



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

**OFFICIAL  
Policy Issuance (PI): 23-14**

**Date:** June 26, 2023

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

**From:** Krista Johnson, Division Administrator  
Talent Development Division  
Workforce Development **SIGNED**

**Subject:** Appropriation Year (AY) 2023 Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker (DW), and Youth Program Allocations for the Time Period of July 1, 2023 through June 30, 2025

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

**Rescissions:** None

**References:** U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) 15-22, issued April 21, 2023  
TEGL 09-22, issued March 2, 2023  
PI 19-30, Change 1, issued October 8, 2021  
WIOA Manual, issued March 11, 2021  
Michigan Industry Cluster Approach (MICA) Guidelines, issued July 26, 2012  
WIOA of 2014, Public Law 113-128 (29 United States Code Section 3101, *et. seq.*)  
WIOA Final Rule 20 Code of Federal Regulations

**Background:** The Michigan Department of Labor and Economic Opportunity, Workforce Development (LEO-WD), in partnership with the MWAs, assists job seekers in obtaining and advancing in employment, education, training, and supportive services to foster individual success in the labor market. WD's state and federally funded job seeker and business services are designed to strengthen and improve our public workforce system, equip our citizens to enter high-quality jobs and careers, and help employers hire and retain skilled workers.

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

**Policy:**

WD plans to distribute \$80,496,350 in WIOA formula funding for AY 2023, which is composed of \$27,271,468 in Adult funding, \$23,891,451 in DW funding, and \$29,333,431 in Youth funding. **All local areas will receive AY 2023 WIOA formula funding for the Adult and DW programs in two separate allotments.** A portion of the funds will be distributed on or after July 1, 2023, with the remainder to be distributed on or after October 1, 2023, pending approval of the USDOL's Fiscal Year (FY) 2024 budget. The October allocations for the Adult and DW programs are subject to change should the USDOL's approved FY 2024 budget modify the formula allocations detailed in TEG 15-22. **For the period of July 1, 2023 through September 30, 2023, local areas may not incur obligations or expenditures in excess of their July 1, 2023, 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** funds anticipated to be available for distribution to local areas and **are available for distribution on or after July 1, 2023.**

Local areas **may carry-forward up to 100 percent of the funds awarded in this policy** from Program Year (PY) 2023 into PY 2024. **However, at least 85 percent of the funds** awarded in this policy, for each program, **must be expended by December 31, 2024**, or the excess unspent funds may be subject to recapture by WD. The December 31<sup>st</sup> Composite 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 2022 WIOA formula funding allocations are obligated by June 30, 2024.** Local areas with obligations below the required 80 percent threshold are subject to the recapture of funds.

Allowable funding for **local administration is limited to 10 percent of the allocation for each program in this PI.** 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 AY23 allocations **between the Adult and DW programs** without a waiver. Local areas will need to submit Budget Information Summaries (BIS) to WD for any transfers between the Adult and DW programs. **Intertitle transfers (those between Adult and Dislocated Worker) over 50 percent require written justification in addition to the BIS to support the need for the reprioritization of funding.** Documentation of local Workforce Development Board (WDB) approval for intertitle transfers over 50 percent and supporting documentation must be maintained by the MWA, retained in-house, and made available upon request. Intertitle transfers up to 50 percent do not require written justification or internal approval unless local policy dictates otherwise.

Per waiver authority granted by the USDOL, local areas must ensure that a minimum of **50 percent of AY23 WIOA Youth formula funds** are used to provide workforce investment activities to **Out-of-School Youth (OSY)**. This waiver is valid for the life of the funding awarded in this policy (July 1, 2023, through June 30, 2025). Previous OSY waivers approved under separate cover (AY 2021, AY 2022, etc.) remain valid. Compliance with this requirement is based upon a local area's adjusted WIOA Youth award. **Local areas that fail to achieve minimum OSY expenditure requirements are subject to disallowed costs.**

As a result of this waiver, the Employment and Training Administration (ETA) expects that the number of In-School Youth (ISY) served will increase and that performance accountability outcomes for overall WIOA Youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators. **Additional outcomes expected by WD include an increase in the number of work experience and dropout prevention activities delivered and recorded for ISY.** It is imperative that MWAs accurately record activities to ensure WD can report progress toward meeting projected outcomes to the ETA, assess the value of this waiver, and include outcome data as justification for future waiver requests.

