



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

**OFFICIAL
Policy Issuance (PI): 21-12**

Date: April 9, 2021

To: Michigan Works! Agency (MWA) Directors

From: Krista Johnson, Division Administrator **SIGNED**
Talent Development Division
Workforce Development

Subject: Appropriation Year (AY) 2020 Workforce Innovation and Opportunity Act (WIOA) Statewide Activities Funding for the Young Professionals 2021 Initiative (March 1, 2021 through February 28, 2022)

Programs Affected: WIOA Programs Administered by MWAs

References: The WIOA of 2014, Public Law 113-128
The WIOA Final Regulations as published in the Federal Register on August 19, 2016
The WIOA Manual, issued January 29, 2018
Young Professionals Request for Proposals, issued January 15, 2021
Policy Issuance: 19-30, Procurement, issued October 25, 2019
Training and Employment Notice 22-19, issued April 3, 2020
Employment and Training Administration (ETA's) COVID-19 Frequently Asked Questions Resource
Michigan Employment Security Act of 1936

Rescissions: None

Background: The Michigan Department of Labor and Economic Opportunity, Workforce Development (LEO-WD), in partnership with the MWAs, assists job seekers in obtaining and advancing in employment, education, training, and supportive services to foster individual success in the labor market. WD's state and federally funded job seeker and business services are designed to

strengthen and improve our public workforce system, help equip our citizens to enter high-quality jobs and careers, and help employers hire and retain skilled workers.

The WIOA Section 129(b)(1) requires states to use a portion of the funds reserved for Statewide Activities to carry out additional activities, including activities that specifically benefit youth. Allowable activities under the WIOA Section 129(b)(2) include supporting the development of alternative, evidence-based programs and other activities that enhance the choices available to eligible youth and encourage such youth to progress through a career pathway and enter into unsubsidized employment that leads to self-sufficiency.

WD has identified the Young Professionals initiative as a way to not only maintain compliance with these sections, but to strive for continuous improvement of young adult programming in alignment with the WIOA's focus on providing valuable work experience to individuals between the ages of 14 and 24.

Policy:

In accordance with the WIOA, WD is allocating WIOA Statewide Activities funding to support the Young Professionals initiative for the timeline of March 1, 2021 through February 28, 2022.

The purpose of the Young Professionals initiative is to increase career awareness and preparation while reducing youth unemployment. This will be accomplished by introducing under-represented young adults, ages 14 to 24, to the world of work while providing participants and their families with income. Combined services will place young adults on the right path to gain the skills necessary to achieve lifelong economic self-sufficiency.

All individuals served with this funding must be eligible for the WIOA Youth, Adult, or Dislocated Worker program. Individuals who are 14 to 17 years old may be enrolled as WIOA Youth or Dislocated Workers. Individuals who are 18 years and older may be solely enrolled or co-enrolled in the WIOA Adult or Dislocated Worker program. Co-enrollment in the WIOA Youth program is not required for individuals who are 18 and older.

Per waiver authority granted by the U.S. Department of Labor (USDOL), **local areas are not subject to a minimum Out-of-School Youth (OSY) expenditure requirement for the funding awarded in this policy.** This waiver is in effect as of June 23, 2020 and applies only to Allocation Year (AY) 2019 and AY 2020 WIOA Statewide Activities funding. This waiver is valid for the life of these funds.

When a young adult is enrolled in the WIOA Youth program as an In-School Youth or OSY, they maintain that designation throughout their participation, regardless of any change in enrollment status in education.

Performance

Young Professionals participants will fall under state-level performance only, unless the participant is also funded by a formula (local) funding stream.

Allowable Activities and Expenses

The Young Professionals initiative is not limited to the work experience activity defined at 20 Code of Federal Regulations (CFR) 681.600. Additional activities that support career exploration and preparedness may be funded under the initiative and must be recorded under the appropriate activities in the One-Stop Management Information System (OSMIS). It is permissible to provide services in a virtual capacity.

