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STATE OF MICHIGAN
DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
LANSING

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DIRECTOR

OFFICIAL

E-mailed: 11/24/2015 (tk)

Workforce Development Agency (WDA)
Policy Issuance (PI): 15-26

Date: November 24, 2015

To: Michigan Works! Agency (MWA) Directors

From: Joe Billig, Director (**SIGNED**)
Office of Talent Policy and Planning

Subject: Allocation Year 2014 Workforce Investment Act (WIA) Statewide Activities (SWA) Funds for Local Area Designation Incentive Awards

Programs Affected: The Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, and Youth Programs

Rescissions: None

References: U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 27-14, issued April 15, 2015

WDA Policy Issuance 15-12, issued July 17, 2015

WDA Policy Issuance 15-11, issued July 1, 2015

WDA Policy Issuance 14-14, issued December 11, 2014, and subsequent change

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

Background: The WIOA, which supersedes the Workforce Investment Act (WIA) of 1998, presents an extraordinary opportunity to improve job and career options for our

nation's workers and jobseekers through an integrated, job-driven public workforce system that links diverse talent to businesses. The WIOA supports the development of strong, vibrant regional economies where businesses thrive and people want to live and work. This revitalized workforce system will be characterized by three critical hallmarks of excellence:

- (1) The needs of business and workers drive workforce solutions;
- (2) One-Stop Centers provide excellent customer service to workers, jobseekers and employers, and focus on continuous improvement;
- (3) The workforce system supports strong regional economies and plays an active role in community, economic and workforce development.

The WDA PI 15-11, issued, July 1, 2015, provided guidance regarding the designation of local workforce development areas under the WIOA. This policy also provided criteria outlining how local areas could qualify for an incentive award should they apply for and receive discretionary local area designation as a result of action taken in response to the WDA PI 15-11.

Policy:

The WDA has identified Allocation Year (AY) 2014 Workforce Investment Act (WIA) Statewide Activities (SWA) funds to support the incentive awards referenced in the WDA PI 15-11. This policy issuance awards those funds to qualifying local areas who met the following criteria as outlined in the WDA PI 15-11:

- The new local area includes, at a minimum, two former local areas that were designated under the WIA;
- The new local area aligns with the Governor's Prosperity Regions;
- The new local area was designated by October 1, 2015; and
- The new local area has completed or is making adequate progress toward the execution of a new interlocal agreement (PA 7 or PA 8), creation of the new Local Elected Official board, designation of a fiscal agent, appointment of the new Workforce Development Board (WDB), and identification of staff to assist the local board. The designated fiscal agent and identified board staff may be those who served in the same, or similar, capacity under the WIA or newly identified.

Local areas that align with the Prosperity Regions, but do not include every county in the Prosperity Region, may still qualify for an incentive award, so long as all other criteria detailed above are met. A local area may only qualify for one lifetime incentive award.

Funds awarded in this policy issuance **may be used for any allowable WIOA Title I program or administrative activity**. The funding awarded in this policy issuance is **not subject to a carry-forward limitation**. As such, up to 100 percent of these funds may be carried-forward from Program Year (PY) 2015 into PY 2016.

Demand-Driven Strategy

It is the expectation of the WDA that the WIOA funds awarded in this policy issuance are used in support of a demand-driven system. Locally defined priority industries must be identified by local WDBs and appropriate services developed and provided based upon input received from employers and other key partners. Additional demand-driven guidance may be found in the Michigan Industry Cluster Approach Guidelines.

Allowable WIOA Costs and Expenditures

Expenditures for the funds awarded in this policy issuance are allowable only for those activities permitted by the WIOA and/or the Proposed WIOA Rules. In general, to be an allowable WIOA expenditure, a cost must meet the following principles:

- Be necessary and reasonable for the performance of the award;
- Be allocable to the grant;
- Be authorized and not prohibited under federal, state, or local laws or regulations;
- Receive consistent treatment by the sub-recipient;
- Not be used to meet federal matching requirements;
- Be adequately documented; and
- Conform to federal Employment and Training Administration grant exclusions and limitations.

Program Costs: The costs associated with the direct provision of services to program participants are program costs. Required program activities for the Adult and Dislocated Worker programs include career and training services as described in the WIOA Sections 134(c)(2) and (3). Permissible program activities, including supportive services, are described in the WIOA Section 134(d). Required and permissible program activities for the Youth program are described in the WIOA Section 129.

Administrative Costs: The costs associated with performing activities or functions that are not related to the direct provision of services to program participants are administrative costs. Examples include:

- Accounting, cash management, budget, procurement, personnel, payroll, property management, audit, and general legal services functions.
- Coordinating the resolution of findings arising from audits, reviews, investigations, and incident reports and developing systems and procedures, including information systems, required for those functions.
- Oversight and monitoring activities, depending on whether the activity being monitored is administrative or programmatic in nature.
- The costs of supplies and equipment used for administrative functions or activities and the cost of staff that performs and/or supervises administrative functions or activities.

Profit:

Please refer to the WDA's Procurement Policy, PI 15-12, issued July 17, 2015, or any policy replacing the WDA PI 15-12, for further information regarding profit and corresponding limitations.

Fiscal Information

The local area will process all cash requests through the 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.

Action: Local areas receiving incentive awards in this policy issuance are required to submit a Plan Narrative to the WDA detailing that the local area has completed or is making progress toward:

- The execution of a new interlocal agreement (PA 7 or PA 8);
- The creation of a new Local Elected Official board;
- The designation of a fiscal agent;
- The appointment of a new WIOA compliant local WDB; and
- The identification of staff to assist the local board.

The designated fiscal agent and identified board staff may be those who served in the same, or similar, capacity under the WIA or newly identified. The requested Plan Narrative and a Budget Information Summary (Attachment B) must be submitted to the WDA within 30 days from this issue date of this policy. The Plan Narrative and Budget Information Summary should be submitted to Ms. Teresa Keyton at keytont@michigan.gov. Please copy your assigned WIOA state coordinator on the email submission as well.

Local areas are also required to submit one signed Approval Request form (Attachment A), with original signatures from the Chief Elected Official(s), Workforce Development Board Chair, or their designee(s), in accordance with the WDA PI 14-14 and Change 1. Approval Request forms must be submitted within 30 days from the issue date of this policy issuance 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

JB:KJ:tk

Attachments

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): AY 2014 WIA SWA Local Area Designation Incentive Awards	
4. Policy Issuance Number: 15-26	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
Local Area Designation Incentive Awards**

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 the grant.

Section II - Total Funds Available

Total Appropriation Year (AY) Funding: The total amount of funding being allocated to the local area in this policy issuance.

Section III - Current AY Planned Expenditures By Cost Category

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

Program: Enter the amount of the allocation planned for program costs.

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

Adjusted Award: The excel spreadsheet will automatically calculate this based upon the total allocation minus funds reserved for the cost of administration.

Local Area Designation Incentive Awards

**Allocation Year 2014 WIA SWA Funds
(July 1, 2015 – June 30, 2017)**

Michigan Works! Agency	Allocation (\$)
Great Lakes Bay Michigan Works!	\$100,000*
GST Michigan Works!	\$150,000
Southeast Michigan Consortium	\$150,000
West Central Michigan Works!	\$150,000
West Michigan Works!	\$150,000
UPWARD Talent Council	\$150,000
Total	\$850,000

*Received \$50,000 previously

11/13/2015