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STATE OF MICHIGAN
DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
TALENT INVESTMENT AGENCY
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**OFFICIAL
Policy Issuance (PI) 17-13**

Date: August 8, 2017

To: Michigan Works! Agency (MWA) Directors

From: Wanda Stokes **SIGNED**
Director

Subject: The Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker (DW), and Youth Program Allocations for Allocation Year (AY) 2017, the time period of July 1, 2017 through June 30, 2019

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

Rescissions: None

References: The U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 27-16, issued June 9, 2017

PI 15-12, issued July 17, 2015

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

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

The WIOA Final Rule 20 Code of Federal Regulation Part 682, et al.

The WIOA Manual

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

Policy:

The Michigan Talent Investment Agency (TIA) plans to distribute \$69,288,545 in WIOA formula funding for AY 2017, which is comprised of \$20,699,652 in Adult funding, \$25,975,534 in DW funding, and \$22,613,359 in Youth funding. **All local areas will receive their AY 2017 WIOA formula funding for the Adult and DW programs in two separate allotments.** A portion of the funds will be distributed after July 1, 2017, with the remainder of the funds to be distributed on or after October 1, 2017, pending approval of the USDOL's Fiscal Year (FY) 2018 budget. The October allocations for the Adult and DW programs are subject to change should the USDOL's approved FY 2018 budget modify the formula allocations currently detailed in USDOL TEG 27-16. **For the period of July 1, 2017 through September 30, 2017, local areas may not incur obligations or expenditures in excess of their July 1, 2017, allotments.**

The July allocations specified in this policy **for the WIOA Adult and DW programs** are based upon the availability of funds due to the nature of the federal funding cycle. As such, the **July allocations** for these two programs **cannot increase at this time.**

The allocations specified in this policy **for the WIOA Youth program** represent **all** of the **funds** anticipated to be available for distribution to local areas and **are available for distribution after July 1, 2017.**

Local areas **may carry-forward up to 100 percent of the funds awarded in this policy** from Program Year (PY) 2017 into PY 2018. **However, at least 85 percent of the funds** awarded in this policy, for each program, **must be expended by September 30, 2018**, or the excess unspent funds are subject to recapture by the TIA. The September 30th Accrued Expenditure Report, as reported in the Management of Awards to Recipients System (MARS), will be used to determine compliance with the aforementioned limitation.

The WIOA funding must be expended using the first-in, first-out accounting method.

In accordance with the WIOA Sections 128(c) and 133(c) respectively, **local areas must ensure that a minimum of 80 percent of each of their AY 2017 WIOA formula funding allocations are obligated by June 30, 2018.** Local areas with obligations below the required 80 percent threshold is subject to the recapture of funds.

Allowable funding for **local administration is limited to 10 percent of the allocation for each program.**

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 AY 2017 allocations **between the Adult and DW programs** without a waiver. Local areas will need to submit Budget Information Summaries (BIS) to the TIA to effect any transfers between the Adult and DW programs.

The WIOA Section 129(a)(4) requires local areas to ensure that, for any program year, a minimum of 75 percent of Youth funds are used to provide workforce investment activities to Out-of-School Youth (OSY), that is, 75 percent of all WIOA Youth *program expenditures* must be for OSY. *There is no ability to waive this requirement.* Compliance with this requirement is based upon a local area's adjusted Youth award.

Per the WIOA Section 129(c)(4), **local areas must spend a minimum of 20 percent of their Youth funds on paid and unpaid work experiences** as defined in the WIOA Section 129(c)(2)(C). Compliance with this requirement is based upon a local area's adjusted Youth award. More information on allowable work experience expenditures may be found in the WIOA Manual.

Demand-Driven Strategy

It is the expectation of the TIA that the WIOA funds awarded in this policy are used in support of a demand-driven system. Locally defined priority industries must be identified by local Workforce Development Boards 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 MICA Guidelines.

Allowable WIOA Costs and Expenditures

Expenditures for the WIOA funds awarded in this policy are allowable only for those activities permitted by the WIOA and/or the WIOA Final Regulations. 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
- 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 DW 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 agency’s Procurement Policy, PI 15-12, issued July 17, 2015, or any policy replacing 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 must be reported to the TIA on a quarterly basis. A final close-out report is also required. All quarterly financial expenditure reports are due to the TIA no later than the 20th calendar day after the end of the calendar quarter. The final close-out report is due to the TIA 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](#). If there are any questions regarding cash requests or the submission of required expenditure reports, please call Ms. Marilyn Carey at 517-373-7243.