Although not an exhaustive list, examples of allowable expenditures with funding awarded in this policy issuance include:

- Wages/stipends paid for participation in a work experience.
- Stipends paid for participation in career exploration or career preparedness activities.
- Staff time working to identify and develop a work experience opportunity, including staff time spent working with employers to identify and develop the work experience.
- Staff time working with employers to ensure a successful work experience, including staff time spent managing the work experience.
- Staff time spent evaluating the work experience.
- Participant work experience and/or related activities orientation sessions.
- Employer work experience orientation sessions.
- Classroom training or the required academic education component directly related to the work experience.
- Incentive payments directly tied to the completion of work experience or classroom training for those enrolled as WIOA Youth. Incentive payments are not allowable for Adults and Dislocated Workers.
 - 20 CFR § 681.640 states “incentive payments to youth participants are permitted for recognition and achievement directly tied to training activities and work experiences.” The local program must have written policies and procedures in place governing the award of incentives and must ensure that such incentive payments are:
 - a) Tied to the goals of the specific program,
 - b) Outlined in writing before the commencement of the program that may provide incentive payments,
 - c) Align with the local program's organizational policies; and
 - d) Are in accordance with the requirements contained in 2 CFR Part 200.

- Employability skills/job readiness training to prepare youth for a work experience.
- Supportive services.
- Volunteer and/or community service.
- [Transitional jobs \(Adults and Dislocated Workers\)](#).

Minor Work Permits

If an employer/employee relationship exists, a work permit is required for all minors. WD does not have the authority to waive this requirement. Additional resources and information on child labor laws and youth employment standards in Michigan may be found [here](#).

Stipends vs. Wages

A stipend is intended to defray expenses and support an individual while participating in a training or learning experience. Stipends can be used to support young adults who are participating in activities such as occupational skills training, job shadowing, and classroom (in-seat or virtual) activities, including career preparation or exploration. A wage is generally a payment of services rendered when an employer/employee relationship exists. Wages are usually paid through a payroll system. **If an MWA will be providing participant support for program participation with stipends, a local policy governing the use and limitations of stipends is required.**

Wages, stipends, and incentives are considered taxable income.

Additional information regarding wages, stipends, and incentives may be found [here](#).

[Section 44 of the Michigan Employment Security Act](#) provides the definition of remuneration, which must be reported when certifying for unemployment benefits. Remuneration does not include stipends or incentives; therefore, they do not need to be reported.

Supportive Services

Supportive service rules and allowability under this initiative are consistent with guidance found within the WIOA Manual, with the temporary exception of the purchase of food.

Food: Per the All Grants Frequently Asked Questions (FAQs) document posted on WorkforceGPS, food is temporarily approved as an allowable cost for youth Employment and Training Administration (ETA) grant funds. Generally, grant funds from the ETA cannot be used to provide food assistance to individuals in the grantee's community. On a limited basis and in certain situations, food at a reasonable cost may be provided to youth-serving program participants as a supportive service. Food may be provided to eligible youth when it will assist or enable the participant to participate in allowable youth program activities funded through one or more of our programs and to reach his/her employment and training goals, thereby achieving the program's overall performance goals. The focus of the

programs is to train youth, and the use of grant funds for food should be limited to reasonable and necessary purchases that are coordinated with other community, state, or federal services that provide food for low-income individuals. The State defines reasonable costs as those in accordance with Michigan's Department of Technology, Management and Budget's approved meal rates of \$8.50 for breakfast and lunch (each), or \$10.25 for breakfast and lunch (each) for those in select cities. Select cities may be found [here](#).

If using grant funds to purchase food, it is the responsibility of the local MWA to verify ETA guidance has remained consistent in approving this as an allowable cost. ETA guidance may be found [here](#).

Equipment: ETA also responded to the following questions in the aforementioned FAQs document: Can grantees purchase laptops and tablets for participants so they can continue their education and training from home? Are laptops and tablets equipment? Do grantees need prior approval from the grant officer to purchase these?

