



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT  
LANSING

STEPHANIE BECKHORN  
ACTING DIRECTOR

**OFFICIAL  
Policy Issuance (PI): 19-19**

**Date:** July 2, 2019

**To:** Michigan Works! Agency (MWA) Directors

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

**Subject:** Program Year (PY) 2019 Wagner-Peyser Employment Service (ES)  
Allocations

**Programs  
Affected:** Wagner-Peyser ES

**Rescissions:** None

**References:** The Wagner-Peyser Act of 1933, as amended by the Workforce Innovation  
and Opportunity Act (WIOA) of 2014

5 Code of Federal Regulations (CFR) Section 900.603, revised January 1, 2009

20 CFR Part 678.500

WIOA Section 121(c)(2)

ES Manual, issued March 6, 2018

PI 17-09, issued April 21, 2017

**Background:** The federal Wagner-Peyser Act of 1933 provides for the establishment of a nationwide labor exchange system with ES offices that provide job matching at no cost to all employers and job seekers, known as the ES. The Wagner-Peyser Act was amended by the WIOA in 2014, which calls for stronger partnerships with ES to seek new avenues to enhance the seamless delivery of services in the One-Stop system.

The ES focuses on a variety of employment-related labor exchange services including:

- Job search assistance.
- Assessments.
- Job referrals.
- Placement of job seekers.
- Re-employment services to Unemployment Insurance (UI) claimants.
- Registering UI claimants for work.
- Delivery of the UI Work Test.
- Recruitment services for employers.

**Policy:**

The MWAs will receive \$11,750,000 of Wagner-Peyser 7(a) funding to provide a variety of employment-related labor exchange services.

The Wagner-Peyser services provided may be self-delivered by the MWA if they qualify as a merit-based entity, or the MWA can competitively select and contract with one or more merit-staffed organizations.

Service-delivery staff funded with Wagner-Peyser 7(a) funds must be merit-based. A merit-based entity must be classified as one of the following types of organizations:

- Governmental agency of the State of Michigan.
- Local unit of government.
- Special purpose unit of government.
- School district.
- Intermediate school district.
- Public community college.
- Public university.

Authority to require merit-staffing may be found in the Wagner-Peyser Act of 1933, as amended at Sections 3(a) and 3(b).

The MWAs must hold their organization or the contracted Wagner-Peyser ES providers accountable to the standards for a merit system of personnel as described in the CFR Title 5, Chapter II, Subpart F, 900.603. The MWAs must confirm their organization, or the contracted ES provider, delivers employment services in accordance with the merit-based staffing standards, which include:

- Recruiting, selecting, and advancing employees on the basis of their knowledge, skills, and abilities.
- Providing equitable and adequate compensation.
- Training employees to assure high-quality performance.

- Retaining employees on the basis of their performance, correcting inadequate performance, and separating employees whose inadequate performance cannot be corrected.
- Assuring fair treatment of employees regardless of race, color, national origin, sex, religious creed, age, or physically/mentally challenged.

### **Performance Measures**

Wagner-Peyser ES program participants are subject to the following performance measures and will be tracked in the One-Stop Management Information System:

- Employment During the Second Quarter After Exit.

*The percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program.*

- Employment During the Fourth Quarter After Exit.

The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program.

- Median Earnings During the Second Quarter After Exit.

*The median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program.*

“Median” is defined as the numerical value that separates the higher half from the lower half of earnings.

- Employer Measure.

*Indicator(s) of effectiveness in serving employers will be determined at a future date.*

### **Carry-Forward of Funds From Prior Program Year**

The MWAs are allowed to carry-in an unlimited amount of PY 2018 Wagner-Peyser funds into PY 2019; however, at least **85 percent** of the PY 2018 funding allocations must be expended by December 31, 2019.

- Excessive unspent **PY 2018** Wagner-Peyser funds as of **December 31, 2019**, may be recaptured and redistributed.

- Only administration costs associated with the Wagner-Peyser 7(a) ES programs should be charged against the Wagner-Peyser 7(a) allocation. There will be no limitations imposed on administration expenses; however, MWAs that indicate administration expenses above 20 percent will be monitored.

### ***Carry Forward of PY 2019 Funds Awarded in this Policy***

The MWAs will be allowed to carry-in an unlimited amount of PY 2019 Wagner-Peyser funds into PY 2020; however, at least **85 percent** of the PY 2019 funding allocations must be expended by September 30, 2020.

- Excessive unspent **PY 2019** Wagner-Peyser funds as of **September 30, 2020**, may be recaptured and redistributed.
- Only administration costs associated with the Wagner-Peyser 7(a) ES programs should be charged against the Wagner-Peyser 7(a) allocation. There will be no limitations imposed on administration expenses; however, MWAs that indicate administration expenses above 20 percent will be monitored.

### ***Cash Requests/Financial Reporting***

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 United States 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 in this policy must be reported to the Workforce Development Agency (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 517-241-6742.

**Action:** The MWA officials must submit a Budget Information Summary (using the allocations detailed in the attached allocation table), the completed Merit-Based Staffing Certification (Attachment A), and the Approval Request form as a condition of receiving Wagner-Peyser ES funds for PY 2019. Templates are attached to this policy for MWA use.

These documents must be submitted electronically to the Workforce Development Agency/Targeted Services at [TED-TSDIV@michigan.gov](mailto:TED-TSDIV@michigan.gov) within 30 days of the issuance of this policy.