Action:

Local areas are required to submit a BIS (Attachment B) within 30 days from the issue date of this policy for each of the WIOA program allocations detailed in this policy. The BIS should be submitted to Ms. Teresa Keyton at keytont@michigan.gov. Please copy your assigned state coordinators 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). Approval Request forms must be submitted within 30 days from the issue date of this policy to:

Talent Investment Agency
Targeted Services Division
Victor Office Center
201 North Washington Square, 5th Floor
Lansing, MI 48913

The TIA will issue two separate Grant Action Notices (GANs) for the Adult and DW program allocations distributed via this policy. The first GAN will be effective July 1, 2017, and will award local areas a portion of their total allocation for each program. The second GAN will be effective October 1, 2017, and will award the remainder of the program allocation for each program. Youth program allocations will be awarded via one GAN effective July 1, 2017.

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

This policy is available on the [agency's website](#). Please contact Ms. Teresa Keyton at 517-335-5858 or via email if you require assistance.

The information contained in this policy 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, 2019

WMS:KJ:tk
Attachments

Approval Request Form Instructions

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

The required signatories are designated in accordance with 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 Form

1. Michigan Works! Agency (MWA) Name and Number:
2. Plan Title(s): WIOA Adult, DW, and Youth Program Allocations for AY 2017
3. Policy Issuance Number: 17-13
4. Plan Period: July 1, 2017 through June 30, 2019

The Chief Elected Official(s) and Workforce Development Board hereby request approval of this document. Please insert the printed name for each signature provided below.

Signature of Authorized Chief Elected Official	Date:
Printed Name:	
Signature of Authorized Chief Elected Official	Date:
Printed Name:	
Signature of Authorized Chief Elected Official	Date:
Printed Name:	
Signature of Workforce Development Board Chairperson	Date:
Printed Name:	

The Talent Investment Agency, 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
Adult and Dislocated Worker (DW) Programs**

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 Names: Enter the name of the grants associated with the funding being awarded.

Project Names: Enter the name of the projects associated with the funding being awarded.

Plan Period: Enter the start and end dates of the plan period, e.g., 07/01/17 to 06/30/19.

Catalog of Federal Domestic Assistance (CFDA): Enter the CFDA numbers associated with these grants.

Section II - Total Funds Available

July (Base) Allocation: Enter the amount of the July allocations for both the Adult and DW programs.

October (Advance) Allocation: Enter the amount of the October allocations for both the Adult and DW programs.

Total Adult and DW Allocations: The aggregate total of the Adult and DW allocations. The Excel spreadsheet will automatically calculate.

Section III - Intertitle Transfers

Enter the amount, if applicable, of intertitle transfers. Please be sure to enter amounts in both the Adult and DW columns. For example, if transferring \$200,000 from the DW program to the Adult program, the entry would reflect the following:

Adult	DW
\$200,000	-\$200,000

Section IV - Current AY Planned Expenditures by Cost Category

Administration: Enter the amount transferred to local administration for both the Adult and DW programs. Not more than 10 percent of the total allocation may be used for administration for each program.

Career Services: Enter the amount of the allocation planned for Career Services for the Adult and DW programs.

Training Services: Enter the amount of the allocation planned for Training Services for the Adult and DW programs. (Not included in the next two training cost categories).

Training Services-Incumbent Worker: Enter the amount of the allocation planned for Adult and DW incumbent worker training programs. Not more than 20 percent of the combined Adult and DW allocations may be used to support incumbent worker training programs.

Training Services-Transitional Jobs: Enter the amount of the allocation planned for Adult and DW transitional jobs. Not more than 10 percent of the combined Adult and DW allocations may be used for transitional jobs.

Total Planned Costs: The Excel spreadsheet will automatically calculate all of the total planned costs entered for both the Adult and DW programs.

Adult/DW Adjusted Award: The Excel spreadsheet will automatically calculate this based upon the total allocation minus funds reserved for the cost of administration plus or minus intertitle transfers.

Section V – Limitation Percentages

This section was developed to assist MWA staff and state coordinators with reviewing expenditures versus expenditure requirements and limitations. The cells will automatically calculate.

**Budget Information Summary (BIS) Instructions
Workforce Innovation and Opportunity Act
Youth Program**

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., 07/01/17 to 06/30/19.

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

Section II - Total Funds Available

July (Base) Allocation: Enter the amount of the July allocation.

