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LANSING

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OFFICIAL
Workforce Development Agency (WDA)
Policy Issuance (PI) 15-09, Change 2

Date: July 11, 2016

To: Michigan Works! Agency (MWA) Directors

From: Joe Billig, Director **(SIGNED)**
Office of Talent Policy and Planning

Subject: Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker (DW), and Youth Program Allocations for Allocation Year (AY) 2015, the Time Period of July 1, 2015 through June 30, 2017

Programs Affected: WIOA DW Program

Rescissions: None

References: U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 29-14, issued May 1, 2015, and subsequent changes

WDA Policy Issuance 16-04, issued April 7, 2016

WDA Policy Issuance 14-14, issued December 11, 2014, and subsequent change, or any policy issuance that replaces WDA PI 14-14

WDASOM Policy Issuance 12-29, issued March 5, 2013, or any policy issuance that replaces WDASOM PI 12-29

Michigan Industry Cluster Approach (MICA) Guidelines, issued July 26, 2012

The WIOA of 2014, Public Law 113-128 (29 United States Code Section 3101, *et. seq.*)

The WIOA Notices of Proposed Rulemaking (Proposed Rules) as Published in the Federal Register on April 16, 2015

Background:

The WIOA, which supersedes the Workforce Investment Act (WIA) of 1998, presents an extraordinary opportunity to improve job and career options for our nation's workers and jobseekers through an integrated, job-driven public workforce system that links diverse talent to businesses. The WIOA supports the development of strong, vibrant regional economies where businesses thrive and people want to live and work. This revitalized workforce system will be characterized by three critical hallmarks of excellence:

- (1) The needs of business and workers drive workforce solutions;
- (2) One-Stop Centers provide excellent customer service to workers, jobseekers and employers, and focus on continuous improvement;
- (3) The workforce system supports strong regional economies and plays an active role in community, economic and workforce development.

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

This policy change distributes additional AY 2015 WIOA DW funding in the amount of \$4,008,097 to the 16 MWAs.

Policy:

The WDA has previously distributed \$82,084,367 in WIOA formula funding for AY 2015, which is comprised of \$25,902,599 in Adult funding, \$28,056,673 in Dislocated Worker funding, and \$28,125,095 in Youth funding. This policy change distributes an additional \$4,008,097 in Dislocated Worker funding for AY 2015.

Per WDA PI 16-04, issued April 7, 2016, local areas are allowed to carry forward up to 100 percent of AY 2015 WIOA formula funds from PY 2015 into PY 2016. **WIOA funding must be expended using the first-in, first out accounting method.**

In accordance with the WIOA Sections 128(c) and 133(c) respectively, **local areas must ensure that a minimum of 80 percent of each of their AY 2015 WIOA formula funding allocations are obligated by June 30, 2016.** Local areas with obligations below the required 80 percent threshold are subject to the recapture of funds.

Allowable funding for **local administration is limited to 10 percent of the allocation for each program.**

Allowable funding for **incumbent worker training is limited to 20 percent of the combined allocations** for the Adult and Dislocated Worker programs. Allowable funding for **transitional jobs is limited to 10 percent of the combined allocations** for the Adult and Dislocated Worker programs.

Local areas **may transfer up to 100 percent** of their AY 2015 allocations **between the Adult and Dislocated Worker programs** without a waiver. Local areas will need to submit Budget Information Summaries to the

WDA to effect any transfers between the Adult and Dislocated Worker programs.

Demand-Driven Strategy

It is the expectation of the WDA that WIOA funds are used in support of a demand-driven system. Locally defined priority industries must be identified by local Workforce Development Boards and appropriate services developed and provided based upon input received from employers and other key partners. Additional demand-driven guidance may be found in the MICA Guidelines.

Allowable WIOA Costs and Expenditures

Expenditures for WIOA funds are allowable only for those activities permitted by the WIOA and/or the WIOA Proposed Rules. In general, to be an allowable WIOA 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 requirements;
- Be adequately documented; and
- Conform to federal Employment and Training Administration grant exclusions and limitations.

Program Costs: The costs associated with the direct provision of services to program participants are program costs. Required program activities for the Adult and Dislocated Worker programs include career and training services as described in the WIOA Sections 134(c)(2) and (3). Permissible program activities, including supportive services, are described in the WIOA Section 134(d).

Administrative Costs: The costs associated with performing activities or functions that are not related to the direct provision of services to program participants are administrative costs. Examples include:

- Accounting, cash management, budget, procurement, personnel, payroll, property management, audit, and general legal services functions.
- Coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports and developing systems and procedures, including information systems, required for those functions.
- Oversight and monitoring activities, depending on whether the activity being monitored is administrative or programmatic in nature. The costs of supplies and equipment used for administrative functions or activities and the cost of staff that performs and/or supervises administrative functions or activities.

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.

Fiscal Information

The local area will process all cash requests through the Management of Awards to Recipients System (MARS) in accordance with the MARS Manual. The local area must have on file appropriate documentation to support each cash draw.

The USDOL 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 WIOA funds 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. Local areas must submit reports in the [MARS](#). If there are any questions regarding cash requests or the submission of required expenditure reports, please call Mr. Kerry Trierweiler at 517-241-1788.