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. In accordance with TEG 09-22, supportive services provided on or after March 2, 2023, are allowable work experience expenditures. More information on allowable work experience expenditures may be found in the WIOA Manual. Local areas that fail to achieve minimum work experience expenditure requirements may be subject to disallowed costs.

### **Demand-Driven Strategy**

WIOA funds awarded in this policy should be used in support of a demand-driven system. Local WDBs must identify priority industries and develop and provide services based on 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, an allowable WIOA expenditure 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 ETA 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). Incentives are not allowable for Adults and Dislocated Workers. 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 the following:

- 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 19-30, Change 1, issued October 8, 2021, or any policy replacing PI 19-30, Change 1, 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 ETA requires 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 WD on a quarterly basis. Quarterly financial expenditure reports are due to LEO-WD no later than the 20th calendar day after the end of the calendar quarter. A final close-out report is also required and is due to WD 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 contact [LEO-MARS@michigan.gov](mailto:LEO-MARS@michigan.gov).

### Action:

Local areas are required to submit **one** signed Approval Request form (Attachment A), with original signatures from the Chief Elected Official(s), WDB Chair, or their designee(s) and a BIS for each of the WIOA program allocations (Attachments B and C) within 30 days of the issue date of this policy. Submissions shall be sent electronically to WD at [LEO-TSDIV@michigan.gov](mailto:LEO-TSDIV@michigan.gov). Please copy your assigned WIOA State Coordinator on the e-mail submission.

WD 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, 2023, and will award local areas a portion of their total allocation for each program. The second GAN will be effective October 1, 2023, and will award the remainder of the program allocation for each program. Youth program allocations will be awarded via one GAN effective July 1, 2023.

### Inquiries:

Questions regarding this policy should be directed to your WIOA State Coordinator.

WD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Please contact Ms. Carrie Green by telephone at 989-292-2353 or by email at [GreenC15@michigan.gov](mailto:GreenC15@michigan.gov) for details.

This policy is available for downloading from the [WD website](#). WD is funded by state and federal funds; more details are available on the LEO [Legal Disclaimer webpage](#).

**Expiration**

**Date:**

June 30, 2025

KJ:MN:ceg  
Attachments

### Approval Request Form Instructions

1. **Michigan Works! Agency (MWA):** Enter the name of the MWA.
2. **Plan Title(s):** *“WIOA Adult, DW, and Youth Program Allocations for AY 2023”* has been pre-printed.
3. **Policy Issuance:** *“23-14”* has been pre-printed.
4. **Plan Period:** *“July 1, 2023 - June 30, 2025”* has been pre-printed.

The required signatories are designated in accordance with the Workforce Development PI 22-27, issued December 22, 2022. Signatures are required from the Workforce Development Board Chair and the Chief Elected Official(s), or their authorized designee(s).

Note: Approval Request Forms are only required for initial grant allocations. Subsequent allocations for the same grant or deobligations of funds will not require another signed form.

### Approval Request Form

1. Michigan Works! Agency (MWA) Name:
2. Plan Title(s): WIOA Adult, DW, and Youth Program Allocations for AY 2023
3. Policy Issuance: 23-14
4. Plan Period: July 1, 2023 - June 30, 2025

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:	

**Budget Information Summary (BIS) Instructions  
Workforce Innovation and Opportunity Act (WIOA)  
Adult and Dislocated Worker (DW) Programs**

**Section I - Identification Information**

*Michigan Works! Agency (MWA) Name:* Enter the name of the MWA.