ETA's Response: Yes, grant funds can be used to purchase supplies or equipment to assist in providing program services and training in a virtual setting during this time. The definition of equipment is found at 2 CFR 200.33. The definition of supplies is found at 2 CFR 200.94. Laptops and tablets usually fall within the definition of supplies, which do not need grant officer approval. The Uniform Guidance at 2 CFR 200.302 and § 200.303 requires that all funds, property, and other assets be safeguarded against loss from unauthorized use or disposition. The grant recipient and its service providers must have sufficient internal controls and policies in place to account for all assets. Grant recipients should use safety precautions to protect personally identifiable information and use sound fiscal prudence to maximize the value of taxpayer dollars spent. Grantees should weigh the length of time remaining in the period of performance against the reasonable benefit to the program for purchases of new supplies or equipment.

Internet: Internet is an allowable supportive service. However, WIOA funding is always meant to be the last dollar, so if there are discounted or free programs, such as those for individuals who receive public assistance benefits, they must be utilized first and foremost.

If using grant funds to purchase equipment, it is the responsibility of the local MWA to verify ETA guidance has remained consistent in approving this as an allowable cost. ETA guidance can be found [here](#).

If an MWA chooses to offer the above-mentioned supportive services, the local supportive service policy must be updated to reflect this allowance. The policy must highlight that the food allowance is temporary and specific to youth-serving program participants.

Enrollment

Eligibility Documentation

Eligibility and appropriate source documentation are required for registration and participation in the Young Professionals initiative. Signatures remain a requirement for registration, release, and self-attestation forms.

WD allows electronic signatures. Similar to ink signatures, a signer must show clear intent to sign an agreement electronically. For example, signers can show intention by using a mouse to draw their signature or typing their name.

The following language may be added to local forms, as appropriate:

The parties agree that this agreement may be electronically signed. The parties agree that the electronic signatures appearing on this agreement are the same as handwritten signatures for the purpose of validity, enforceability, and admissibility.

It is no longer a WD requirement that a participant signs the Individual Service Strategy (ISS). This decision is now left to local discretion.

Enrolling Young Adults in the WIOA Youth Program

Young adults enrolled in the WIOA Youth program must meet eligibility standards described in Section 3-2 of the WIOA Manual.

Please Note: The five (5) percent income exception for covered individuals and the five (5) percent Requires Additional Assistance Barrier limitation for In-School Youth found within this section also apply. This policy issuance supersedes any previous guidance addressing frequently asked questions.

The funds awarded in this policy must be used to provide the following to young adults enrolled as WIOA Youth:

- (1) Provide for an objective assessment of each youth participant that meets the requirements of the WIOA Section 129(c)(1)(A) and includes a review of the academic and occupational skill levels, as well as the service needs and strengths of each youth for the purpose of identifying appropriate services and career pathways for participants and informing the ISS.
- (2) Develop and update, as needed, an ISS based on the needs of each youth participant that is directly linked to one or more indicators of performance described in the WIOA Section 116(b)(2)(A)(ii) that identifies career pathways that include education and employment goals that considers career planning and the results of the objective assessment, and that prescribes achievement objectives and services for the participant.
- (3) Provide case management of youth participants.

Enrolling Young Adults in the WIOA Adult or Dislocated Worker Program
Young adults ages 18 and up may be enrolled in the WIOA Adult or Dislocated Worker program. Standard WIOA Adult or Dislocated Worker eligibility requirements as found in the WIOA Manual in Section 2-3, and Section 2-4, respectively, apply. The MWAs may find eligibility determination to be much less restrictive than that of the WIOA Youth program.

A young adult enrolled in the WIOA Adult or Dislocated Worker program must, at a minimum, receive either an interview, evaluation or assessment, and career planning or any other method through which the One-Stop operator or partner can obtain enough information to make an eligibility determination. Where appropriate, a recent interview, evaluation, or assessment may be used.

Data Entry

Data Entry of Young Adults in the WIOA Youth Program

When entering a young adult into the OSMIS as a WIOA Youth using funding awarded in this policy, please select the “Youth Statewide (15%)” option. Enter Contract Number 2112. If regular WIOA Youth formula funds are also being used, the “Youth (Local)” option should also be selected.

