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Workforce Development Agency (WDA)

Policy Issuance (PI): 15-17

E-mailed: 08/31/2015 (tk)

Date: August 31, 2015

To: Michigan Works! Agency (MWA) Directors

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

Subject: Sector Partnership (SP) National Emergency Grant (NEG)

Programs Affected: Workforce Innovation and Opportunity Act (WIOA) Programs

Rescissions: None

References: The WIOA of 2014, Public Law 113-128 (29 United States Code Section 3101 *et. seq.*)

The WIOA Notices of Proposed Rulemaking (Proposed Rules) as Published in the Federal Register on April 16, 2015

The U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 31-14, issued April 29, 2015

The USDOL TEGL 16-12, issued March 7, 2013

The USDOL TEGL 4-10, issued August 6, 2010

The WDA PI 15-12, issued July 16, 2015

The WDA PI 14-14, issued December 11, 2014, and subsequent change

The Michigan Industry Cluster Approach (MICA) Guidelines, issued July 26, 2012



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The WIOA Manual

Background:

NEGs are discretionary grants awarded by the Secretary of Labor (the Secretary) under Section 173 of the Workforce Investment Act (WIA)¹. NEGs are intended to temporarily expand service capacity and meet increased demand for employment and training services, with the goal of quickly reemploying laid off workers and enhancing their employability and earnings. Most provisions of the WIOA, the WIA's successor, went into effect on July 1, 2015, and, as such, this NEG funding is to be utilized consistent with the WIOA's requirements.

A demand-driven workforce system is the State of Michigan's primary workforce development strategy. Local strategic plans and service delivery must support and align with a demand-driven system. Locally defined priority industries must be identified by local Workforce Development Boards (WDBs), and appropriate services developed and provided based upon recommendations received from employers and other key partners.

Sector partnerships are fundamental to effective sector strategies, and the SPNEG is structured to enhance the opportunity to advance and complement the more integrated and comprehensive dislocated worker services envisioned by the WIOA. The SP NEGs are intended to provide new services and flexibilities that can be integrated with the WIOA, not simply to supplement or replenish regular Dislocated Worker formula funds.

States and local areas are strategically positioned to support a job-driven approach to workforce development through sector partnerships and sector strategies. Sector strategies are regional, industry-focused approaches to workforce and economic development that improve access to good jobs and increase job quality in ways that strengthen an industry's workforce.

Partnerships across growing and in-demand industries can support the ability of dislocated workers to translate their skills into careers in new sectors, identify the training they need to succeed in a new industry, and acquire the necessary skills for this transition. Sector-based approaches can provide businesses with the skilled workforce they need and dislocated workers with new skills, credentials, and careers where they can succeed.

¹ Under the WIOA, the relevant provision is found at Section 170 on National Dislocated Worker Grants. The WIOA Section 170 is substantively the same as the WIA Section 173. Although these grants are authorized under the WIA, grantees are to administer these SP NEGs consistent with the requirements and services of the WIOA.

Policy:

On June 25, 2015, the USDOL awarded the WDA SP NEG funds to provide employment-related services for dislocated workers. Of the award, \$6,481,181 is being distributed to the various Prosperity Regions to fulfill their funding requests.

As mentioned previously, the USDOL has structured the SP NEG to advance and complement the more integrated and comprehensive dislocated worker services envisioned by the WIOA. The specific activities targeted by the SP NEG include regional sector planning and strategies, enhanced career services, and work-based training opportunities.

Each Prosperity Region had the opportunity to submit a proposal to the WDA for SP NEG funds prior to the WDA submitting its proposal to the USDOL. This policy issuance awards the full amount of funding requested by each region and specifies how much of the funding awarded to each region may be used for costs associated with administration and regional planning in order for the state as a whole to comply with the limitations set forth in TEGL 31-14. The remaining funds in each region must be utilized for other allowable activities.

Eligible Participants

Participants must be eligible dislocated workers. Targeted dislocated worker populations *may* include dislocated workers that may have additional barriers or challenges to reemployment, such as long-term unemployed jobseekers, Unemployment Insurance claimants profiled as likely to exhaust their benefits, and foreign-trained workers that have faced barriers to obtaining employment in their field or profession.

Priority of Service

Veterans will receive Priority of Service for training and services made available under the SP NEG, as described in TEGL 10-09. As clarified in TEGL 22-04, separating service members are generally considered to have satisfied the termination component of the definition of a dislocated worker. Therefore, as long as a separating service member satisfies the other criteria for dislocated worker eligibility, including the requirement that the individual is "unlikely to return to a previous industry or occupation," he or she would generally be an eligible dislocated worker under the SP NEG. Coordination with intensive and case management services provided to unemployed post-September 11th veterans is strongly encouraged.

