

RICK SNYDER
GOVERNOR



CHRISTINE QUINN
DIRECTOR

OFFICIAL

E-mailed: 12/19/2014 (tk)

Workforce Development Agency (WDA)

Policy Issuance (PI): 14-01, Change 1

Date: December 19, 2014

To: Michigan Works! Agency (MWA) Directors

From: Stephanie Beckhorn, Director (**SIGNED**)
Office of Workforce Policy and Strategic Planning

Subject: Workforce Investment Act (WIA) Adult, Dislocated Worker (DW), and Youth Program Allocations for Program Year (PY) 2014, the period of July 1, 2014 through June 30, 2015, and Use of PY 2014 WIA Program Allocations for Workforce Innovation and Opportunity Act (WIOA) Transitional Activities

Programs Affected: WIA Adult, DW, and Youth Programs Administered by the MWAs

Rescissions: None

References: U.S. Department of Labor (USDOL), Training and Employment Guidance Letter (TEGL) 18-13, "Workforce Investment Act (WIA) Adult, Dislocated Worker, and Youth Activities Program Allotments for Program Year (PY) 2014," issued April 3, 2014

USDOL TEGL 12-14, "Allowable Uses and Funding Limits of Workforce Investment Act (WIA) Program Year (PY) 2014 Funds for Workforce Innovation and Opportunity Act (WIOA) Transitional Activities," issued October 28, 2014

Workforce Development Agency (WDA) State of Michigan (SOM) Michigan Industry Cluster Approach (MICA) Guidelines, issued July 26, 2012

WDASOM Policy Issuance 12-19, "Workforce Investment Act (WIA) Comprehensive Five-Year Local Plans for Adults, Dislocated Workers (DWs), and Youth for Program Years (PYs) 2012 to 2016, the period of July 1, 2012 through June 30, 2017," issued October 15, 2012

WDA Policy Issuance 13-21, "Michigan Works! System Plan (MWSP) Instructions for Calendar Year 2014, the period of January 1, 2014 through December 31, 2014," issued February 21, 2014



Victor Office Center | 201 North Washington Square, 5th Floor | Lansing, Michigan 48913
517.335.5858 | TTY 888.605.6722

WDASOM Policy Issuance 12-29, “Procurement,” issued March 5, 2013

WDA Policy Issuance 13-04, Change 2, issued November 13, 2014

The WIA of 1998

The WIA Final Rule 20 Code of Federal Regulation (CFR) Part 652, et al.

Background:

The USDOL awards states annual allocations by formula for Title I programs—Adult, Dislocated Worker, and Youth—and the states, in turn, distribute, by formula, allocations to local areas for the three funding sources for execution of employment and training services.

Policy:

This policy issuance awards additional Appropriation Year (AY) 2014 WIA DW funds to be used for WIOA Transitional Activities, and details the maximum amount of existing WIA Adult and Youth program allocations, by MWA, that may be used, at the MWA’s discretion, for WIOA Transitional Activities.

- Funding for local administration is limited to ten (10) percent of the allocation for each program. **None of the additional WIA DW funds awarded in this policy change are to be used for local administration.**
- Funding awarded in this policy issuance is subject to a carry-forward limitation for PY 2014 into PY 2015 of 30 percent of the allocation for each funding source. The June 30th Accrued Expenditure Report, as reported in the Management of Awards to Recipient System (MARS), will be used to determine compliance with the 30 percent limitation.
- MWAs, in accordance with the WIA Section 133(c), must ensure that a minimum of 80 percent of local PY 2014 WIA Adult, DW, and Youth allocations are obligated by June 30, 2015. MWAs with obligations below the required 80 percent threshold are subject to the recapture of funding.
- WIA funding must be expended using the first-in, first out accounting method.

