



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

**OFFICIAL**  
**Policy Issuance (PI): 21-17, Change 1**

**Date:** September 28, 2021

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

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

**Subject:** Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker (DW), and Youth Program Allocations for Allocation Year (AY) 2021, the time period of July 1, 2021 through June 30, 2023

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

**Rescissions:** None

**References:** U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 19-20, issued April 27, 2021  
  
PI 19-30, issued October 25, 2019  
  
Michigan Industry Cluster Approach (MICA) Guidelines, issued July 26, 2012  
  
WIOA of 2014, Public Law 113-128 (29 United States Code Section 3101, *et. seq.*)  
  
WIOA Final Rule 20 Code of Federal Regulation Part 682, et al.  
  
WIOA Manual, issued May 5, 2020

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

**Policy:**

WD plans to distribute \$88,853,177 in WIOA formula funding for AY 2021, which is comprised of \$29,122,997 in Adult funding, \$28,172,485 in DW funding, and \$31,557,695 in Youth funding. **All local areas will receive their AY 2021 WIOA formula funding for the Adult and DW programs in two separate allotments.** A portion of the funds will be distributed on or after July 1, 2021, with the remainder of the funds to be distributed on or after October 1, 2021, pending approval of the USDOL's Fiscal Year (FY) 2022 budget. The October allocations for the Adult and DW programs are subject to change should the USDOL's approved FY 2022 budget modify the formula allocations currently detailed in the USDOL TEGE 19-20. **For the period of July 1, 2021 through September 30, 2021, local areas may not incur obligations or expenditures in excess of their July 1, 2021, allotments.**

Allowable funding for **local administration is limited to 10 percent of the allocation for each program in this PI.** Transfers to local administration that include cents will be rounded to the nearest whole dollar. 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 AY21 allocations **between the Adult and DW programs** without a waiver. Local areas will need to submit Budget Information Summaries (BISs) to WD for any transfers between the Adult and DW programs. Intertitle transfers (those between Adult and Dislocated Worker) over 50 percent require written justification in addition to the BIS to support the need for the reprioritization of funding. Documentation of local board approval for intertitle transfers over 50 percent and supporting documentation must be maintained by the MWA, retained in-house, and made available upon request. Intertitle transfers up to 50 percent do not require written justification or internal approval unless local policy dictates otherwise. Intertitle transfers that include cents will be rounded to the nearest whole dollar.

Per waiver authority granted by the USDOL, local areas must ensure that a minimum of **50 percent of AY21 WIOA Youth formula funds** are used to provide workforce investment activities to **Out-of-School Youth (OSY)**. This waiver applies to Appropriation Year 2021 funding only and is valid for the life of the funding (July 1, 2021 through June 30, 2023). Previous OSY waivers approved under separate cover (AY 2019, AY 2020, etc.) remain valid. Compliance with this requirement is based upon a local area's adjusted WIOA Youth award. **Local areas that fail to achieve minimum OSY expenditure requirements are subject to disallowed costs.**

As a result of this waiver, the Employment and Training Administration (ETA) expects that the number of In-School Youth (ISY) served will increase and that performance accountability outcomes for overall WIOA Youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators. Additional outcomes expected by WD include an increase in the number of work experience and dropout prevention activities recorded for ISY. It is imperative that MWAs accurately record activities to ensure WD is able to report progress toward meeting projected outcomes to ETA, assess the value of this waiver, and include outcome data as justification for future waiver requests.

All other provisions of PI 21-17, not specifically altered by this policy change remain unchanged and in effect.

**Action:** No action is required. This change is for informational purposes only.

**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](mailto: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](http://www.michigan.gov/workforce).

**Expiration  
Date:**

June 30, 2023

KJ:KP:ph