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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT  
LANSING

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**OFFICIAL**  
**Workforce Development Agency (WDA)**  
**Policy Issuance (PI) 16-11**

**Date:** July 12, 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) 2016, the Time Period of July 1, 2016 through June 30, 2018

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

**Rescissions:** OWD PI 02-11, issued April 2, 2002, and subsequent changes

**References:** U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 17-15, issued April 5, 2016

WDA Policy Issuance 15-29, issued December 1, 2015

WDA Policy Issuance 15-12, issued July 17, 2015

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 Final Rule 20 Code of Federal Regulation Part 682, et al.

## 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.

## Policy:

The WDA plans to distribute \$77,375,482 in WIOA formula funding for AY 2016, which is comprised of \$23,115,578 in Adult funding, \$29,007,239 in Dislocated Worker funding, and \$25,252,665 in Youth funding. **All local areas will receive their AY 2016 WIOA formula funding for the Adult and DW programs in two separate allotments.** A portion of the funds will be distributed after July 1, 2016, with the remainder of the funds to be distributed on or after October 1, 2016, pending approval of the USDOL's Fiscal Year (FY) 2017 budget. The October allocations for the Adult and DW programs are subject to change should the USDOL's approved FY 2017 budget modify the formula allocations currently detailed in USDOL TEG 17-15. **For the period of July 1, 2016 through September 30, 2016, local areas may not incur obligations or expenditures in excess of their July 1, 2016, allotments.**

The July allocations specified in this policy issuance **for the WIOA Adult and Dislocated Worker programs** are based upon the availability of funds due to the nature of the federal funding cycle. As such, the **July allocations** for these two programs **cannot be increased at this time.**

The allocations specified in this policy issuance **for the WIOA Youth program** represent **all** of the **funds** anticipated to be available for distribution to local areas and **are available for distribution after July 1, 2016.**

Local areas **may carry-forward up to 100 percent of the funds awarded in this policy issuance** from Program Year (PY) 2016 into PY 2017. **However, at least 85% of the funds** awarded in this policy issuance, for each program, **must be expended by September 30, 2017** or the excess unspent funds are subject to recapture by the WDA. The September 30<sup>th</sup> Accrued Expenditure Report, as reported in the Management of Awards to Recipients System (MARS), will be used to

determine compliance with the aforementioned limitation. **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 2016 WIOA formula funding allocations are obligated by June 30, 2017.** 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 2016 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.

The WIOA Section 129(a)(4) requires local areas to ensure that, for any program year, a minimum of 75 percent of Youth funds are used to provide workforce investment activities to Out-of-School Youth, that is, 75 percent of all WIOA Youth *program expenditures* must be for Out-of-School Youth. *There is no ability to waive this requirement.* Compliance with this requirement is based upon a local area's adjusted Youth award.

Per the WIOA Section 129(c)(4), **local areas must spend a minimum of 20 percent of their Youth funds on paid and unpaid work experiences** as defined in the WIOA Section 129(c)(2)(C). Compliance with this requirement is based upon a local area's adjusted Youth award.

#### Demand-Driven Strategy

It is the expectation of the WDA that the WIOA funds awarded in this policy issuance 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 the WIOA funds awarded in this policy issuance are allowable only for those activities permitted by the WIOA and/or the Proposed WIOA 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). Required and permissible program activities for the Youth program are described in the WIOA Section 129.

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 WDA Procurement Policy, PI 15-12, issued July 17, 2015, or any policy replacing WDA PI 15-12, for further information regarding profit and corresponding limitations.

## Fiscal Information

The local area will process all cash requests through the 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 the funds provided in this policy issuance 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.

### **Action:**

Local areas are required to submit a Budget Information Summary (Attachment B) within 30 days from the issue date of this policy for each of the WIOA program allocations detailed in this policy issuance. The Budget Information Summaries should be submitted to Ms. Teresa Keyton at [keytont@michigan.gov](mailto:keytont@michigan.gov). Please copy your assigned WIOA state coordinator on the email submission.

Local areas are also required to submit one signed Approval Request form (Attachment A), with original signatures from the Chief Elected Official(s), Workforce Development Board Chair, or their designee(s), in accordance with WDA PI 15-29. Approval Request forms must be submitted within 30 days from the issue date of this policy issuance to:

Workforce Development Agency  
Office of Talent Policy and Planning  
WIOA Title I Section  
Victor Office Center  
201 North Washington Square, 5<sup>th</sup> Floor  
Lansing, MI 48913

The WDA will issue two separate Grant Action Notices (GANs) for the Adult and DW program allocations distributed via this policy issuance. The first GAN will be effective July 1, 2016, and will award local areas a portion of their total allocation for each program. The second GAN will be effective October 1, 2016, and will award the remainder of the program allocation for each program. Youth program allocations will be awarded via one GAN effective July 1, 2016.

**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 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, 2018

JB:KJ:tk

Attachments

### **Approval Request Form Instructions**

1. Michigan Works! Agency (MWA): Enter the name of the MWA.
2. MWA Number: Enter the number assigned to the MWA.
3. Plan Title(s): Enter the appropriate title(s) for the plan being submitted.
4. Policy Issuance Number: Enter the Policy Issuance number that the Approval Request form covers.
5. Plan Period: Identify the program period covered by this plan.

The required signatories are designated in accordance with the Michigan Department of Labor & Economic Growth/Bureau of Workforce Programs PI 07-13, issued August 29, 2007. Signatures are required from the Workforce Development Board Chair and the Chief Elected Official(s), or their authorized designee(s).