MWAs may transfer up to 30 percent of the allocation between the WIA Adult and DW funding streams. MWAs may request an increase in the percentage of transferable funds up to 75 percent via submission of a waiver request, per WDA Policy Issuance 13-04, Change 2, “Workforce Investment Act (WIA) Local Area Waiver Availability and Request Process for Program Years (PY) 2013 – 2015,” issued November 13, 2014 and the letter sent to MWA directors on August 25, 2014. **None of the additional WIA DW funds awarded in this policy change are to be transferred to the WIA Adult program.**

Allowable WIA Costs and Expenditures

In general, to be an allowable WIA expenditure, a cost must meet the following principles:

- Be necessary and reasonable for the performance of the award
- Be allocable to the grant
- Be authorized and not prohibited under federal, state, or local laws or regulations

- Receive consistent treatment by the sub-recipient
- Not be used to meet federal matching
- Be adequately documented
- Conform to federal Employment and Training Administration grant exclusions and limitations

Expenditures for WIA funds are allowable only for those activities permitted by the WIA, WIA Regulations, or other federal regulations and guidelines. Allowable program activities include core, intensive, and training services as described in WIA Section 134(d)(2), (3), and (4). Additional guidance regarding the provision of supportive services is provided in WIA Section 134(e)(2) and (3). WIA Section 129 details allowable and unallowable activities for the WIA Youth program.

USDOL TEGL 12-14 details allowable uses of WIA funds for WIOA Transitional Activities. Allowable activities include, but are not limited to, the following:

- Identification of contracts, subgrants, and other agreements that will be affected and need to be modified or replaced
- State and local board planning activities to meet the new board membership requirements and to carry out the new functions
- Activities relating to State Unified Planning for the core WIOA programs (WIA formula programs, Wagner-Peyser Employment Service, Adult Education and Literacy programs, and Vocational Rehabilitation programs) or relating to a State Combined Plan, if the State chooses to develop such a plan. The Combined Plan may include other WIOA partners as identified in WIOA Section 103(a)(2).
- Activities relating to local area plans
- Activities relating to the implementation of new requirements affecting the American Job Centers, such as activities necessary to ensure Wagner-Peyser Employment Service activities are co-located with WIOA formula programs in American Job Centers
- Activities relating to the new program requirements for the Adult, Dislocated Worker, and Youth formula programs, including provisions relating to Eligible Training Providers for the Adult and Dislocated Worker formula programs, and the increased emphasis on career pathways, sector strategies, and work-based training opportunities
- Training for staff in state and local areas to facilitate the implementation of the new requirements
- Updates and upgrades to workforce information technology systems
- Activities at the state and local level relating to updating administrative or financial policies and procedures to be in compliance with new WIOA requirements

All MWAs are to submit to the WDA a brief plan narrative detailing the amount of available funds they anticipate utilizing for WIOA Transition Costs, by fund source, and the activities for which the funds are anticipated to be used for. If an MWA determines that they will not use any or all of the additional WIA DW funds awarded in this policy issuance for allowable WIOA Transition Costs, the MWA must indicate such in its plan narrative and Budget Information Summary (BIS). The WDA will modify the MWA's WIA DW award accordingly.

All other provisions of the WDA Policy Issuance 14-01, issued July 1, 2014, not specifically altered or rescinded as a result of this policy change remain unchanged and in effect.

Profit:

Please refer to the WDASOM Procurement Policy, PI 12-29, issued March 5, 2013, or any policy replacing WDASOM PI 12-29, for further information regarding profit and corresponding limitations.

Action:

All MWAs are required to submit a plan narrative and revised BIS for their PY 2014 WIA DW allocation within 30 days from the issue date of this policy to Ms. Teresa Keyton at keyton@michigan.gov. Please copy your designated WIA state coordinator on the e-mail submission.

Fiscal Information

MWAs will process all cash requests through the MARS in accordance with the MARS Manual. MWAs must have on file appropriate documentation to support each cash draw.