Data Entry of Young Adults in the WIOA Adult or Dislocated Worker Program

When entering a young adult into the OSMIS as a WIOA Adult using funding awarded in this policy, please select the “Adult Statewide (15%)” option. Enter Contract Number 2112. If regular WIOA Adult formula funds are also being used, the “Adult (Local)” option should also be selected.

When entering a young adult into the OSMIS as a WIOA Dislocated Worker using funding awarded in this policy, please select the “Dislocated Worker Statewide (15%)” option. Enter Contract Number 2112. If regular WIOA Dislocated Worker formula funds are also being used, the “Dislocated Worker (Local)” option should also be selected.

A special indicator has been added to the OSMIS that must be selected for each young adult participating in the Young Professionals initiative. Please select the “**Summer Young Professional**” indicator for each individual served with funding awarded in this PI. Please note this indicator label will change to “Young Professionals” during a future OSMIS update. Please select the “**Young Professionals**” indicator for each individual served with funding awarded in this PI when it becomes available.

Leveraging Funding and Services

Braiding funding allows WIOA programs to provide more comprehensive services to participants while maximizing partner resources available to best serve young adults. WD strongly encourages partnering with Michigan Rehabilitation Services (MRS) to provide inclusive, accommodating experiences for youth with disabilities. MRS partners may be found by using the [MRS Office Locator Map](#), and may be able to provide assistive technology and support for individuals with disabilities. [Bureau of Services for Blind Persons \(BSBP\) contacts](#) are located throughout the state and are

equipped to provide assistive technology and support for individuals who are visually impaired.

Further, partners such as MRS, BSBP, and [Jobs for Michigan's Graduates](#) may be able to provide pre-existing curriculums.

Profit

Please refer to the Procurement Policy, PI 19-30, issued October 25, 2019, for further information regarding profit and corresponding limitations.

Fiscal Information

Fiscal reporting for the funds awarded in this policy shall be independent from the WIOA Youth formula funding allocated for Program Year (PY) 2020 in PI 20-14 and subsequent changes, as well as future funding awarded for PY 2021. Carry-forward of these funds will not be permitted. **Unexpended funds as of March 1, 2022, will be recaptured by the WD.**

Administrative funding is limited to a maximum of **10 percent** of the allocations detailed in this policy.

Funding for transitional jobs is available to young adults enrolled as WIOA Adults or Dislocated Workers and is limited to a maximum of **10 percent** of the allocations detailed in this policy.

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 are 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 WD on a quarterly basis. A final close-out report is also required. All quarterly financial expenditure reports are due to the WD no later than the 20th calendar day after the end of the calendar quarter. The final close-out report is due to the WD 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 email Mr. Mike LaCharite at lacharitem1@michigan.gov.

Reporting

All MWAs must submit a final report detailing the following elements within 30 days from the conclusion of the grant period:

- Number of young adults who received workforce preparation services (e.g., classroom training related to work experience, career exploration activities, etc.).
- Number of young adults who entered a work experience.
- Number of young adults who completed their work experience.
- Number of participating employers.
- Description of how program activities resulted in desired outcomes appropriate for the target population.
- Description of how financial literacy was incorporated into work experiences, including assistance with the Free Application for Federal Student Aid for those who are approaching post-secondary enrollment.
- Description of how the program was used to inform young adults of local labor market information, including how their work experience may be incorporated into a career pathway.
- Description of how your program supported Governor Whitmer's statewide post-secondary education goal of 60 percent of Michigan residents completing a post-secondary certificate or degree by the year 2030.

The report shall be submitted electronically to the Talent Development Division at LEO-TSDIV@michigan.gov. Please copy your assigned WIOA State Coordinator on your email submission.

