

OFFICE OF WORKFORCE OPPORTUNITY
WIOA POLICY ISSUANCE – 2021-001
Effective Date: July 1, 2020

ALLOCATION POLICY

PURPOSE: To document the Office of Workforce Opportunity's (OWO) policies and procedures for funding allocation for WIOA Title I programs.

BACKGROUND: The US Department of Labor awards states annual allocations by formula for WIOA Title I programs – Adult, Dislocated Worker, and Youth. The states, in turn, distribute by formula the funding to the state subrecipients for the three funding sources for the execution of employment and training services.

POLICY: The Office of Workforce Opportunity will distribute the local training funds to established subrecipients of WIOA Title I services based on the funding provided by the annual Notice of Obligation (NOO) / Notice of Award (NOA). OWO will maintain at the state level the training funds necessary for shared programs costs (i.e. PACIA, Geographic Solutions).

When fully funded, WIOA Dislocated Worker grant funds are distributed as follows:

- 60% to local workforce areas (no less)
- 25% for Statewide Rapid Response activities (up to)
- 15% for statewide activities
 - 5% administrative costs (up to)
 - 10% Governor's Discretionary Funds

WIOA Adult grant funds are distributed as follows:

- 85% to local workforce areas (no less)
- 15% for statewide activities
 - 5% administrative costs (up to)
 - 10% Governor's Discretionary Funds

[WIOA Sec. 133\(b\)\(4\)](#) provides Transfer Authority, if approved by the Governor, of up to 100% of the funds allocated to the local area for a fiscal year between adult and dislocated worker employment and training activities.

WIOA Youth grant funds are distributed as follows:

- 85% to local areas (no less)

- 15% for statewide activities
 - 5% administrative costs (up to)
 - 10% Governor's Discretionary Funds

In addition, for youth programs, a minimum of 75% of all funds must be expended for Out-of-School Youth pursuant to [WIOA Sec. 129\(a\)\(4\)\(A\)](#); and a minimum of 20% of youth subrecipient funds for work-based learning pursuant to [WIOA Sec. 129\(c\)\(4\)](#).

Subrecipients are required to offer summer youth employment opportunities that link academic and occupational learning as part of the menu of services required by WIOA. The summer youth employment activity is not a stand-alone program. WIOA Youth subrecipients must integrate a youth's participation in summer employment into a comprehensive strategy for adding the youth's employment and training needs. Youth participating in any WIOA funded element must be provided with a minimum of twelve months of follow-up.

When a youth is enrolled as an out-of-school youth, he/she maintains that designation regardless of any new enrollment in education, until the youth is exited from the WIOA participation.

PROCEDURE:

1. Allowable WIOA Costs and Expenditures: In general, to be an allowable WIOA expenditure, a cost must meet the following principles:
 - a. Be necessary and reasonable for the performance of the award
 - b. Be allocable to the grant
 - c. Be authorized and not prohibited under federal, state or local laws or regulations
 - d. Receive consistent treatment by the subrecipient
 - e. Not be used to meet federal matching
 - f. Be adequately documented
 - g. Conform to federal Employment and Training Administration grant exclusions and limitations.
2. Expenditures of WIOA funds are allowable only for those activities permitted by the WIOA guidelines or federal regulations.

3. WIOA Title I subrecipients must have system for tracking accrual and actual expenditures against the annual line-item budget approved by OWO for each year covered within this agreement.
4. WIOA Title I subrecipients do not have authority to expend funds beyond those that are allocated for each Program Year unless a contract modification permits such action.
5. WIOA Title I subrecipients do not have authority to roll-over funds from one program year into another, unless otherwise approved by OWO through a written modification of this agreement.
6. WIOA Title I subrecipients Administrative funds shall not exceed 10% of expenditures. Administrative Costs are those costs associated with performing the activities or functions that are not related to the direct provision of WIOA services.
 - a. Accounting, financial, case management, budget activities, procurement, personnel, payroll, property management, audit, and general legal services functions are administrative in nature, as are coordinating the resolution of findings arising from audits, reviews, investigations, an incident reports and developing systems and procedures, including information systems, required for those administrative functions.
 - b. Oversight and monitoring activities are classified depending on whether the activity being monitored is administrative or programmatic in nature.
 - c. The costs of supplies and equipment used for administrative functions or activities and the cost of staff that perform and/or supervise administrative functions or activities are considered administrative costs.
7. The US Department of Labor, Employment and Training Administration, requires all grantees to report all financial transactions on a full accrual basis. Accrued expenditures means the charges incurred by the grantee during a given period requiring the provision of funds for:
 - a. goods and other tangible property received;
 - b. services performed by employees, contractors, sub-grantees, subrecipients, and other payees; and

- c. other amounting 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 regardless of whether the payment has been made.