The U.S. Department of Labor, Employment and Training Administration, requires all grantees to report all financial transactions on a full accrual basis. Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, sub-grantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit amounts.

In general, total accrued expenditures are costs incurred for goods and services received regardless of whether the payment has been made.

All reporting of fiscal expenditures for the funds provided through this PI must be reported to the WDA on a quarterly basis. A final close-out report is also required. All quarterly financial expenditure reports are due to the WDA no later than the 20th calendar day after the end of the calendar quarter. The final close-out report is due to the WDA no later than 60 days after the end of the grant period. In the event that the due date falls on a weekend or state government holiday, the report is due on the last business day prior to the due date. Submit reports to the MARS system at <http://www.michigan.deleg-mars.org>. If there are any questions regarding cash requests or submission of expenditure reports, please call Kerry Trierweiler at (517) 241-1788.

In order to properly report expenditures related to WIOA Transitional Activities, the MARS has been modified to include a WIOA Transition Costs category for the PY 2014 WIA Adult, DW, and Youth program allocations. *Per TEGL 12-14, all WIOA Transition Costs are to be reported as program costs.* WIOA Transition Costs include all allowable expenditures necessary to plan and implement the programs and activities authorized under the WIOA and to undertake an orderly transition from any authority under the federal Workforce Investment Act of 1998 to the Workforce Innovation and Opportunity Act.

Inquiries:

Questions regarding this policy issuance should be directed to your WIA state coordinator.

This policy issuance is available for downloading from the Internet system. Please contact Ms. Teresa Keyton at (517) 335-5858 for details.

The information contained in this policy issuance will be made available in alternative format (large type, audio tape, etc.) upon special request to this office. Please contact Ms. Keyton for details.

**Expiration
Date:**

June 30, 2016

SB:KJ:tk

Budget Information Summary (BIS) Instructions

Section I - Identification Information

1. Michigan Works! Agency (MWA) Name: Enter the name of the MWA.
2. MWA Number: Enter the number assigned to the MWA.
3. Program Title: Enter the program name. For example, Workforce Investment Act.
4. Policy Issuance Number: Enter the Policy Issuance number that the Budget Information Summary covers.
5. Plan Period: Enter the start and end dates of the plan period, e.g., 07/01/14 to 06/30/15.
6. Grant Name: Enter the name of the grant associated with the funding being awarded.
7. Project Name: Enter the name of the project associated with the funding being awarded.

Section II - Total Funds Available

1. Appropriation Year (AY) Funding:
 - a. Enter the current AY allocated funding.
 - b. Enter amount transferred in from another program, if any, and indicate which program the amount came from.
 - c. Enter amount transferred out to another program, if any, and indicate which program the amount was transferred to.
 - d. Enter the sum of lines 1a, 1b, and 1c to show the total allocation.

Section III - Current AY Planned Expenditures by Cost Category

1. Administration: Enter amount of allocation planned for administration.
2. Program: Enter amount of allocation planned for program costs.

If Youth:

 - a. Enter amount of allocation planned for in-school youth.
 - b. Enter amount of allocation planned for out-of-school youth.

BUDGET INFORMATION SUMMARY

SECTION I – IDENTIFICATION INFORMATION

| | |
|--|--|
| 1. Michigan Works! Agency (MWA) Name: | 2. MWA Number: |
| 3. Program Title: WIA | 4. Policy Issuance Number: 14-01, Change 1 |
| 5. Plan Period: July 1, 2014 – June 30, 2016 | 6. Grant Name: Appropriation Year (AY) 2014 WIA Title I Formula Funding |
| 7. Project Name: Program Year (PY) 2014 Adult____ Dislocated Worker <input checked="" type="checkbox"/> Youth Allocation____ | |