*Policy Issuance:* “23-14” has been pre-printed.

*Grant Names:* “AY23 WIOA Adult and AY23 WIOA Dislocated Worker” has been pre-printed.

*Project Name:* “WIOA Adult and Dislocated Worker” has been pre-printed.

*Plan Period:* “7/1/2023 – 6/30/2025” has been pre-printed.

*Catalog of Federal Domestic Assistance (CFDA) Numbers:* CFDA numbers “17.258; 17.278” have been pre-printed.

**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 – Planned Expenditures by Cost Category**

*Administration:* Enter the amount transferred to local administration for both the Adult and DW programs. Not more than 10.00 percent of the total allocation may be used for administration for each program. **Do not enter cents. Use whole figure only.**

*Career Services:* Enter the amount of the allocation planned for Career Services for the Adult and DW programs. (Do not include amount for Career Services – Transitional Jobs.)

*Training Services:* Enter the amount of the allocation planned for Training Services for the Adult and DW programs. (Do not include amount for Training Services – Incumbent Worker.)

*Training Services-Incumbent Worker:* Enter the amount of the allocation planned for Adult and DW incumbent worker training programs. Not more than 20.00 percent of the combined Adult and DW allocations may be used to support incumbent worker training programs.

*Career Services-Transitional Jobs:* Enter the amount of the allocation planned for Adult and DW transitional jobs. Not more than 10.00 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 Percentage**

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

The Excel spreadsheet will calculate the percentage of planned administrative expenditures in comparison to the respective Adult and DW total allocations and the percentage of planned Incumbent Worker Training and Transitional Jobs combined total allocations.

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

**Section I - Identification Information**

*Michigan Works! Agency (MWA) Name:* Enter the name of the MWA.

*Policy Issuance:* “23-14” has been pre-printed.

*Grant Name:* “AY23 WIOA Youth” has been pre-printed.

*Project Name:* “WIOA Youth” has been pre-printed.

*Plan Period:* “7/1/2023 – 6/30/2025” has been pre-printed.

*Catalog of Federal Domestic Assistance (CFDA) Number:* CFDA “17.259” has been pre-printed.

**Section II - Total Funds Available**

*Allocation:* Enter the amount of the July allocation.

*Additional Allocation:* Enter the amount of any additional funds allocated for the program.

*Total Allocation:* The total allocation. The Excel spreadsheet will automatically calculate.

**Section III - Planned Expenditures by Cost Category**

*Administration:* Enter the amount transferred to local administration for the Youth program. Not more than 10.00 percent of the total allocation may be used for administration. **Do not enter cents. Use whole figure only.**

*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 50 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 Expenditures:* The Excel spreadsheet will automatically calculate the total planned expenditures 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 the MWA staff and state coordinators with reviewing planned expenditures versus expenditure requirements and limitations. The cells will automatically calculate.

The Excel spreadsheet will calculate the percentage of planned administrative expenditures in comparison to the total allocation and the percentage of planned OSY and Work Experience expenditures in comparison to the adjusted award.

