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E-mailed: 4/7/2016 (tk)

**Workforce Development Agency (WDA)**  
**Policy Issuance (PI): 16-04**

**Date:** April 7, 2016

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

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

**Subject:** Allocation Year (AY) 2015 Workforce Innovation and Opportunity Act (WIOA) Excess Carry-Forward Funding

**Programs Affected:** AY 2015 WIOA Adult, Dislocated Worker, and Youth 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 Michigan Department of Career Development (MDCD)/Office of Workforce Development (OWD) PI 02-11, issued April 2, 2002, and subsequent changes

WDA PI 15-09, issued June 30, 2015

**Background:** The MDCD/OWD PI 02-11, issued April 2, 2002, implemented an excess carry-forward policy for certain Workforce Investment Act (WIA), now WIOA, 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, now WIOA, local administration cost pool is not subject to the aforementioned excess carry-forward policy.

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The WDA PI 15-09, issued June 30, 2015, raised the carry-forward limitation for AY 2015 WIOA Adult, Dislocated Worker, and Youth funds to 30 percent.

**Policy:**

Given the magnitude of the transitions going on within the workforce system at this time, the WDA recognizes the importance of allowing MWAs local flexibility with respect to the carrying forward of AY 2015 WIOA funds for the Adult, Dislocated Worker, and Youth programs from Program Year (PY) 2015 into PY 2016. 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 AY 2015 funds only, MWAs are now allowed to carry-forward up to 100 percent of the AY 2015 funding allocated for the WIOA Adult, Dislocated Worker, and Youth programs from PY 2015 into PY 2016. However, at least 85 percent of the AY 2015 funding allocations for the WIOA Adult, Dislocated Worker, and Youth programs must be expended by December 31, 2016, or the excess is subject to recapture by the WDA. Excess funds subject to recapture will be determined using the December 31, 2016, 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 AY 2015 formula funds is granted via this policy. Please note that the annual federal obligation requirement of 80 percent for the WIOA 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 WIOA Title I 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 at [KeytonT@michigan.gov](mailto:KeytonT@michigan.gov) 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