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DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
TALENT INVESTMENT AGENCY
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OFFICIAL
Policy Issuance (PI) 17-13, Change 1

Date: October 4, 2018

To: Michigan Works! Agency (MWA) Directors

From: Joe Billig, Division Administrator **SIGNED**
Targeted Services Division
Workforce Development Agency

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 27-16, Change 2, issued May 21, 2018

PI 17-13, issued August 8, 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, issued January 29, 2018

Background:

The WIOA, which supersedes the Workforce Investment Act of 1998, presents an extraordinary opportunity to improve job and career options for our nation's workers and job seekers 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, job seekers 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/Workforce Development Agency (TIA/WDA) previously distributed \$69,288,545 in WIOA formula funding for AY 2017 via PI 17-13. This policy change distributes an additional \$350,918 due to the award of additional funds to the State in TEGL 27-16, Change 2.

Local areas **may carry-forward up to 100 percent of the funds awarded in PI 17-13** from Program Year (PY) 2017 into PY 2018. **However, at least 85 percent of the funds** awarded in PI 17-13, for each program, **must be expended by September 30, 2018**, or the excess unspent funds are subject to recapture by the WDA. 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.

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 WDA 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. Please note the additional Youth allocations awarded in this policy change may affect target rates for OSY expenditures for AY 2017.

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 WDA 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 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](#). If there are any questions regarding cash requests or the submission of required expenditure reports, please call Ms. Marilyn Carey at 517-241-6742.

Action: Local areas are required to submit a revised BIS (Attachment B) within 30 days from the issue date of this policy for each of the additional WIOA program allocations detailed in this policy. The BIS should be submitted to the Targeted Services Division at TED-TSDIV@michigan.gov. Please copy your assigned state coordinators on the email submission as well.

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

This policy is available on the [WDA's website](#).

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. Pam Vance at 517-373-6234 or via email at vancep1@michigan.gov for details.

Expiration

Date: June 30, 2019

JB:KJ:pv
Attachments

**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. "17-13, Change 1" has been pre-filled.

Grant Names: Enter the name of the grants associated with the funding being awarded. "AY17 WIOA Adult and AY17 WIOA Dislocated Worker" have been pre-filled.

Project Names: Enter the name of the projects associated with the funding being awarded. "WIOA Adult and Dislocated Worker" has been pre-filled.

Plan Period: Enter the start and end dates of the plan period, e.g., 07/01/17 to 06/30/19. "7/1/2017 – 6/30/2019" has been pre-filled.

Catalog of Federal Domestic Assistance (CFDA) Numbers: Enter the CFDA numbers associated with these grants. "17.258; 17.278" have been pre-filled.

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.

Additional Allocation: Enter the amount of additional funds being awarded for each program.

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. "17-13, Change 1" has ben pre-filled.

Grant Name: Enter the name of the grant associated with the funding being awarded. "AY17 WIOA Youth" has been pre-filled.

Project Name: Enter the name of the project associated with the funding being awarded. "WIOA Youth" has been pre-filled.

Plan Period: Enter the start and end dates of the plan period, e.g., 07/01/17 to 06/30/19. "7/1/2017 – 6/30/2019" has been pre-filled.

Catalog of Federal Domestic Assistance (CFDA) Number: Enter the CFDA number associated with this grant. "17.259" has been pre-filled.

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.

Additional Allocation: Enter the amount of the additional funds being awarded.

Total Appropriation Year (AY) Funding: The aggregate total of all 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	PI 17-13 Allocation	Additional Allocation	Total Allocation
5	Berrien/Cass/Van Buren	515,012	2,595	517,607
17	Capital Area	661,446	3,333	664,779
7	Detroit Emp Solutions	4,162,777	20,979	4,183,756
13	GST Michigan Works	1,667,481	8,404	1,675,885
4	Great Lakes Bay	981,966	4,949	986,915
19	Macomb/St. Clair	2,425,553	12,224	2,437,777
21	Northeast	415,246	2,093	417,339
22	Northwest	605,722	3,053	608,775
23	Oakland County	1,918,875	9,670	1,928,545
2	Region 7B	448,097	2,258	450,355
30	SE Michigan Consortium	1,193,412	6,014	1,199,426
31	SEMCA	1,784,075	8,991	1,793,066
14	Southwest	764,955	3,855	768,810
6	UPWARD Talent Council	887,227	4,471	891,698
16	West Central	399,888	2,015	401,903
33	West Michigan Works	1,867,920	9,413	1,877,333
	TOTAL	\$20,699,652	\$104,317	\$20,803,969

September 7, 2018

**WIOA Dislocated Worker
PY 2017 Allocation**

MWA Number	Michigan Works! Agency	PI 17-13 Allocation	Additional Allocation	Total Allocation
5	Berrien/Cass/Van Buren	649,704	3,274	652,978
17	Capital Area	895,734	4,514	900,248
7	Detroit Emp Solutions	5,232,635	26,370	5,259,005
13	GST Michigan Works	2,042,371	10,293	2,052,664
4	Great Lakes Bay	1,237,221	6,235	1,243,456
19	Macomb/St. Clair	2,856,655	14,396	2,871,051
21	Northeast	634,796	3,199	637,995
22	Northwest	757,735	3,819	761,554
23	Oakland County	2,314,145	11,662	2,325,807
2	Region 7B	605,039	3,049	608,088
30	SE Michigan Consortium	1,571,630	7,920	1,579,550
31	SEMCA	2,410,466	12,148	2,422,614
14	Southwest	885,671	4,463	890,134
6	UPWARD Talent Council	1,126,742	5,678	1,132,420
16	West Central	504,981	2,545	507,526
33	West Michigan Works	2,250,009	11,339	2,261,348
	TOTAL	\$25,975,534	\$130,904	\$26,106,438

September 7, 2018

**WIOA Youth
PY 2017 Allocation**

MWA Number	Michigan Works! Agency	PI 17-13 Allocation	Additional Allocation	Total Allocation
5	Berrien/Cass/Van Buren	522,989	2,676	525,665
17	Capital Area	980,022	5,014	985,036
7	Detroit Emp Solutions	4,482,052	22,932	4,504,984
13	GST Michigan Works	1,755,023	8,979	1,764,002
4	Great Lakes Bay	1,263,371	6,464	1,269,835
19	Macomb/St. Clair	2,537,018	12,980	2,549,998
21	Northeast	423,656	2,168	425,824
22	Northwest	613,002	3,136	616,138
23	Oakland County	1,958,611	10,021	1,968,632
2	Region 7B	436,356	2,233	438,589
30	SE Michigan Consortium	1,449,504	7,416	1,456,920
31	SEMCA	1,734,684	8,875	1,743,559
14	Southwest	934,867	4,783	939,650
6	UPWARD Talent Council	931,728	4,767	936,495
16	West Central	486,547	2,489	489,036
33	West Michigan Works	2,103,929	10,764	2,114,693
	TOTAL	\$ 22,613,359	\$115,697	\$22,729,056

September 7, 2018