**APPROVAL REQUEST**

1. Michigan Works! Agency (MWA):	2. MWA Number:
3. Plan Title(s): WIOA Adult, DW, and Youth Program Allocations for AY 2016	
4. Policy Issuance Number: 16-11	5. Plan Period: July 1, 2016-June 30, 2018

THE CHIEF ELECTED OFFICIAL (S) AND WORKFORCE DEVELOPMENT BOARD (WDB)  
HEREBY REQUEST APPROVAL OF THIS DOCUMENT

Authorized Chief Elected Official	Date
Authorized Chief Elected Official	Date
Authorized Chief Elected Official	Date
WDB Chairperson	Date

BWT-344 (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.

**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., 07/01/16 to 06/30/18.

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

**Section II - Total Funds Available**

July (Base) Allocation: Enter the amount of the July allocations for both the Adult and DW programs.

October (Advance) Allocation: Enter the amount of the October allocations for both the Adult and DW programs.

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.

**Budget Information Summary (BIS) Instructions  
Workforce Innovation and Opportunity Act  
Youth Program**

**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 Name: Enter the name of the grant associated with the funding being awarded.

Project Name: Enter the name of the project associated with the funding being awarded.

Plan Period: Enter the start and end dates of the plan period, e.g., 07/01/16 to 06/30/18.

CFDA Number: Enter the Catalog of Federal Domestic Assistance (CFDA) number associated with this grant.

**Section II - Total Funds Available**

July (Base) Allocation: Enter the amount of the July allocation.

October (Advance) Allocation: Enter the amount of the October allocation, if applicable.

Total Appropriation Year (AY) Funding: The aggregate total of the July and October allocations. The excel spreadsheet will automatically calculate.

**Section III - Current AY Planned Expenditures by Cost Category**

Administration-MWA Level: Enter the amount transferred to local administration for the Youth program. Not more than 10 percent of the total allocation may be used for administration.

In-School Youth (ISY): Enter the amount of the allocation planned for In-School Youth.

Out-of-School Youth (OSY): Enter the amount of the allocation planned for Out-of-School Youth. At least 75 percent of the adjusted award\* must be used to provide services to Out-of-School Youth.

*Paid and Unpaid Work Experiences:* Enter the amount of the allocation planned for Paid and Unpaid Work Experiences. At least 20 percent of the adjusted award\* must be used to provide Paid and Unpaid Work Experiences. The 20 percent minimum is not applied separately for ISY and OSY.

*Total Planned Costs:* The excel spreadsheet will automatically calculate all of the total planned costs entered for the Youth program.

*Youth Adjusted Award:* The excel spreadsheet will automatically calculate. It is based upon the total allocation minus funds reserved for the costs of administration.

#### **Section IV - Limitation Percentages**

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

\*The Adjusted Award. The excel spreadsheet will automatically calculate this based upon the total allocation minus funds reserved for the costs of administration.

**Allocation Year (AY) 2016 WIOA Adult Allocations**

Michigan Works! Agency	July Allocation (\$)	October Allocation (\$)	Total Allocation (\$)
Berrien-Cass-Van Buren	78,920	540,847	619,767
Capital Area	98,734	676,632	775,366
DESC	527,253	3,613,317	4,140,570
GST Michigan Works!	228,018	1,562,628	1,790,646
Great Lakes Bay	144,404	989,613	1,134,017
Macomb-St. Clair	324,599	2,224,511	2,549,110
Northeast	52,907	362,581	415,488
Northwest	91,762	628,857	720,619
Oakland	294,656	2,019,310	2,313,966
Region 7B	59,247	406,022	465,269
SE Michigan Consortium	179,108	1,227,443	1,406,551
SEMCA	295,727	2,026,642	2,322,369
Southwest	114,005	781,284	895,289
UPWARD	113,786	779,789	893,575
West Central	62,511	428,392	490,903
West Michigan Works!	277,862	1,904,211	2,182,073
<b>Total</b>	<b>2,943,499</b>	<b>20,172,079</b>	<b>23,115,578</b>

April 25, 2016

**Allocation Year (AY) 2016 WIOA Dislocated Worker Allocations**

Michigan Works! Agency	July Allocation (\$)	October Allocation (\$)	Total Allocation (\$)
Berrien-Cass-Van Buren	128,130	635,010	763,140
Capital Area	171,947	852,161	1,024,108
DESC	837,688	4,151,545	4,989,233
GST Michigan Works!	437,591	2,168,682	2,606,273
Great Lakes Bay	242,728	1,202,950	1,445,678
Macomb-St. Clair	510,398	2,529,513	3,039,911
Northeast	96,036	475,951	571,987
Northwest	163,187	808,749	971,936
Oakland	463,945	2,299,292	2,763,237
Region 7B	101,582	503,435	605,017
SE Michigan Consortium	300,972	1,491,603	1,792,575
SEMCA	482,835	2,392,907	2,875,742
Southwest	178,829	886,272	1,065,101
UPWARD	209,343	1,037,493	1,246,836
West Central	104,731	519,041	623,772
West Michigan Works!	440,348	2,182,345	2,622,693
<b>Total</b>	<b>4,870,290</b>	<b>24,136,949</b>	<b>29,007,239</b>

April 25, 2016

**Allocation Year (AY) 2016 WIOA Youth Allocations**

Michigan Works! Agency	Allocation (\$)
Berrien-Cass-Van Buren	607,279
Capital Area	1,146,091
DESC	4,752,485
GST Michigan Works!	1,714,764
Great Lakes Bay	1,321,507
Macomb-St. Clair	2,838,357
Northeast	380,096
Northwest	703,788
Oakland	2,157,603
Region 7B	478,092
SE Michigan Consortium	1,698,299
SEMCA	2,453,027
Southwest	1,080,281
UPWARD	844,895
West Central	619,720
West Michigan Works!	2,456,381
Total	25,252,665

April 25, 2016