE INCLUDED AS A LINE ITEM OR AS A STAND-ALONE GRANT.**

The currently released NOFO for the Illinois Job Training and Economic Development Grant Program (JTED) is funded through the American Rescue Plan Act of 2021. Requirements contained in this document follow Section 9901, P.L. 117-2 (the "American Rescue Plan Act" or "ARPA") and the related guidance issued by the U.S. Department of the Treasury ("Treasury").

PROGRAM BACKGROUND INFORMATION

The Job Training and Economic Development Grant Program was established in 1997 to respond to workforce shortages due to a strong job market and a lack of skilled workers to fill available positions. Additionally, JTED focused on long-term unemployed individuals needing assistance to access the workforce to gain work experience and skills required to obtain family-sustaining employment.

In 2021, the legislature updated JTED to address the current economic environment due to the impact of COVID-19. In the early months of the pandemic, the Illinois labor force dropped significantly, falling from about 6.36 million in February 2020 to less than 6 million in April 2020. While many of those that left the labor force returned in subsequent months, the number of available workers in Illinois has nearly returned to pre-pandemic levels. As of January 2022, the Illinois labor force was about 20,000 workers, smaller than it was in January 2019, a difference of less than 1%. Additionally, Illinois' Unemployment Rate as of January 2022 was at 5.3%, compared to 5.4% in January 2019. For reference, the unemployment rate in January 2021 was 7.8%. JTED is retooled to address the current environment that has created employee shortages, the need for a skilled workforce, and an opportunity for those needing a career pathway to employment.

TARGET POPULATIONS

The JTED program regulations require that services be provided to the "target population," defined as unemployed, under-employed, or under-represented individuals, including youth, with one or more barriers to employment identified as risk factors.

The following definitions apply to the "target population":

- **"Unemployed individual"** means an individual who is without a job and who wants and is available for work. The determination of whether an individual is without a job, for purposes of this definition, shall be

made in accordance with the criteria used by the Bureau of Labor Statistics of the U.S. Department of Labor or as required by the relevant funding source.

"Unemployed individual" includes:

- an individual who meets the definition of "unemployed individual" set forth above and resides in or receives services in a qualified census tract

or

- an individual who:
 - is without a job
 - wants and is available to work, including someone who has looked for work sometime in the past 12 months
 - needs job training and other assistance to address the negative economic or public health impacts experienced due to the COVID-19 pandemic

or

- an individual who is currently employed but received a notice of termination or lay-off from the current employment and will no longer be employed within ninety days

• **"Under-employed individual"** is defined as an individual who is employed and needs job training and other assistance to address the negative economic or public health impact experienced as a result of the COVID-19 pandemic due to the individual's occupation or level of training.

"Under-employed individual" includes workers who receive notices of termination or lay-off notices because of negative economic or public health impacts of the COVID-19 pandemic.

"Negative economic or public health impacts" means harm that households or populations have experienced as a result of the COVID-19 pandemic, as permitted by the American Rescue Plan Act and the related guidance issued by the U.S. Department of the Treasury. "Negative economic or public health impacts" includes, but is not limited to, households or populations that:

- have experienced unemployment or increased food or housing insecurity due to the COVID-19 pandemic
- are low-income individuals or moderate-income individuals, who experienced negative impacts due to the COVID-19 pandemic
- are living within either a qualified census tract or a disproportionately impacted area
- are receiving services or other assistance pursuant to this NOFO within either a qualified census tract or a disproportionately impacted area.

- **"Youth"** means an individual aged 16-24 who faces one or more barriers to education, training, and employment. [20 ILCS 605/605-415(b)]
- **"Low-income"** definition utilizes the Secretary of the Treasury (Treasury) rules for the American Rescue Plan Act of 2021 (ARPA) that established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) definition of low income as (i) income at or below 185 percent of the Federal Poverty Guidelines (FPG) for the size of its household based on the most recently published poverty guidelines by the Department of Health and Human Services (HHS).



Low-income qualifiers also include public assistance programs as referenced on page 25.

- **"Moderate-income"** definition utilizes the Secretary of the Treasury (Treasury) rules for the American Rescue Plan Act of 2021 (ARPA) that established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) definition of moderate income as (i) income at or below 300 percent of the FPG for the size of its household based on the most recently published poverty guidelines by HHS.
- **"Under-represented individuals with a barrier to employment"** or "Under-represented individuals" means individuals who reside in or receive services in a qualified census tract, disproportionately impacted area or who have experienced negative economic or public health impacts resulting from the COVID-19 pandemic.

TARGETED COMMUNITIES

The American Rescue Plan Act recognizes the disproportional impact of the pandemic-related recession on economically disadvantaged communities as defined by HUD's Qualified Census Tract. Funded projects provide services within or to individuals that reside in identified "qualified census tracts" or "disproportionately impacted areas".

- **"Qualified Census Tract"** means a census tract, as defined by the U.S. Census Bureau, having 50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or having a poverty rate of 25 percent or more.
- **"Disproportionately impacted area"** means those ZIP Codes most severely affected by the COVID-19 pandemic, to be determined based on positive COVID-19 case per capita rates, and that meet at least one of the following poverty-related criteria relative to other ZIP Codes within that region:
 - share of population consisting of children ages 6 to 17 in households with income less than 125% of the federal poverty level (FPL)
 - share of population consisting of adults over age 64 in households with income less than 200% FPL
 - share of population in household with income less than 150% FPL
 - share of population consisting of children ages 5 and under in households with income less than 185% FPL.



The below link provides a map of the Qualified Census Tracts and Disproportionately Impacted Areas: illinoisworknet.com/qctdiamap.