**Workforce Innovation and Opportunity Act (WIOA) Adult  
Program Year 2023 Allocations**

<b>Agency Number</b>	<b>Michigan Works! (MW!) Agency</b>	<b>WIOA Adult July Allocation</b>	<b>WIOA Adult October Allocation</b>	<b>WIOA Adult Total Allocation</b>
5	Berrien/Cass/Van Buren MW!	\$138,809	\$566,971	\$705,780
17	Capital Area MW!	\$218,106	\$890,861	\$1,108,967
7	Detroit Employment Solutions Corporation	\$979,938	\$4,002,592	\$4,982,530
4	Great Lakes Bay MW!	\$273,829	\$1,118,463	\$1,392,292
13	GST MW!	\$425,506	\$1,737,993	\$2,163,499
19	Macomb/St. Clair MW!	\$503,906	\$2,058,224	\$2,562,130
30	MW! Southeast Consortium	\$312,934	\$1,278,191	\$1,591,125
14	MW! Southwest	\$415,233	\$1,696,035	\$2,111,268
21	Northeast MW!	\$99,403	\$406,014	\$505,417
22	Northwest MW!	\$136,802	\$558,774	\$695,576
23	Oakland County MW!	\$435,562	\$1,779,067	\$2,214,629
2	Region 7B MW!	\$103,616	\$423,223	\$526,839
31	Southeast Michigan Community Alliance	\$506,260	\$2,067,839	\$2,574,099
6	Upper Peninsula MW!	\$189,911	\$775,700	\$965,611
16	West Central MW!	\$100,224	\$409,369	\$509,593
33	West MW!	\$523,569	\$2,138,544	\$2,662,113
	<b>TOTAL</b>	<b>\$5,363,608</b>	<b>\$21,907,860</b>	<b>\$27,271,468</b>

**Workforce Innovation and Opportunity Act (WIOA)  
Dislocated Worker (DW)  
Program Year 2023 Allocations**

<b>Agency Number</b>	<b>Michigan Works! (MW!) Agency</b>	<b>WIOA DW July Allocation</b>	<b>WIOA DW October Allocation</b>	<b>WIOA DW Total Allocation</b>
5	Berrien/Cass/Van Buren MW!	\$118,771	\$419,051	\$537,822
17	Capital Area MW!	\$160,933	\$567,807	\$728,740
7	Detroit Employment Solutions Corporation	\$1,194,488	\$4,214,430	\$5,408,918
4	Great Lakes Bay MW!	\$284,038	\$1,002,151	\$1,286,189
13	GST MW!	\$487,794	\$1,721,048	\$2,208,842
19	Macomb/St. Clair MW!	\$474,846	\$1,675,367	\$2,150,213
30	MW! Southeast Consortium	\$253,825	\$895,553	\$1,149,378
14	MW! Southwest	\$159,549	\$562,924	\$722,473
21	Northeast MW!	\$143,370	\$505,844	\$649,214
22	Northwest MW!	\$140,788	\$496,732	\$637,520
23	Oakland County MW!	\$444,505	\$1,568,318	\$2,012,823
2	Region 7B MW!	\$161,073	\$568,303	\$729,376
31	Southeast Michigan Community Alliance	\$461,204	\$1,627,232	\$2,088,436
6	Upper Peninsula MW!	\$209,714	\$739,917	\$949,631
16	West Central MW!	\$131,660	\$464,527	\$596,187
33	West MW!	\$449,555	\$1,586,134	\$2,035,689
	<b>TOTAL</b>	<b>\$5,276,113</b>	<b>\$18,615,338</b>	<b>\$23,891,451</b>

**Workforce Innovation and Opportunity Act (WIOA) Youth  
Program Year 2023 Allocations**

<b>Agency Number</b>	<b>Michigan Works! (MW!) Agency</b>	<b>WIOA Youth Total Allocation</b>
5	Berrien/Cass/Van Buren MW!	\$696,117
17	Capital Area MW!	\$1,761,397
7	Detroit Employment Solutions Corporation	\$4,973,391
4	Great Lakes Bay MW!	\$1,657,095
13	GST MW!	\$2,113,122
19	Macomb/St. Clair MW!	\$2,550,581
30	MW! Southeast Consortium	\$1,915,542
14	MW! Southwest	\$2,490,525
21	Northeast MW!	\$512,678
22	Northwest MW!	\$669,833
23	Oakland County MW!	\$2,316,440
2	Region 7B MW!	\$519,915
31	Southeast Michigan Community Alliance	\$2,474,762
6	Upper Peninsula MW!	\$1,019,171
16	West Central MW!	\$582,946
33	West MW!	\$3,079,916
	<b>TOTAL</b>	<b>\$29,333,431</b>