All other provisions of WDA PI 15-09 and Change 1 not specifically altered by this policy change remain unchanged and in effect.

Action:

Local areas are required to submit a revised Budget Information Summary (BIS) reflecting the award of these funds within 30 days from the issue date of this policy change. The revised BIS should be submitted electronically to Ms. Teresa Keyton at KeytonT@michigan.gov. Please copy your assigned WIOA state coordinator on the submission as well.

Inquiries:

Questions regarding this policy issuance should be directed to your WIOA state coordinator. This policy issuance is available on the [WDA's website](#). Please contact Ms. Teresa Keyton at 517-335-5858 or via email at KeytonT@michigan.gov if you require assistance.

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, 2017

JB:KJ:tk

Attachments

**Budget Information Summary (BIS) Instructions
Workforce Innovation and Opportunity Act
Adult and Dislocated Worker (DW) Programs**

Section I - Identification Information

Michigan Works! Agency (MWA) Name: Enter the name of the MWA.

Policy Issuance: Enter the Policy Issuance number applicable to the BIS.

Grant Names: Enter the name of the grants associated with the funding being awarded.

Project Names: Enter the name of the projects associated with the funding being awarded.

Plan Period: Enter the start and end dates of the plan period, e.g., 07-01-15 to 06-30-17.

CFDA Number: Enter the Catalog of Federal Domestic Assistance (CFDA) numbers associated with these grants.

Section II - Total Funds Available

Prior Allocation: Enter the total amount of the agency's prior allocations for both the Adult and DW programs.

Additional Allocation: Enter the amount of additional funds being awarded to the agency in WDA PI 15-09, Change 2 for the DW program. The amount entered for the Adult program will be \$0 as WDA PI 15-09, Change 2 does not award additional WIOA Adult funds.

Total Adult and DW Allocations: The aggregate total of the Adult and DW allocations. The excel spreadsheet will automatically calculate.

Section III - Intertitle Transfers

Enter the amount, if applicable, of intertitle transfers. Please be sure to enter amounts in both the Adult and DW columns. For example, if transferring \$200,000 from the DW program to the Adult program, the entry would reflect the following:

Adult	DW
\$200,000	-\$200,000

Section IV - Current AY Planned Expenditures by Cost Category

Administration: Enter the amount transferred to local administration for both the Adult and DW programs. Not more than 10 percent of the total allocation may be used for administration for each program.

Career Services: Enter the amount of the allocation planned for Career Services for the Adult and DW programs.

Training Services: Enter the amount of the allocation planned for Training Services for the Adult and DW programs. (Not included in the next two training cost categories).

Training Services-Incumbent Worker: Enter the amount of the allocation planned for Adult and DW incumbent worker training programs. Not more than 20 percent of the combined Adult and DW allocations may be used to support incumbent worker training programs.

Training Services-Transitional Jobs: Enter the amount of the allocation planned for Adult and DW transitional jobs. Not more than 10 percent of the combined Adult and DW allocations may be used for transitional jobs.

Total Planned Costs: The excel spreadsheet will automatically calculate all of the total planned costs entered for both the Adult and DW programs.

Adult/DW Adjusted Award: The excel spreadsheet will automatically calculate this based upon the total allocation minus funds reserved for the cost of administration plus or minus intertitle transfers.

Section V – Limitation Percentages

This section was developed to assist MWA staff and state coordinators with reviewing expenditures versus expenditure requirements and limitations. The cells will automatically calculate.

Allocation Year (AY) 2015 WIOA Dislocated Worker

Michigan Works! Agency	Allocation as of 15-09 Change 1 (\$)	Additional Allocation (\$)	Total Allocation* (\$)
Berrien-Cass-Van Buren	821,331	117,332	938,663
Capital Area	1,159,449	165,635	1,325,084
Central Area	106,684	N/A	106,684
DESC	3,709,981	529,997	4,239,978
Eastern UP	39,550	N/A	39,550
Genesee-Shiawassee	232,764	N/A	232,764
Great Lakes Bay	1,523,233	224,480	1,747,713
GST MW!	2,148,601	340,194	2,488,795
Livingston	73,884	N/A	73,884
Macomb-St. Clair	2,857,402	408,200	3,265,602
Muskegon-Oceana	91,272	N/A	91,272
MW! Southwest	1,095,648	156,521	1,252,169
Northeast	555,432	79,348	634,780
Northwest	878,679	125,526	1,004,205
Oakland	2,881,875	411,697	3,293,572
Ottawa	78,574	N/A	78,574
Region 7B	541,831	77,405	619,236
SEMCA	3,004,252	429,179	3,433,431
Southeast Michigan Consortium	1,854,874	291,214	2,146,088
UPWARD	1,006,333	155,278	1,161,611
Washtenaw	109,738	N/A	109,738
West Central	591,613	86,966	678,579
Western UP	41,067	N/A	41,067
West MW!	2,652,606	409,125	3,061,731
Total	28,056,673	4,008,097	32,064,770

*Does not include unspent July Allocation funds originally awarded to MWAs in WDA PI 15-09 that have been transferred to successor MWAs.