Use of Funds

Administrative Costs

SP NEG funds may be used for the administrative costs associated with operating the SP NEG, in compliance with the limitations specified for

each region in Attachment A.

Regional Planning and Strategies

Regional planning and sector strategies support dislocated workers by assessing the regional economic landscape to identify new or growing employment opportunities in the region. They also help ensure partnerships and regional assets from the workforce investment system, industry, community colleges, labor unions, nonprofits, and other stakeholders are aligned and integrated under strategies that can be used to respond to economic shocks, such as plant closings, natural disasters, and long-term unemployment within the regional workforce.

Sector strategies represent a strategic and demand-driven way for workforce organizations to conduct business, moving from a "program administration" focus to a more proactive role building regional talent pipelines, addressing skill shortages, and creating meaningful career pathways for a range of workers in important regional industries.

A portion of the SP NEG funds must be used to fund activities that support regional planning and sector strategies, in compliance with the limitations specified for each region in Attachment A. Allowable uses of funds include, but are not limited to:

- Partnership and program development with stakeholders, employers, apprenticeship programs, etc.
- Acquisition, analysis and utilization of workforce information to identify regional trends, including but not limited to, labor market information and other state or private data.
- Asset mapping and other analysis, such as Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis.
- Developing regional plans.
- Training for staff in state and local areas necessary to facilitate regional planning and implement regional strategies.
- Establishing social and/or peer learning networks among regions using sector strategies.
- Identifying and mapping the necessary skills and competencies for in-demand jobs.

The planning component of the grant will take place simultaneously with training and other service delivery activities. Regional planning and sector strategies undertaken as part of the SP NEG should enhance or expand the Michigan Industry Cluster Approach.

Program Services (At Least 50 Percent)

The SP NEG funds should be used to support programs that effectively recruit and serve a range of dislocated workers, and that are built around a comprehensive, up-front assessment of participant skills relative to those required for employment. Such programs should provide customized interventions across three tracks: 1) re-employment services such as comprehensive skills assessments, intensive coaching, relocation assistance, and other short-term, specialized services culminating in direct job placement; 2) short-term training and work-based learning opportunities such as On-the-Job Training (OJT) leading to employment; and 3) accelerated skills training, with a focus on work-based training, that leads to industry-recognized credentials and employment such as registered apprenticeship. Strong consideration should be given to supporting programs that coordinate closely with Unemployment Insurance (UI) programs to ensure UI claimants, individuals who have exhausted UI benefits, and other dislocated workers encountering long-term unemployment are provided intensive, staff-assisted counseling, reemployment services, and assessments to help them navigate entry into new careers. Under the SP NEG, program services are categorized into the following two categories:

1. Enhanced Career Services to Dislocated Workers (At Least 20 Percent of Total Funds)

The SP NEG will be administered consistent with the WIOA, which allows greater flexibilities in providing services to dislocated workers through career services. A list of career services can be found in TEGL 31-14.

2. Training and Work-Based Training Models (At Least 30 Percent of Total Funds)

Similar to the Dislocated Worker Training (DWT) and Job-Driven (JD) NEGs, a key component of the SP NEGs is training with an emphasis on work-based learning models. Allowable training and work-based strategies under the SP NEGs are consistent with the expanded strategies authorized by the WIOA.

Selected work-based training models must comply with the following requirements:

- OJT opportunities and customized training must be provided under a contract with an employer in the private-nonprofit or for-profit sector.
- Credential attainment is **not** required to be a part of OJT, and OJT will continue to be exempt from the credential measure. However, regions are strongly encouraged to prioritize OJT opportunities that include a formal training component that leads to a credential.

- The parameters associated with OJT in TEGLs 4-10 and 16-12 apply to any OJT opportunities offered under the SP NEG, notwithstanding the definition of prolonged unemployed contained in those guidance documents and the OJT reimbursement rate allowed in TEGL 4-10.
- Consistent with the WIOA, training reimbursement is based on a percentage of the participant's wage. Generally it is 50 percent; however, the local board may increase it to 75 percent based on certain factors. Please refer to Chapter 6 of the WIOA Manual.

