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E-mailed: 3/10/2015 (tk)

Workforce Development Agency (WDA)
Policy Issuance (PI): 15-02

Date: March 10, 2015

To: Michigan Works! Agency (MWA) Directors

From: Stephanie Beckhorn, Director (**SIGNED**)
Office of Workforce Policy and Strategic Planning

Subject: Program Year (PY) 2014 Workforce Investment Act (WIA) Excess Carry-Forward Funding

Programs Affected: PY 2014 WIA Adult, Dislocated Worker, and Youth Programs

Rescissions: None

References: The WIA of 1998

The WIA Final Rule 20 Code of Federal Regulations (CFR) Parts 651-652 and 660-671, et al.

The Michigan Department of Career Development (MDCD)/Office of Workforce Development (OWD) PI 02-11, issued April 2, 2002, and subsequent changes

Background: The MDCD/OWD PI 02-11, issued April 2, 2002, implemented an excess carry-forward policy for certain WIA programs. The policy states that MWAs should not carry-forward more than 15 percent of total current year allocated funding for these programs. According to the policy, carry-forward funding in excess of 15 percent is to be recaptured and redistributed to those MWAs whose expenditures are in compliance with the carry-forward policy. Funding in the WIA local administration cost pool is not subject to the aforementioned excess carry-forward policy.



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Policy: Given the federal funding climate over the past few years, the WDA recognizes the importance of allowing MWAs local flexibility with respect to the carrying forward of WIA funds for the Adult, Dislocated Worker, and Youth programs from PY 2014 into PY 2015. However, the need for flexibility must be balanced with the need for accountability. It is important for the State as a whole to maintain high expenditure levels for these programs in order to avoid future funding rescissions by the U.S. Department of Labor.

As such, for PY 2014 only, MWAs are now allowed to carry-forward up to 100 percent of the funding allocated for the WIA Adult, Dislocated Worker, and Youth programs for PY 2014 into PY 2015. However, at least 85 percent of the funding allocated for PY 2014 for the WIA Adult, Dislocated Worker, and Youth programs must be expended by December 31, 2015, or the excess is subject to recapture by the WDA. Excess funds subject to recapture will be determined using the December 31, 2015, quarterly expenditure report. MWAs do not need prior written approval from the WDA to exceed the carry-forward limitation outlined in PI 02-11 as approval to do so for PY 2014 is granted via this policy. Please note that the annual federal obligation requirement of 80 percent for the WIA Adult, Dislocated Worker, and Youth programs remains in effect.

Action: MWA officials shall take the appropriate actions necessary to comply with the directives of this policy issuance.

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

This policy issuance is available for downloading from the internet system. Further, 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. Teresa Keyton at (517) 335-7418 for details.

**Expiration
Date:**

June 30, 2016

SB:KJ:tk