Action:

MWAs receiving an allocation as a result of this policy shall prepare and submit a signed Approval Request Form (Attachment A), Budget Information Summary (BIS), and Statement of Modification to WD within 30 days from the issue date of this policy. Instructions for completing the Approval Request Form and BIS (Attachment B) are attached. The Approval Request Form, BIS, and Statement of Modification should be submitted electronically to the Talent Development Division at LEO-TSDIV@michigan.gov. Please copy your assigned Workforce Innovation Team State Coordinator.

The Statement of Modification shall outline planned modifications to the original service strategy, as submitted in the proposals in response to the Young Professionals Request for Proposals, as a result of the granted award. If no modification is planned, a statement to that effect must be submitted.

Inquiries:

Questions regarding this policy should be directed to your WIOA State Coordinator.

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

WD 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 989-388-3272 or by email at HengesbachP@michigan.gov for details.

WD is funded by state and federal funds; more details are available on the Legal Disclaimer page at www.michigan.gov/workforce.

Expiration

Date: February 28, 2022

KJ:ED:ph
Attachments

Approval Request Form Instructions

1. *Michigan Works! Agency (MWA) Name and Number*: Enter the name and the assigned number of the MWA.
2. *Plan Title(s)*: Enter the appropriate title for the plan being submitted. “*Young Professionals 2021*” has been pre-printed.
3. *Policy Issuance Number (PI)*: Enter the Policy Issuance number that the Approval Request form covers. “*21-12*” has been pre-printed.
4. *Plan Period*: Enter the program period covered by this plan. “*March 1, 2021 through February 28, 2022*” has been pre-printed.

The required signatories are designated in accordance with the Workforce Development Policy Issuance 21-02, issued January 5, 2021. Signatures are required from the Workforce Development Board Chair and the Chief Elected Official(s), or their authorized designee(s).

Approval Request Form

1. Michigan Works! Agency (MWA) Name and Number:
2. Plan Title(s): Young Professionals 2021
3. Policy Issuance Number: 21-12
4. Plan Period: March 1, 2021 through February 28, 2022

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:	

**Budget Information Summary (BIS) Instructions
Workforce Innovation and Opportunity Act (WIOA)
Young Professionals 2021**

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. "21-12" has been pre-printed.

Grant Name: Enter the name of the grant associated with the funding being awarded. "AY20 WIOA Statewide Activities" has been pre-printed.

Project Name: Enter the name of the project associated with the funding being awarded. "Young Professionals 2021" has been pre-printed.

Plan Period: Enter the start and end dates of the plan period. "03/01/2021 - 02/28/2022" has been pre-printed.

Section II - Total Funds Available

Base Allocation: Enter the amount of the allocation.

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

Section III - Current Appropriation Year Planned Expenditures by Cost Category

Administration: Enter the amount of the grant to be used for local administration. Not more than **ten** percent of the total allocation may be used for administration.

Adult: Enter the amount of the allocation planned for Adults.

Dislocated Worker: Enter the amount of the allocation planned for Dislocated Workers.

Transitional Jobs: Enter the amount of the grant to be used for transitional jobs. Not more than **ten** percent of the total allocation may be used for transitional jobs.

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

Out-of-School Youth: Enter the amount of the allocation planned for Out-of-School Youth.

Total Planned Costs: The Excel spreadsheet will automatically calculate all of the total planned costs entered for the grant.

Section IV - Limitation Percentages

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

* The Excel spreadsheet will automatically calculate the adjusted award based upon the total allocation minus funds reserved for the costs of administration.

**Young Professionals
2021 Allocations**

Michigan Works! Agency	Allocation
Berrien/Cass/Van Buren	\$83,031
Capital Area	\$135,131
DESC	\$250,000
GST	\$129,869
Great Lakes Bay	\$160,000
Macomb-St. Clair	\$100,000
Northeast	\$70,000
Northwest	\$100,000
Oakland	\$200,000
Region 7B	\$73,206
Southeast	\$110,000
SEMCA	\$125,000
Southwest	\$150,000
Upper Peninsula	\$100,000
West Central	\$72,438
West Michigan	\$141,325
Total	\$2,000,000