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OFFICIAL
Policy Issuance (PI): 15-09 Change 3

Date: July 5, 2017

To: Michigan Works! Agency (MWA) Directors

From: Wanda M. Stokes (**SIGNED**)
Director

Subject: Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker (DW), and Youth Program Allocations for Allocation Year (AY) 2015, the Time Period of July 1, 2015 through December 31, 2017

Programs Affected: WIOA DW Program

References: U.S. Department of Labor (USDOL) Training and Employment Guidance Letter 29-14, issued May 1, 2015, and subsequent changes

PI 16-04, issued April 7, 2016

PI 14-14, issued December 11, 2014, and subsequent change, or any policy issuance that replaces PI 14-14

PI 12-29, issued March 5, 2013, or any policy issuance that replaces PI 12-29

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 Notices of Proposed Rulemaking (Proposed Rules) as Published in the Federal Register on April 16, 2015

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 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; and
- (3) The workforce system supports strong regional economies and plays an active role in the community, economic and workforce development.

The USDOL awards the 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.

This policy change distributes additional AY 2015 WIOA DW funding in the amount of \$2,877,044 to the 16 MWAs.

Policy:

The Michigan Talent Investment Agency (TIA) has previously distributed \$86,092,463 in WIOA formula funding for AY 2015, which is comprised of \$25,902,599 in Adult funding, \$32,064,770 in DW funding, and \$28,125,094 in Youth funding. This policy change distributes an additional \$2,877,044 in DW funding for AY 2015.

Local areas are allowed to carry forward up to 100 percent of additional DW funding into Program Year 2017. **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 2015 allocations **between the Adult and DW programs** without a waiver. Local areas will need to submit Budget Information Summaries to the TIA to effect any transfers between the Adult and DW programs.

Demand-Driven Strategy

It is the expectation of the TIA that WIOA funds 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 WIOA funds are allowable only for those activities permitted by the WIOA or the WIOA Proposed Rules. In general, to be an allowable WIOA expenditure, a cost must meet all of 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).

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 Procurement PI 12-29, issued March 5, 2013, or any policy replacing PI 12-29, 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, subgrantees, 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 WIOA funds 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.

All other provisions of PI 15-09 Change 1, and Change 2, not specifically altered by this policy change remain unchanged and in effect.

Action:

Local areas are required to submit a revised Budget Information Summary (BIS) reflecting the award of these funds within 30 days from the issue date of this policy change. The revised BIS should be submitted electronically to Dislocated Services at WDA-WR-WP@michigan.gov. Please copy your assigned Dislocated Services state coordinator on the submission as well.

Inquiries:

Questions regarding this policy should be directed to your Dislocated Services state coordinator. Please contact Ms. Pam Vance at 517-373-6234 or via email at vancep1@michigan.gov 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. Vance for details.

Expiration**Date:**

December 31, 2017

WMS:VB: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.

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., 07-01-15 to 12-31-17.

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

Section II - Total Funds Available

Prior Allocation: Enter the total amount of the agency's prior allocations for both the Adult and DW programs.

Additional Allocation: Enter the amount of additional funds being awarded to the agency in PI 15-09, Change 2 for the DW program. The amount entered for the Adult program will be \$0 as PI 15-09, Change 2 does not award additional WIOA Adult funds.

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.

BIS is attached as an Excel document.

Allocation Year 2015 WIOA Dislocated Worker

Michigan Works! Agency	Allocation as of 15-09 Change 2 (\$)	Additional Allocation (\$)	Total Allocation* (\$)
Berrien-Cass-Van Buren	938,663	83,632	1,022,295
Capital Area	1,325,084	117,984	1,443,068
Central Area	106,684	N/A	106,684
DESC	4,239,978	380,436	4,620,414
Eastern UP	39,550	N/A	39,550
Genesee-Shiawassee	232,764	N/A	232,764
Great Lakes Bay	1,747,713	160,677	1,908,390
GST MW!	2,488,795	243,477	2,732,272
Livingston	73,884	N/A	73,884
Macomb-St. Clair	3,265,602	292,765	3,558,367
Muskegon-Oceana	91,272	N/A	91,272
MW! Southwest	1,252,169	114,584	1,366,753
Northeast	634,780	56,713	691,493
Northwest	1,004,205	91,180	1,095,385
Oakland	3,293,572	295,048	3,588,620
Ottawa	78,574	N/A	78,574
Region 7B	619,236	55,347	674,583
SEMCA	3,433,431	302,223	3,735,654
Southeast Michigan Consortium	2,146,088	208,227	2,354,315
UPWARD	1,161,611	119,213	1,280,824
Washtenaw	109,738	N/A	109,738
West Central	678,579	62,342	740,921
Western UP	41,067	N/A	41,067
West MW!	3,061,731	293,196	3,354,927
Total	32,064,770	2,877,044	34,941,814

*Does not include unspent July Allocation funds originally awarded to MWAs in PI 15-09 that have been transferred to successor MWAs.