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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
TALENT INVESTMENT AGENCY
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OFFICIAL
Policy Issuance (PI) 18-22

Date: July 5, 2018

To: Michigan Works! Agency (MWA) Directors

From: Joe Billig, Division Administrator **SIGNED**
Targeted Services Section
Workforce Development Agency

Subject: The Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker (DW), and Youth Program Allocations for Allocation Year (AY) 2018, the time period of July 1, 2018 through June 30, 2020.

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

Rescissions: None

References: The U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 16-17, issued May 21, 2018

PI 15-12, issued July 17, 2015

The 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.

The WIOA Manual, issued January 29, 2018

Background:

The WIOA, which supersedes the Workforce Investment Act 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, DW, 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 Michigan Talent Investment Agency/Workforce Development Agency (TIA/WDA) plans to distribute \$70,468,726 in WIOA formula funding for AY 2018, which is comprised of \$22,208,333 in Adult funding, \$23,940,182 in DW funding, and \$24,320,211 in Youth funding. **All local areas will receive their AY 2018 WIOA formula funding for the Adult and DW programs in two separate allotments.** A portion of the funds will be distributed after July 1, 2018, with the remainder of the funds to be distributed on or after October 1, 2018, pending approval of the USDOL's Fiscal Year (FY) 2019 budget. The October allocations for the Adult and DW programs are subject to change should the USDOL's approved FY 2019 budget modify the formula allocations currently detailed in the USDOL TEGL 16-17. **For the period of July 1, 2018 through September 30, 2018, local areas may not incur obligations or expenditures in excess of their July 1, 2018, allotments.**

The July allocations specified in this policy **for the WIOA Adult and DW 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 increase at this time.**

The allocations specified in this policy **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, 2018.**

Local areas **may carry-forward up to 100 percent of the funds awarded in this policy** from Program Year (PY) 2018 into PY 2019. **However, at least 85 percent of the funds** awarded in this policy, for each program, **must be expended by September 30, 2019**, or the excess unspent funds are subject to recapture by the WDA. The September 30th Accrued Expenditure Report, as reported in the

Management of Awards to Recipients System (MARS), will be used to determine compliance with the aforementioned limitation.

The 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 2018 WIOA formula funding allocations are obligated by June 30, 2019.** 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 DW programs. Allowable funding for **transitional jobs is limited to 10 percent of the combined allocations** for the Adult and DW programs.

Local areas **may transfer up to 100 percent** of their AY 2018 allocations **between the Adult and DW programs** without a waiver. Local areas will need to submit Budget Information Summaries (BIS's) to the WDA to effect any transfers between the Adult and DW programs.

Per waiver authority granted by the USDOL, local areas must ensure that a minimum of **50 percent of AY18 WIOA Youth formula funds** are used to provide workforce investment activities to **Out-of-School Youth (OSY)**. This waiver is in effect as of January 2, 2018, and remains valid until the State Unified Plan expires on June 30, 2020. Compliance with this requirement is based upon a local area's adjusted Youth award. Target rates identified for AYs 15, 16, and 17 remain in effect for those funding years. **Local areas that fail to achieve minimum OSY or work experience expenditure requirements are subject to disallowed costs.**

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. More information on allowable work experience expenditures may be found in the WIOA Manual.

Demand-Driven Strategy

It is the expectation of the WDA that the WIOA funds awarded in this policy 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 are allowable only for those activities permitted by the WIOA and/or the WIOA Final Regulations. 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.
- 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 DW 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 agency's Procurement Policy, PI 15-12, issued July 17, 2015, or any policy replacing 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 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 Ms. Marilyn Carey at 517-373-7243.

Action:

Local areas are required to submit a BIS within 30 days from the issue date of this policy for each of the WIOA program allocations detailed in this policy. The BIS's should be submitted to the Talent Investment Agency/Targeted Services at TED-TSDIV@michigan.gov. Please copy your assigned state coordinators on the email submission as well.

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

Workforce Development Agency
Targeted Services Division
Victor Office Center
201 North Washington Square, 5th 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. The first GAN will be effective July 1, 2018, and will award local areas a portion of their total allocation for each program. The second GAN will be effective October 1, 2018, and will award the remainder of the program allocation for each program. Youth program allocations will be awarded via one GAN effective July 1, 2018.

Inquiries: Questions regarding this policy should be directed to your state coordinator.

This policy is available on the [agency's website](#). Please contact Ms. Whitney Wasser at 517-241-1018 or via email at wasserw@michigan.gov if you require assistance.

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

Expiration

Date: June 30, 2020

JB:KP:ww
Attachments

Approval Request Form Instructions

1. **Michigan Works! Agency (MWA) Name and Number:** Enter the agency name and the number assigned to the MWA.
2. **Plan Title(s):** Enter the appropriate title(s) for the plan being submitted. "WIOA Adult, DW, and Youth Program Allocations for AY 2018" has been pre-filled.
3. **Policy Issuance (PI) Number:** Enter the PI number that the Approval Request form covers. "PI-22" has been pre-filled.
4. **Plan Period:** Identify the program period covered by this plan. "July 1, 2018 through June 30, 2020" has been pre-filled.

The required signatories are designated in accordance with PI 18-17, issued May 17, 2018. Signatures are required from the Workforce Development Board Chair and the Chief Elected Official(s), or their authorized designee(s).

Note: Approval Request Forms are only required for initial grant allocations. Subsequent allocations for the same grant or deobligations of funds will not require another signed form.