October (Advance) Allocation: Enter the amount of the October allocation, if applicable.

Total Appropriation Year (AY) Funding: The aggregate total of the July and October allocations. The Excel spreadsheet will automatically calculate.

Section III - Current AY Planned Expenditures by Cost Category

Administration-MWA Level: Enter the amount transferred to local administration for the Youth program. Not more than 10 percent of the total allocation may be used for administration.

In-School Youth (ISY): Enter the amount of the allocation planned for ISY.

Out-of-School Youth (OSY): Enter the amount of the allocation planned for OSY. At least 75 percent of the adjusted award* must be used to provide services to OSY.

Paid and Unpaid Work Experiences: Enter the amount of the allocation planned for Paid and Unpaid Work Experiences. At least 20 percent of the adjusted award* must be used to provide Paid and Unpaid Work Experiences. The 20 percent minimum is not applied separately for ISY and OSY.

Total Planned Costs: The Excel spreadsheet will automatically calculate all of the total planned costs entered for the Youth program.

Youth Adjusted Award: The Excel spreadsheet will automatically calculate. It is based upon the total allocation minus funds reserved for the costs of administration.

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.

*The Adjusted Award. The Excel spreadsheet will automatically calculate this based upon the total allocation minus funds reserved for the costs of administration.

**WIOA Adult
PY 2017 Allocation**

MWA Number	Michigan Works! Agency	July Allocation	October Allocation	Total Allocation
5	Berrien/Cass/Van Buren	65,582	449,430	515,012
17	Capital Area	84,229	577,217	661,446
7	Detroit Emp Solutions	530,090	3,632,687	4,162,777
13	GST Michigan Works	212,338	1,455,143	1,667,481
4	Great Lakes Bay	125,044	856,922	981,966
19	Macomb/St. Clair	308,871	2,116,682	2,425,553
21	Northeast	52,877	362,369	415,246
22	Northwest	77,133	528,589	605,722
23	Oakland County	244,350	1,674,525	1,918,875
2	Region 7B	57,061	391,036	448,097
30	SE Michigan Consortium	151,970	1,041,442	1,193,412
31	SEMCA	227,185	1,556,890	1,784,075
14	Southwest	97,410	667,545	764,955
6	UPWARD Talent Council	112,980	774,247	887,227
16	West Central	50,922	348,966	399,888
33	West Michigan Works	237,862	1,630,058	1,867,920
	TOTAL	\$2,635,904	\$18,063,748	\$20,699,652

June 16, 2017

**WIOA Dislocated Worker
PY 2017 Allocation**

MWA Number	Michigan Works! Agency	July Allocation	October Allocation	Total Allocation
5	Berrien/Cass/Van Buren	109,087	540,617	649,704
17	Capital Area	150,396	745,338	895,734
7	Detroit Emp Solutions	878,570	4,354,065	5,232,635
13	GST Michigan Works	342,918	1,699,453	2,042,371
4	Great Lakes Bay	207,732	1,029,489	1,237,221
19	Macomb/St. Clair	479,638	2,377,017	2,856,655
21	Northeast	106,584	528,212	634,796
22	Northwest	127,225	630,510	757,735
23	Oakland County	388,550	1,925,595	2,314,145
2	Region 7B	101,587	503,452	605,039
30	SE Michigan Consortium	263,880	1,307,750	1,571,630
31	SEMCA	404,722	2,005,744	2,410,466
14	Southwest	148,706	736,965	885,671
6	UPWARD Talent Council	189,182	937,560	1,126,742
16	West Central	84,787	420,194	504,981
33	West Michigan Works	377,781	1,872,228	2,250,009
	TOTAL	\$4,361,345	\$21,614,189	\$25,975,534

June 20, 2017

**WIOA Youth
PY 2017 Allocation**

MWA Number	Michigan Works! Agency	Total Allocation
5	Berrien/Cass/Van Buren	522,989
17	Capital Area	980,022
7	Detroit Emp Solutions	4,482,052
13	GST Michigan Works	1,755,023
4	Great Lakes Bay	1,263,371
19	Macomb/St. Clair	2,537,018
21	Northeast	423,656
22	Northwest	613,002
23	Oakland County	1,958,611
2	Region 7B	436,356
30	SE Michigan Consortium	1,449,504
31	SEMCA	1,734,684
14	Southwest	934,867
6	UPWARD Talent Council	931,728
16	West Central	486,547
33	West Michigan Works	2,103,929
	TOTAL	\$ 22,613,359

June 16, 2017