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

This policy is available for downloading from the WDA's [website](#).

The WDA is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Please contact Ms. Paula Hengesbach by telephone at 517-241-3678 or by email at [HengesbachP@michigan.gov](mailto:HengesbachP@michigan.gov) for details.

The WDA is funded by State and Federal funds; more details are available on the Legal Disclaimer page at [www.michigan.gov/WDA](http://www.michigan.gov/WDA).

**Expiration**

**Date:** June 30, 2021

JB:BE:ph  
Attachments

**MERIT-BASED STAFFING CERTIFICATION**

Certification Regarding Merit-Based Staffing for Wagner-Peyser and Trade Adjustment Assistance (TAA) Service Providers

All service provider staff funded with Wagner-Peyser and TAA must be merit-staffed employees of eligible local governments that follow a merit system of personnel administration in accordance with 5 CFR 900.603.

The undersigned certifies that:

- (1) The Michigan Works Agency (MWA) meets merit-staffing requirements or has competitively selected and contracted with one or more eligible merit-staffed local government entities to provide Wagner-Peyser and TAA services.
- (2) Staff providing services are merit-staffed employees that are employees of local units of government, special purpose units of government, school districts, intermediate school districts, public community colleges or public colleges and universities.
- (3) The MWA maintains on file a certification from each Wagner-Peyser and TAA service provider. The certification must detail the provider is an eligible local unit of government and follows an established merit system of personnel administration that is in compliance with 5 CFR 900.603. The certification is to be available for review by the Workforce Development Agency (WDA), the federal Office of Personnel Management, or their authorized agents.
- (4) If the MWA self-delivers the Wagner-Peyser or TAA program, it has been approved to do so by the WDA through established processes and procedures.

**MWA Official Certifying This Form**

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Name Title

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MWA

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Date

**Wagner-Peyser Employment Services**

**Budget Information Summary (BIS) Instructions**

**Section I - Identification Information**

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

Policy Issuance Number: Enter the Policy Issuance number applicable to the BIS. "19-19" has been pre-printed.

Grant Name: Enter the name of the grant associated with the funding being awarded. "AY19 Wagner-Peyser 7(a)" has been pre-printed.

Project Name: Enter the name of the project associated with the funding being awarded. "AY19 Wagner-Peyser 7(a)" has been pre-printed.

Plan Period: Enter the start and end dates of the plan period. "07-01-19 through 06-30-21" has been pre-printed.

Catalog of Federal Domestic Assistance (CFDA) Number: Enter the CFDA number associated with this grant. "17.207" has been pre-printed.

**Section II - Total Funds Available**

Beginning Allocation: Enter the amount of the allocation.

Additional Allocation: Enter the amount of any additional allocation, if applicable.

Total Funds Available: This cell will automatically calculate the sum of Section II.

**Section III - Planned Expenditures by Cost Categories**

Administration: Enter the amount of funding to support MWA administration.

Program: Enter the amount of funding to support programmatic costs.

Total Planned Expenditures: This cell will automatically calculate.

**Section IV – Limitation Percentage**

Administration Must be Equal to or Less Than 20%: This cell will automatically calculate the percentage of planned administration expenditures in comparison to total funds available.

**The BIS may be found as an Excel attachment to this email.**

**APPROVAL REQUEST FORM****General Instructions**

1. Michigan Works! Agency (MWA) Name and Number: Enter the name and number of the MWA.
2. Plan Title(s): Enter the title for the plan being submitted. *“Employment Service – Wagner-Peyser 7(a)” has been pre-printed.*
3. Policy Issuance (PI) Number: Enter the appropriate policy number. *“19-19” has been pre-printed.*
4. Plan Period: Identify the time period covered by the plan. *“07-01-2019 through 06-30-2021” has been pre-printed.*
5. Grant Name: Enter the name of the grant. *“AY19 Wagner-Peyser 7(a)” has been pre-printed.*
6. Project Name: Enter the name of the project. *“AY19 Wagner-Peyser 7(a)” has been pre-printed.*

The required signatories are designated in accordance with PI 19-01, issued February 5, 2019. 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 (MWA) Name and Number:
2. Plan Title(s): Employment Service – Wagner-Peyser 7(a)
3. Policy Issuance Number: 19-19
4. Plan Period: 07-01-2019 through 06-30-2021
5. Grant Name: AY19 Wagner-Peyser 7(a)
6. Project Name: AY19 Wagner-Peyser 7(a)

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:	

## WAGNER-PEYSER ALLOCATION TABLE

Program Year 2019 (July 1, 2019 - June 30, 2020)

<b>Michigan Works! Agency</b>	<b>Allocation</b>
Berrien/Cass/Van Buren	329,566
Capital Area	551,160
Detroit Employment Solutions Corporation	947,461
GST Michigan Works!	826,252
Great Lakes Bay	576,037
Macomb/St. Clair	1,250,127
Northeast	174,741
Northwest	383,368
Oakland	1,453,212
Region 7B	166,383
SE Michigan Consortium	960,000
SEMCA	1,387,993
Southwest	550,948
UPWARD Talent Council	380,653
West Central	217,735
West Michigan Works!	1,594,364
<b>Total</b>	<b>\$11,750,000</b>

Allocations based on Calendar Year 2018, average civilian labor force (50%) and average unemployment (50%).  
Workforce Development Agency – April 2019.