



JOHN ENGLER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF CAREER DEVELOPMENT
LANSING

DR. BARBARA BOLIN
DIRECTOR

OFFICIAL

E-mailed to MWAs 04/02/02 (mh)

Michigan Department of Career Development (MDCD)

Office of Workforce Development (OWD)

Policy Issuance (PI): 02-11

Index: II E 1, II F 1, II G 1

Date: April 2, 2002

To: Michigan Works! Agency (MWA) Directors

Subject: Workforce Investment Act (WIA) Excess Carry-In

Programs Affected: Specific Workforce Investment Act (WIA) programs that are funded through the MDCD/OWD in which carry-in is permitted

References: None

Rescissions: None

Background: The WIA excess carry-in policy pertains to specific WIA programs in which carry-in is permitted. These programs include the WIA Adult, Dislocated Worker, Youth, and Statewide Activities for One-Stop Operation funding streams. Carry-in for the administration cost pool is not restricted.

Policy: This policy does not apply to Program Year (PY) 2001 (July 1, 2001, to June 30, 2002) programs. However, to assist the Michigan Works! Agencies (MWAs) with future planning, after annual settlements for PY 2001 are finalized, the MDCD/OWD will prepare data that details excess carry-in. The analysis will be for informational purposes only.

This policy will become effective with PY 2002 (July 1, 2002, to June 30, 2003) programs and will remain in effect for subsequent years. Excess carry-in funds are described as the difference between the 85 percent expenditure target and the actual expenditure, if less than 85 percent.

The following example outlines a series of events that could take place during the course of a PY that would impact the final current year funding for a MWA.

Series of events:

- *A MWA has been allocated WIA Adult funds of \$150,000.*
- *A transfer of 10 percent of the \$150,000 allocation, which is \$15,000, is moved to the administration cost pool.*
- *\$20,000 is transferred into WIA Adult from WIA Dislocated Worker.*

In this scenario, the calculation of final current year funding for the WIA Adult funding stream would be: $\$150,000 - \$15,000 + \$20,000 = \$155,000$. In this case the MWA's expenditures must be at minimum \$131,750 ($\$155,000 \times 85\%$) in order to avoid any excess carry-in. If the MWA's actual expenditures for the year are \$130,000, the difference between the targeted expenditure and the actual expenditure represents the excess carry-in of \$1,750 ($\$131,750 - \$130,000 = \$1,750$).

Once excess carry-in has been calculated, it will be multiplied by 10 percent ($\$1,750 \times 10\% = \175). The 10 percent calculation or \$175 will be deducted from the administration cost pool. Both the excess carry-in and the corresponding 10 percent from the administration cost pool will be recaptured by MDCD/OWD.

Effective with PY 2002 funds, all WIA Statewide Activities One-Stop Operation excess carry-in funds will be recaptured at the state level and will not be redistributed.

Effective with PY 2002 funds, excess carry-in for WIA Adult, Dislocated Worker, and Youth will be recaptured and redistributed to MWAs whose expenditures are at least 85 percent of final current year funding.

Action:

Beginning with PY 2002 MWAs should not carry-in more than 15 percent of total current year funding for the WIA Adult, Dislocated Worker, Youth, and Statewide Activities for One-Stop Operation funding streams. This policy does not limit carry-in for the administration cost pool.

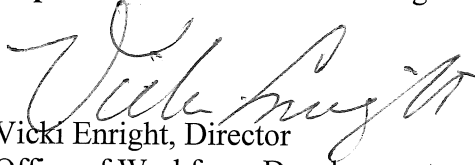
Inquiries:

Questions regarding this PI should be directed to your WIA State Coordinator.

In accordance with the Americans With Disabilities Act, information contained in this PI will be made available in alternative format (large type, audio tapes, etc.) upon written request received by this office. It is also available for transmission on the E-mail system. Call Mrs. Michele Halm, at (517) 335-7418, for details.

Expiration:

Continuing



Vicki Enright, Director
Office of Workforce Development

VE:KD:mh

cc: John S. Palmer, Jr.