Although the purpose of the SP NEG is to provide support for dislocated workers who are currently unemployed, a portion of available funding may be used for Incumbent Worker Training (IWT) strategies for underemployed workers. These strategies must focus on increasing skills for underemployed frontline workers in an effort to advance these workers to more skilled positions with the same employer or industry sector leading to an increase in earnings through more work hours or an increase in pay. Once these workers advance, the employer must provide an opportunity to the local service provider to fill this now vacant position with a local dislocated worker. Please refer to Chapter 6 of the WIOA Manual for further information. The IWT must be provided under an agreement with an employer in the private-nonprofit or for-profit sector. In addition:

- Not more than 10 percent of funds may be used for IWT
- IWT must have an employer match based on the *size* of the company. Wages paid to the participant while in training can be included as part of the match. Per the WIOA, the matching requirements are as follows:
 - At least 10 percent of the cost, for employers with 50 or fewer employees
 - At least 25 percent of the cost, for employers with 51 to 100 employees
 - At least 50 percent of the cost, for employers with more than 100 employees

If provided, transitional jobs opportunities must be provided under a contract with an employer in the private non-profit or for-profit sector, as well as non-federal public sector employers. Transitional jobs are time-limited work experiences that are subsidized for individuals with barriers to employment who are either chronically unemployed, long-term unemployed, or have an inconsistent work history.

- Not more than 10 percent of funds may be used for transitional jobs

For non-work-based training, Prosperity Regions must limit the training opportunities to training providers listed on the Career Education Consumer Report (CECR). Regions should give preference to competency-based education and training programs that

result in stackable, industry-recognized credentials.

Data Entry

The WDA requires that all WIOA participant information be reported in the One-Stop Management Information System (OSMIS), including eligibility, activities, status, and outcome information.

SP NEG participants must be registered in the OSMIS under the WIOA Dislocated Worker program. All requirements for the WIOA Dislocated Worker program registration and accompanying documentation must be met.

All SP NEG participants will have the “National Emergency Grant” funding source selected on the OSMIS “Funding Sources/Programs” screen.

Please follow these instructions when completing the NEG portion of the “Funding Sources/Programs” screen for SP NEG participants:

- For “National Emergency Grant,” select “Yes”
- For “Grant Number,” select “2623 – SP NEG”
- For “Grant Start Date,” enter the participant’s date of NEG enrollment (when SP NEG funds are first spent on the participant)

MWAs must enter the date that the participant was enrolled in the SP NEG in the “Grant Start Date” field below each Grant Number field. The entry of an NEG grant number will not be accepted without the entry of a corresponding enrollment date.

An additional indicator will appear for number of weeks unemployed. The number can be any number from 0 to 999 and is an aggregate of weeks unemployed as of January 2008 and does not need to be consecutive.

Profit

Please refer to the WDA’s Procurement Policy, PI 15-12, issued July 16, 2015, or any policy replacing the WDA PI 15-12, for further information regarding profit and corresponding limitations.

Fiscal Information

The locally designated MWA (fiduciary) 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 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 issuance 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 located at <http://www.michigan.deleg-mars.org>. If there are any questions regarding cash requests or the submission of required expenditure reports, please call Mr. Kerry Trierweiler at (517) 241-1788.

Monitoring

The deadline for full expenditure of SP NEG funds is June 30, 2017. Quarterly review of expenditures and enrollments will be completed by the WDA. Concerns regarding enrollment and expenditure levels will be addressed by the assigned WIOA state coordinator. WIOA programmatic reviews will incorporate a review of the SP NEG project, including file review.

To ensure expenditure by the June 30, 2017, deadline and to meet demand, the WDA retains the right to recapture and reallocate unexpended SP NEG funds at any time after March 31, 2017, based on enrollment and expenditure trends.

Action: Regional fiduciaries are required to submit a Budget Information Summary (BIS) within 30 days from the issue date of this policy to Ms. Teresa Keyton at keyton@michigan.gov. A revised budget (Attachment B), using the attached allocation table and the funding parameters outlined in this policy as a guide, must be submitted to the WDA along with the required BIS (Attachment D). All regions receiving SP NEG funds must also submit an implementation plan based upon the initial proposal submitted to the WDA and the requested revised budget.

Please copy your assigned WIOA state coordinator on your e-mail submission.

Regional fiduciaries must also submit an Approval Request form (Attachment C), with original signatures, within 30 days from the issue date of this policy to:

Workforce Development Agency
Office of Talent Policy and Planning
WIOA Title I Section
Victor Office Center
201 North Washington Square, 5th Floor
Lansing, MI 48913

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

This policy issuance is available on the WDA's website at <http://www.michigan.gov/wda/0,5303,7-304-67992---,00.html>. Please contact Ms. Teresa Keyton at (517) 335-5858 or via email if you require assistance.

