

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF EMPLOYMENT AND TRAINING
ADMINISTRATOR'S MEMO SERIES

ACTION
 NOTICE 16-03

ISSUE DATE: 06/17/2016
DISPOSAL DATE: 06/30/2017

*PROGRAM CATEGORIES:

AS FM LM TC
 CR IT ML TR
 FL JC TA WIA
 WIOA YA

TO: Workforce Development Board Directors
Workforce Development Board Fiscal

FROM: Scott Jansen 
Division Administrator

RE: Announcement of Program Year 2016 Rapid Response Funded Transition Grants

PURPOSE:

To provide supplemental funding to Workforce Development Boards (WDBs) in light of the decrease in Workforce Innovation and Opportunity Act (WIOA) Title I Adult and Dislocated Worker formula funding from Program Year 2015 (PY15) to PY16. The supplemental funding is intended to help minimize disruption in services to program participants during PY16.

BACKGROUND:

The Department of Workforce Development – Division of Employment and Training (DWD-DET) recognizes the hardship experienced by the WDBs in light of reduced PY16 Adult and Dislocated Worker formula funding. Accordingly, DWD-DET is using its Rapid Response reserve to help mitigate the formula reductions.

*PROGRAM CATEGORIES:

AS--Apprenticeship
Standards
CR--Civil Rights
FL--Foreign Labor
Certification

FM--Financial Management
Requirements
IT--IT Systems
JC--Job Center

LM--Labor Market
Information
ML--Migrant Labor
TA--Trade Assistance
TC--Tax Credit Programs
TR--Transportation

WIA--Workforce
Investment Act
WIOA--Workforce
Innovation and
Opportunity Act
YA--Youth Apprenticeship

POLICY:

The DWD-DET has allocated a total of \$1,576,166 to Transition Grants for PY16. The amount of the PY16 Transition grant for each of the 11 WDBs is based on the proportion of Adult and Dislocated Worker formula funding that each of the WDBs lost compared to the PY15 formula allotments.

Attachment A describes the methodology used to determine Transition Grant amounts for each of the WDBs.

Allowable Expenditures

All Title 1 Dislocated Worker Program services (Career, Training, and Supportive) are allowable expenditures under the PY16 Transition Grants.

In addition, these funds may be used for the following WIOA transition and implementation activities as outlined in the Department of Labor's Training & Employment Guidance Letter (TEGL) WIOA No. 26-14:

- training staff for new WIOA requirements and activities;
- conducting new procurements or revising existing contracts;
- hiring of additional staff to support program implementation;
- conducting strategic planning efforts, including convening relevant program and stakeholder discussions and meetings;
- addressing costs associated with renegotiating all One-Stop MOUs and resource sharing agreements.

TEGL 26-14 provides the State a "one-time flexibility" to use its Rapid Response funds to support the transition to WIOA. The State is extending its flexibility to the WDBs through the Transition Grants which are wholly funded using the State's Rapid Response reserve. If a WDB elects to use any portion of the Transition Grant to cover WIOA transition and implementation activities, the costs may be charged as "program" costs, even if the activity is administrative in nature. In order to properly account for costs associated with WIOA transition and implementation activities, the WDB must follow the reporting instructions outlined in the corresponding grant agreement.

Grant Amounts

The PY16 Transition Grant amounts for each WDB are provided in the table below. Attachment A provides a description of the methodology used to calculate the grant amounts.

Table 1: PY16 Transition Grant Amounts

Workforce Development Board	Total Allotment
Southeast	\$93,501
Milwaukee	\$56,793
WOW	\$146,458
Fox Valley	\$141,469
Bay Area	\$290,521
North Central	\$57,902
North West	\$105,091
West Central	\$102,185
Western	\$45,647
South Central	\$445,109
Southwest	\$91,490
Total	\$1,576,166

Grant Period

The grant period is June 30, 2016, to June 30, 2017. Contracted amounts will not be decreased during the grant period.

Administrative Costs

No more than ten percent of total grant amount may be designated for and used towards administrative costs. If funds have not been fully expended during the grant period, administrative costs must not be more than ten percent of the total amount expended. Section 683.215 of the Proposed Rules delineates the following functions and activities as constituting administrative costs:

1. accounting, budgeting, financial and cash management functions;
2. procurement and purchasing functions;
3. property management functions;
4. personnel management functions;
5. payroll functions;
6. coordinating the resolution of findings arising from audits, reviews, investigations and incident reports;
7. audit functions;
8. general legal services functions;
9. developing systems and procedures, including information systems, required for carrying out administrative functions;

10. fiscal agent responsibilities;
11. performing oversight and monitoring responsibilities related to WIOA administrative functions;
12. costs of goods and services required for administrative functions of the program, including rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space.
13. travel costs incurred for official business in carrying out administrative activities or the overall management of the WIOA system; and
14. costs of information systems related to administrative functions (for example, personnel, procurement, purchasing, property management, accounting and payroll systems) including the purchase, systems development and operating costs of such systems.

Awards to subrecipients or contractors that are solely for the performance of administrative functions are classified as administrative costs; otherwise, all costs incurred for the functions and activities of subrecipients and contractors are program costs. Personnel and related non-personnel costs of staff who perform both administrative functions and programmatic services or activities must be allocated appropriately as program or administrative based on documented distributions of actual time worked or other equitable cost allocation methods. Any personnel and related non-personnel costs of staff related to WIOA transition and implementation activities as outlined TEGL 26-14 are considered program costs.

Specific costs charged to an overhead or indirect cost pool that can be identified directly as program costs are to be charged as program costs. Documentation of such charges must be maintained.

Transferability of Funds

These grants are to be treated as Title I Dislocated Worker formula funds for purposes of WIOA Section 133(b)(4) and Proposed Rule Section 683.130 which allow WDBs to transfer up to 100 percent of formula funds between the Adult and Dislocated Worker Programs for a given PY allocation. Per Wisconsin's WIOA State Plan, to be eligible to transfer funds from the PY16 Transition Grant to the Title I Adult Program, the WDB must demonstrate that its PY16 Adult Program formula funds (and any PY15 funds carried into PY16) are at least 80 percent expended and/or obligated.

Once the 80 percent threshold is met for the formula program in need, the WDB may request up to 100 percent transfer from the other formula program and may do so in one or multiple transfer transactions.

Transfer requests are to be submitted to the WDB's Local Program Liaison. The request must be made in writing (email correspondence is acceptable) and include (1) a statement indicating the program and the PY in need of additional funding, (2) a "Fund Statement of Operations" reflecting current expenditures and documentation for obligations (as defined in CFR 200.71) that meet or exceed the 80 percent threshold and, (3) the amount of additional funding requested. If the transfer is approved, the WDB's grant agreements for the Adult Formula and PY16 Transition programs will be modified accordingly.

ACTION SUMMARY STATEMENT:

Upon receipt of Grant agreement, WDBs are to sign and return no later than June 30, 2016.

CONTACT(S):

For additional information or assistance with this policy, please contact the Adult and Dislocated Worker Program Coordinators.

ATTACHMENT(S):

Attachment A – PY16 Transition Grant Calculation Methodology
PY16 Transition Grant Agreement