SECTION II – TOTAL FUNDS AVAILABLE

| Allocation | Amounts |
|--|---------|
| 1. Appropriation Year (AY) Funding | |
| a. Current AY Funding | \$ |
| b. Transfer in from: Adult [<input type="checkbox"/>] Dislocated Worker [<input type="checkbox"/>] | \$ |
| c. Transfer out to: Adult [<input type="checkbox"/>] Dislocated Worker [<input type="checkbox"/>] | \$ |
| d. Total Current AY Funding | \$ |

SECTION III - CURRENT AY PLANNED EXPENDITURES BY COST CATEGORY

| Cost Category | Amounts |
|---|---------|
| 1. Administration | \$ |
| 2. Program | \$ |
| If Youth, complete a and b | |
| a. Program Funding Amount for In-School Youth | \$ |
| b. Program Funding Amount for Out-of-School Youth | \$ |

BWT-345 (5/09)

The Workforce Development Agency (WDA) in compliance with applicable federal and state laws, does not discriminate in employment or in the provision of services based on race, color, religion, sex, national origin, age, disability, height, weight, genetic information, marital status, arrest without conviction, political affiliation or belief, and for beneficiaries only, citizenship or participation in any federally assisted program or activity.

WIA Adult Allocations

PY 2014

| Michigan Works! Agency | 7/1/2014 Allocation (\$) | 10/1/2014 Allocation (\$) | Total Allocation* (\$) | Max Amount Allowed for WIOA Transition Costs (\$) |
|------------------------|--------------------------|---------------------------|------------------------|---|
| ACSET | 92,215 | 1,210,481 | 1,302,696 | 15,183 |
| Berrien/Cass/Van Buren | 50,382 | 661,351 | 711,733 | 7,796 |
| Barry-Branch-Calhoun | 35,717 | 468,846 | 504,563 | 0 |
| Capital Area | 66,797 | 876,817 | 943,614 | 10,336 |
| Central Area | 46,981 | 616,704 | 663,685 | 7,269 |
| Detroit Emp Solutions | 330,577 | 4,339,362 | 4,669,939 | 51,151 |
| Eastern U.P. | 15,311 | 200,984 | 216,295 | 2,369 |
| Genesee/Shiawassee | 93,544 | 1,227,925 | 1,321,469 | 14,474 |
| Great Lakes Bay | 66,734 | 875,990 | 942,724 | 10,326 |
| MW! Southwest | 42,912 | 563,293 | 606,205 | 11,252 |
| Livingston County | 25,526 | 335,066 | 360,592 | 3,950 |
| Macomb/St. Clair | 189,924 | 2,493,060 | 2,682,984 | 29,387 |
| Muskegon County | 42,389 | 556,419 | 598,808 | 6,559 |
| Northeast | 29,788 | 391,018 | 420,806 | 4,609 |
| Northwest | 57,206 | 750,928 | 808,134 | 8,852 |
| Oakland County | 192,852 | 2,531,506 | 2,724,358 | 29,840 |
| Ottawa County | 28,168 | 369,748 | 397,916 | 4,358 |
| Region 7B | 33,477 | 439,437 | 472,914 | 5,180 |
| SEMCA | 149,578 | 1,963,465 | 2,113,043 | 23,145 |
| South Central | 58,009 | 761,459 | 819,468 | 8,976 |
| The Job Force | 37,970 | 498,426 | 536,396 | 5,875 |
| Thumb Area | 46,457 | 609,821 | 656,278 | 7,188 |
| Washtenaw County | 36,035 | 473,014 | 509,049 | 5,576 |
| West Central | 29,489 | 387,094 | 416,583 | 4,563 |
| Western U.P. | 18,482 | 242,600 | 261,082 | 2,860 |
| | | | | |
| MWA Total | 1,816,520 | 23,844,814 | 25,661,334 | 281,074 |

*Total Adult allocation remains the same.

