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**OFFICIAL**  
**Policy Issuance (PI): 18-02, Change 1**

**Date:** September 21, 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) Infrastructure Funding Agreement(s) (IFAs) Payment Procedures for the Michigan Talent Investment Agency/Workforce Development Agency (TIA/WDA) Migrant Seasonal Workers (MSWs), Jobs for Veterans State Grants (JVSGs) and Unemployment Compensation (UC) Programs – Program Year (PY) 2017 Cost Allocation Shortfalls

**Programs Affected:** The MSW, JVSG, and UC programs funded through the WDA

**References:** The WIOA of 2014, Public Law 113-128

The WIOA Final Regulations as Published in the Federal Register on August 19, 2016

U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 16-16, issued January 18, 2017

USDOL TEGL 17-16, issued January 18, 2017

PI 17-12, issued July 14, 2017, or any policy that replaces PI 17-12

PI 15-29, issued December 1, 2015, or any policy that replaces PI 15-29

PI 11-37, Change 2, issued May 11, 2015, or any policy that replaces PI 11-37, Change 2

**Rescissions:** None

**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 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 WIOA requires local boards, with the agreement of the Chief Elected Official, to develop and execute Memorandums of Understanding (MOUs) with One-Stop partners concerning the operation of the One-Stop delivery system in the local service delivery area. In accordance with the WIOA at Section 121(c) and the WIOA Final Regulations at 678.500, the MOUs must also include an IFA, which details how infrastructure costs for the One-Stop delivery system will be funded in the local area. The IFAs must adhere to the provisions outlined by the WIOA at Section 121(h) and the WIOA Final Regulations at 678.700 thru 678.755.

This policy sets forth guidance regarding the payment procedure to receive PY 2017 cost allocation shortfalls reported by local areas for infrastructure costs for the MSW, JVSG, and UC programs as identified under the *WIOA Infrastructure Funding Agreements Program Year (PY) 2017 Shortfall Allocation Chart* attached to this policy (Attachment A). This funding is awarded for PY 2017 and must be expended by September 30, 2018.

**Funding must be applied toward expenditures incurred during PY 2017.**

**Policy:**

Consistent with PI 17-09 and 17-12, or any subsequent changes regarding Instructions for Executing MOUs and IFAs under the WIOA of 2014, an IFA must be executed between the local board and each of the required One-Stop partners and attached as an addendum to the MOU. Infrastructure costs should be funded through the Local Funding Mechanism.

All other provisions under PI 18-02 that are not referenced in this policy remain unchanged.

**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 [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 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 517-241-1018.

**Action:** Local areas that have submitted fully executed IFAs with signatures from the Chief Elected Official(s), Workforce Development Board Chair or their designees, along with email confirmation of any WDA program shortfalls as requested by the WDA by close of business on September 7, 2018, will be accepted as complete and are an acceptable source for budget information and signature documentation. Therefore, no further action is required.

**Inquiries:** Questions regarding this policy should be directed to your Dislocated Services State Coordinator at 517-373-6234.

This policy is available for downloading from the [WDA's website](#).

The information contained in this policy will be made available in an alternative format (large type, audio tape, etc.) upon request to this office. Please contact Ms. Pam Vance by telephone at 517-373-6234 or by email at [VanceP1@michigan.gov](mailto:VanceP1@michigan.gov).

**Expiration  
Date:**

September 30, 2018

JB:VB:pv

*Workforce Innovation and Opportunity Act  
Infrastructure Funding Agreements  
PY 2017 Allocations and Shortfall Allocations*

| <b>MWA Number</b> | <b>Michigan Works! Agency</b> | <b>Migrant Seasonal Farm Workers</b> | <b>Jobs for Veterans State Grants</b> | <b>Unemployment Compensation</b> | <b>Total Allocation</b> | <b>Cost Allocation Shortfall - MSFW</b> | <b>Cost Allocation Shortfall - VETS</b> | <b>Cost Allocation Shortfall - UC</b> | <b>TOTAL Allocations PY17</b> |
|-------------------|-------------------------------|--------------------------------------|---------------------------------------|----------------------------------|-------------------------|---|---|---------------------------------------|-------------------------------|
| 5                 | Berrien/Cass/Van Buren        | \$41,233                             | \$24,183                              | \$45,866                         | \$111,282               | \$0                                     | \$270                                   | \$0                                   | \$111,552                     |
| 17                | Capital Area                  | \$0                                  | \$6,657                               | \$7,656                          | \$14,313                | \$0                                     | \$0                                     | \$0                                   | \$14,313                      |
| 7                 | Detroit Emp Solutions         | \$0                                  | \$19,592                              | \$0                              | \$19,592                | \$0                                     | \$0                                     | \$0                                   | \$19,592                      |
| 13                | GST Michigan Works            | \$9,142                              | \$9,142                               | \$175,450                        | \$193,734               | \$0                                     | \$0                                     | \$0                                   | \$193,734                     |
| 4                 | Great Lakes Bay               | \$0                                  | \$19,007                              | \$14,216                         | \$33,223                | \$0                                     | \$247                                   | \$9,644                               | \$43,114                      |
| 19                | Macomb/St. Clair              | \$0                                  | \$32,085                              | \$0                              | \$32,085                | \$0                                     | \$0                                     | \$0                                   | \$32,085                      |
| 21                | Northeast                     | \$0                                  | \$5,886                               | \$35,426                         | \$41,312                | \$0                                     | \$1,180                                 | \$538                                 | \$43,030                      |
| 22                | Northwest                     | \$8,401                              | \$18,293                              | \$68,341                         | \$95,035                | \$7,044                                 | \$2,214                                 | \$19,127                              | \$123,420                     |
| 23                | Oakland County                | \$0                                  | \$33,335                              | \$90,885                         | \$124,220               | \$0                                     | \$0                                     | \$0                                   | \$124,220                     |
| 2                 | Region 7B                     | \$0                                  | \$13,200                              | \$89,041                         | \$102,241               | \$0                                     | \$0                                     | \$0                                   | \$102,241                     |
| 30                | SE Michigan Consortium        | \$7,768                              | \$30,271                              | \$56,393                         | \$94,432                | \$978                                   | \$0                                     | \$0                                   | \$95,410                      |
| 31                | SEMCA                         | \$0                                  | \$53,989                              | \$0                              | \$53,989                | \$0                                     | \$2,346                                 | \$0                                   | \$56,335                      |
| 14                | Southwest                     | \$0                                  | \$6,748                               | \$4,464                          | \$11,212                | \$0                                     | \$0                                     | \$0                                   | \$11,212                      |
| 6                 | UPWARD Talent Council         | \$0                                  | \$23,827                              | \$10,507                         | \$34,334                | \$0                                     | \$0                                     | \$0                                   | \$34,334                      |
| 16                | West Central                  | \$1,286                              | \$0                                   | \$61,298                         | \$62,584                | \$108                                   | \$0                                     | \$0                                   | \$62,692                      |
| 33                | West Michigan Works           | \$15,306                             | \$31,015                              | \$62,167                         | \$108,488               | \$2,112                                 | \$0                                     | \$1,225                               | \$111,825                     |
|                   | <b>TOTAL</b>                  | <b>\$83,136</b>                      | <b>\$327,230</b>                      | <b>\$721,710</b>                 | <b>\$1,132,076</b>      | <b>\$10,242</b>                         | <b>\$6,257</b>                          | <b>\$30,534</b>                       | <b>\$1,179,109</b>            |