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. Keyton for details.

Expiration

Date: June 30, 2017

SB:MS:tk
Attachments

SECTOR PARTNERSHIP NATIONAL EMERGENCY GRANT
(July 1, 2015 – June 30, 2017)

Prosperity Region	Fiduciary	Total Allocation	Local Admin	Regional Planning
1	Job Force	\$400,000	\$32,000	\$43,490
2	Northwest	\$666,100	\$52,000	\$65,250
3	Northeast	\$800,000	\$64,000	\$25,013
5	Great Lakes Bay	\$1,000,000	\$80,000	\$52,188
6	Genesee/Shiawassee	\$760,560	\$53,560	\$32,617
7	Capital Area	\$200,000	\$16,000	\$20,010
8	Southwest	\$972,000	\$72,000	\$97,875
9	SEMCA	\$600,000	\$48,000	\$65,250
10	Macomb/St. Clair	\$1,082,521	\$84,521	\$98,307
			Fixed amounts for local admin and regional planning.	
Totals:		\$6,481,181		

Revised Budget SP NEG

Region:

Project Planning/ Line Item Budget - SP NEG

	ADMIN	PROGRAM	Grant End 06/30/2017
<i>Planned Participants</i>			
Receiving Career Services			0
Enrolled In Training (Total of All Training)			0
Receiving Supportive Services			0
Exits			0
Entering Employment At Exit			0
Total Planned Participants			0

	ADMIN	PROGRAM	Grant End 06/30/2017
<i>Prosperity Region - Expenditures (Project Operator)</i>			
Enhanced Career Services (At Least 20% of Award)		0	0
Work-Based Training (WBT) Other Than OJT		0	0
OJT Expenditure		0	0
Other training (All Training At Least 30% of Award)		0	0
Supportive Services		0	0
Regional Planning (See Attachment A)		0	0
Admin (See Attachment A)	0		0
Total Expenditures: Project Operator Level	0	0	0

Approval Request Form Instructions

1. Michigan Works! Agency (MWA): Enter the name of the MWA.
2. MWA Number: Enter the number assigned to the MWA.
3. Plan Title(s): Enter the appropriate title(s) for the plan being submitted.
4. Policy Issuance Number: Enter the Policy Issuance number that the Approval Request form covers.
5. Plan Period: Identify the program period covered by this plan.

The required signatories are designated in accordance with the Michigan Department of Labor & Economic Growth/Bureau of Workforce Programs PI 07-13, issued August 29, 2007. Signatures are required from the Workforce Development Board Chair and the Chief Elected Official(s), or their authorized designee(s).

APPROVAL REQUEST

1. Michigan Works! Agency (MWA):	2. MWA Number:
3. Plan Title(s): Sector Partnership NEG	
4. Policy Issuance Number: 15-17	5. Plan Period: July 1, 2015-June 30, 2017

THE CHIEF ELECTED OFFICIAL (S) AND WORKFORCE DEVELOPMENT BOARD (WDB)
HEREBY REQUEST APPROVAL OF THIS DOCUMENT

Authorized Chief Elected Official	Date
Authorized Chief Elected Official	Date
Authorized Chief Elected Official	Date
WDB Chairperson	Date

BWT-344 (5/09)

The Workforce Development Agency (WDA), 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 (WIOA)
Sector Partnership (SP) National Emergency Grant (NEG)**

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.

Grant Name: Enter the name of the grant associated with the funding being awarded.

Project Name: Enter the name of the project associated with the funding being awarded.

Plan Period: Enter the start and end dates of the plan period, e.g., 07/01/15 to 06/30/17.

CFDA Number: Enter the Catalog of Federal Domestic Assistance (CFDA) number(s) associated with this grant.

Section II - Total Funds Available

Allocation: Enter the amount of the SP NEG funding allocation for the region.

Section III - Current NEG Planned Expenditures by Cost Category

Administration: Enter the amount of the grant to be used for local administration.

Enhanced Career Services: Enter the amount of the grant to be used for enhanced career services.

Regional Planning: Enter the amount of the grant to be used for regional planning.

Training and Work-Based Training: Enter the amount of the grant to be used for training, including work-based training.

Supportive Services: Enter the amount of the grant to be used for supportive services.

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

Planned Costs Equal Total Allocation: The excel spreadsheet will automatically calculate and enter “Yes” or “No”.

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.