WDA December 4, 2014

WIA Dislocated Worker Allocations

PY 2014

| Michigan Works! Agency | 14-01 Allocation (\$) | Additional Allocation for Allowable WIOA Transition Costs (\$) | Total Allocation (\$) |
|---------------------------|-----------------------------|---|-----------------------------|
| ACSET | 1,419,684 | 19,384 | 1,439,068 |
| Berrien/Cass/Van Buren | 824,440 | 10,300 | 834,740 |
| Barry-Branch-Calhoun | 613,250 | 0 | 613,250 |
| Capital Area | 1,097,073 | 13,707 | 1,110,780 |
| Central Area | 734,027 | 9,171 | 743,198 |
| Detroit Emp Solutions | 4,288,509 | 53,581 | 4,342,090 |
| Eastern U.P. | 230,155 | 2,876 | 233,031 |
| Genesee/Shiawassee | 1,507,673 | 18,837 | 1,526,510 |
| Great Lakes Bay | 1,110,975 | 13,881 | 1,124,856 |
| MW! Southwest | 775,611 | 15,706 | 791,317 |
| Livingston County | 444,289 | 5,551 | 449,840 |
| Macomb/St. Clair | 3,144,948 | 39,293 | 3,184,241 |
| Muskegon County | 598,139 | 7,473 | 605,612 |
| Northeast | 531,990 | 6,647 | 538,637 |
| Northwest | 885,938 | 11,069 | 897,007 |
| Oakland County | 3,219,740 | 40,227 | 3,259,967 |
| Ottawa County | 474,444 | 5,928 | 480,372 |
| Region 7B | 554,127 | 6,923 | 561,050 |
| SEMCA | 3,345,522 | 41,799 | 3,387,321 |
| South Central | 844,020 | 10,545 | 854,565 |
| The Job Force | 511,885 | 6,395 | 518,280 |
| Thumb Area | 924,342 | 11,549 | 935,891 |
| Washtenaw County | 622,481 | 7,777 | 630,258 |
| West Central | 550,430 | 6,877 | 557,307 |
| Western U.P. | 292,447 | 3,654 | 296,101 |
| MWA Total | 29,546,139 | 369,150* | 29,915,289 |

WDA December 4, 2014

*Represents maximum amount of WIA Dislocated Worker funds that may be used by MWAs for WIOA Transition Costs.

WIA Youth Allocations

PY 2014

| Michigan Works! Agency | Total Allocation* (\$) | Max Amount Allowed for WIOA Transition Costs (\$) |
|------------------------|---------------------------|--|
| ACSET | 1,448,605 | 16,867 |
| Berrien/Cass/Van Buren | 721,101 | 7,902 |
| Barry-Branch-Calhoun | 478,951 | 0 |
| Capital Area | 1,370,243 | 15,016 |
| Central Area | 880,143 | 9,645 |
| Detroit Emp Solutions | 4,849,679 | 53,147 |
| Eastern U.P. | 218,431 | 2,394 |
| Genesee/Shiawassee | 1,347,914 | 14,772 |
| Great Lakes Bay | 1,009,460 | 11,063 |
| MW! Southwest | 873,160 | 13,826 |
| Livingston County | 358,802 | 3,932 |
| Macomb/St. Clair | 2,713,038 | 29,732 |
| Muskegon County | 579,757 | 6,353 |
| Northeast | 463,997 | 5,085 |
| Northwest | 815,155 | 8,933 |
| Oakland County | 2,710,714 | 29,706 |
| Ottawa County | 551,398 | 6,043 |
| Region 7B | 433,226 | 4,748 |
| SEMCA | 1,966,490 | 21,551 |
| South Central | 818,138 | 8,966 |
| The Job Force | 537,914 | 5,895 |
| Thumb Area | 661,224 | 7,246 |
| Washtenaw County | 860,820 | 9,434 |
| West Central | 495,560 | 5,431 |
| Western U.P. | 277,538 | 3,041 |
| MWA Total | 27,441,458 | 300,728 |

*Total Youth allocation remains the same.

WDA December 4, 2014