Approval Request Form

1. Michigan Works! Agency Name and Number:
2. Plan Title(s): WIOA Adult, DW, and Youth Program Allocations for AY 2018
3. Policy Issuance Number: 18-22
4. Plan Period: July 1, 2018 through June 30, 2020

The Chief Elected Official(s) and Workforce Development Board hereby request approval of this document. Please insert the printed name for each signature provided below.

Signature of Authorized Chief Elected Official	Date:
Printed Name:	
Signature of Authorized Chief Elected Official	Date:
Printed Name:	
Signature of Authorized Chief Elected Official	Date:
Printed Name:	
Signature of Workforce Development Board Chairperson	Date:
Printed Name:	

The Talent Investment Agency, 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. "PI-22" has been pre-filled.

Grant Names: Enter the name of the grants associated with the funding being awarded. "AY 18 WIOA Adult and AY 18 WIOA Dislocated Worker" has been pre-filled.

Project Names: Enter the name of the projects associated with the funding being awarded. "WIOA Adult and Dislocated Worker" has been pre-filled.

Plan Period: Enter the start and end dates of the plan period, e.g., 07/01/18 to 06/30/20. "7/1/2018 – 6/30/2020" has been pre-filled.

Catalog of Federal Domestic Assistance (CFDA) Numbers: Enter the CFDA numbers associated with these grants. "17.258; 17.278" has been pre-filled.

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 Allocation Year (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. "18-22" has been pre-filled.

Grant Name: Enter the name of the grant associated with the funding being awarded. "AY18 WIOA Youth" has been pre-filled.

Project Name: Enter the name of the project associated with the funding being awarded. "WIOA Youth" has been pre-filled.

Plan Period: Enter the start and end dates of the plan period, e.g., 07/01/18 to 06/30/20. "7/1/2018 – 6/30/2020" has been pre-filled.

Catalog of Federal Domestic Assistance Number (CFDA) #: Enter the CFDA number associated with this grant. "17.259" has been pre-filled.

Section II - Total Funds Available

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

Total Appropriation Year (AY) Funding: The total allocation. The Excel spreadsheet will automatically calculate.

Section III - Current AY Planned Expenditures by Cost Category

Administration: 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 ISY.

Out-of-School Youth (OSY): Enter the amount of the allocation planned for OSY. At least 50 percent of the adjusted award* must be used to provide services to OSY.

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.

**Workforce Innovation and Opportunity Act (WIOA) Adult
Program Year 2018 Allocations**

MWA Number	Michigan Works! Agency	WIOA Adult July Allocation	WIOA Adult October Allocation	WIOA Adult Total Allocation
5	Berrien/Cass/Van Buren	97,213	516,051	613,264
17	Capital Area	104,247	553,386	657,633
7	Detroit Emp Solutions	741,012	3,933,617	4,674,629
13	GST Michigan Works	296,073	1,571,689	1,867,762
4	Great Lakes Bay	180,352	957,385	1,137,737
19	Macomb/St. Clair	373,974	1,985,217	2,359,191
21	Northeast	78,187	415,049	493,236
22	Northwest	109,366	580,562	689,928
23	Oakland County	305,439	1,621,406	1,926,845
2	Region 7B	83,059	440,911	523,970
30	SE Michigan Consortium	192,140	1,019,965	1,212,105
31	SEMCA	296,662	1,574,814	1,871,476
14	Southwest	137,396	729,357	866,753
6	UPWARD Talent Council	163,892	870,010	1,033,902
16	West Central	68,904	365,776	434,680
33	West Michigan Works	292,500	1,552,722	1,845,222
	TOTAL	3,520,416	\$18,687,917	\$22,208,333

**Workforce Innovation and Opportunity Act (WIOA)
Dislocated Worker (DW)
Program Year 2018 Allocations**

MWA Number	Michigan Works! Agency	WIOA DW July Allocation	WIOA DW October Allocation	WIOA DW Total Allocation
5	Berrien/Cass/Van Buren	102,433	450,450	552,883
17	Capital Area	169,411	744,987	914,398
7	Detroit Emp Solutions	900,990	3,962,108	4,863,098
13	GST Michigan Works	374,427	1,646,544	2,020,971
4	Great Lakes Bay	213,405	938,451	1,151,856
19	Macomb/St. Clair	428,674	1,885,095	2,313,769
21	Northeast	127,947	562,648	690,595
22	Northwest	147,971	650,702	798,673
23	Oakland County	367,950	1,618,064	1,986,014
2	Region 7B	119,889	527,213	647,102
30	SE Michigan Consortium	244,107	1,073,460	1,317,567
31	SEMCA	383,093	1,684,653	2,067,746
14	Southwest	162,965	716,638	879,603
6	UPWARD Talent Council	234,477	1,031,116	1,265,593
16	West Central	104,325	458,772	563,097
33	West Michigan Works	353,352	1,553,865	1,907,217
	TOTAL	\$4,435,416	\$19,504,766	\$23,940,182

**Workforce Innovation and Opportunity Act (WIOA) Youth
Program Year 2018 Allocations**

MWA Number	Michigan Works! Agency	WIOA Youth Total Allocation
5	Berrien/Cass/Van Buren	644,830
17	Capital Area	1,069,598
7	Detroit Emp Solutions	4,975,507
13	GST Michigan Works	1,926,038
4	Great Lakes Bay	1,455,867
19	Macomb/St. Clair	2,457,928
21	Northeast	507,130
22	Northwest	685,911
23	Oakland County	1,950,398
2	Region 7B	523,815
30	SE Michigan Consortium	1,437,526
31	SEMCA	1,902,630
14	Southwest	1,063,044
6	UPWARD Talent Council	1,111,712
16	West Central	504,049
33	West Michigan Works	2,104,228
	TOTAL	\$24,320,211