

<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	CLASSIFICATION WIA/WIOA Implementation
	CORRESPONDENCE SYMBOL OWI
	DATE October 28, 2014

**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 12-14**

**TO:** STATE WORKFORCE AGENCIES  
STATE WORKFORCE ADMINISTRATORS  
STATE WORKFORCE LIAISONS  
ALL WORKFORCE INVESTMENT ACT (WIA) SECTION 166 INDIAN  
AND NATIVE AMERICAN (INA) GRANTEEES  
NATIONAL FARMWORKER JOBS PROGRAM GRANTEEES  
ALL YOUTHBUILD GRANTEEES

**FROM:** PORTIA WU   
Assistant Secretary

**SUBJECT:** Allowable Uses and Funding Limits of Workforce Investment Act (WIA)  
Program Year (PY) 2014 funds for Workforce Innovation and Opportunity Act  
(WIOA) Transitional Activities

1. **Purpose.** To provide guidance to states and other recipients of funds under title I of WIA on the use and reporting of PY 2014 funds for planning and implementation activities associated with the transition to WIOA.

2. **References.**

- WIOA (Pub. L. 113-128) Section 503;
- WIOA statutorily-required implementation dates, at [www.doleta.gov/wioa/pdf/WIOA-Key-Implementation-Dates.pdf](http://www.doleta.gov/wioa/pdf/WIOA-Key-Implementation-Dates.pdf);
- WIA (Pub. L. 105-220), title I;
- Training and Employment Guidance Letter (TEGL) 18-13, *Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2014; Final PY 2014 Allotments for the Wagner-Peyser Act Employment Service (ES) Program Allotments; and Workforce Information Grants to States Allotments for PY 2014*;
- Consolidated Appropriations Act, 2014 (Pub. L. 113-76); and
- Continuing Appropriations Resolution, 2015 (Pub. L. 113-164).

3. **Background.** President Barack Obama signed WIOA into law on July 22, 2014. WIOA replaces WIA and is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled

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workers they need to compete in the global economy. Congress passed WIOA by a wide bipartisan majority; it is the first legislative reform of the public workforce system in 15 years.

Most WIOA provisions related to Department of Labor (DOL)-administered programs take effect in PY 2015, which starts July 1, 2015. Exceptions include the requirements relating to unified or combined State plans and the performance accountability system which take effect in PY 2016. Additionally, there are provisions that take effect immediately and impact the public workforce system. These provisions include the “Transition Provisions” under section 503 of WIOA.

Section 503(g)(1) of WIOA provides that States, grant recipients, administrative entities, and other recipients of financial assistance under WIA may expend funds received under WIA in order to plan and implement programs and activities authorized under WIOA. This provision also provides that these activities be conducted in accordance with applicable WIOA regulations. However, given the need to immediately begin transition activities this TEGL will be used for guidance during oversight and monitoring of section 503(g) of WIOA.

4. **Use of Available WIA Funds for Transitional Activities.** As described in the previous paragraph, section 503(g) of WIOA provides that funds that are available for carrying out programs and activities under WIA may be used to plan and implement programs and activities authorized under WIOA. Under section 503(g)(2) of WIOA, two percent of each of the PY 2014 WIA formula allotments that are made from the funds appropriated under Division H-I of the Consolidated Appropriations Act, 2014, which were outlined to the States in TEGL 18-13 for the Youth, Adult, and Dislocated Worker funding streams, is available for states for transition activities related to WIOA, and of that amount, not less than 50 percent is to be provided to local areas for transitional activities.

For other programs authorized under title I of WIA, including the Indian and Native American program, the Migrant and Seasonal Farmworker program, the YouthBuild program, or other activities under WIA that are affected by the requirements of WIOA, entities may use WIA funds to facilitate the transition to the WIOA requirements. The two percent limit does not apply to these programs, but as described in paragraph 5, the costs spent on transition activities must be reasonable, allowable and allocable to authorized program activities. Please note that ETA has determined that the authority provided by section 503(g) does not apply to the Job Corps program.

5. **Allowable and Prohibited Uses for WIOA Two-Percent Transition Funds.** States and local areas may blend the two percent of WIA Youth, Adult, and Dislocated Worker formula funds that are used for transition purposes. For example, States and local areas may use transition funds from the WIA Dislocated Worker allotments for any WIOA transition activities relating to any of the formula programs, and need not directly tie the activities carried out with those funds to the transition of the Dislocated Workers program. Additionally, the two percent funds will not be subject to WIA or WIOA’s administrative cost limitations. All two percent funds should be considered and reported as program costs. For other WIA programs, transition activities should also be allocated as program costs.



While section 503(g) provides states and other recipients of WIA funds with significant flexibility for implementation purposes, DOL believes that there are high priority areas that would benefit from early planning and implementation activities. The list of allowable activities, which is not an exhaustive list, is based on the DOL's analysis of WIOA and identifies allowable, high-priority areas for WIOA planning and implementation.

**High Priority Activities:**

- Identification of contracts, subgrants, and other agreements that will be affected and need to be modified or replaced;
- State and local board planning activities to meet the new board membership requirements and to carry out the new functions;
- Activities relating to State Unified Planning for the core WIOA programs (WIA formula programs, Wagner-Peyser Employment Service, Adult Education and Literacy programs, and Vocational Rehabilitation programs (WIOA section 102) or relating to a State Combined Plan, if the State chooses to develop such a plan. The Combined plan may include other WIOA partners as identified in WIOA Section 103(a)(2);
- Activities relating to local area plans;
- Activities relating to the implementation of new requirements affecting the American Job Centers, such as activities necessary to ensure Wagner-Peyser Employment Service activities are co-located with WIOA formula programs in American Job Centers;
- Activities relating to the new program requirements for the Adult, Dislocated Worker and Youth formula programs, including provisions relating to Eligible Training Providers for the Adult and Dislocated Worker formula programs, and the increased emphasis on career pathways, sector strategies, and work-based training opportunities;
- Training for staff in State and local areas to facilitate the implementation of the new requirements;
- Updates and upgrades to workforce information technology systems; and
- Activities at the state and local level relating to updating administrative or financial policies and procedures to be in compliance with new WIOA requirements.

Any costs incurred for transitional activities must be reasonable, allowable, and allocable to WIOA authorized program activities and supported through sufficient documentation for monitoring and auditing purposes. All funds must be used for WIOA authorized purposes. Funds may not be spent on activities prohibited under WIA or WIOA, such as purchase of real property. Please consult with your state Federal Project Officer regarding specific questions about allowable transition costs.

6. **Grant Modifications.** Grant modifications will be issued shortly to the States to include the transition provisions and the use of two percent of WIA funds for such purposes. No modifications will be made to other WIA programs as transition activities fall within the scope of their current grants.

7. **WIOA Two-Percent Transition Funding Levels.** A description of DOL's methodology for calculating transitional funding limits applicable to the Adult, Dislocated Worker and Youth formula programs is provided below. The amounts available based on the methodology are provided in attachments A-C.

**Adult.** The PY 2014 WIA Adult Activities formula allotments by State were used as the basis for the calculations. The PY 2014 amounts for the Adult program include PY 2014 Base and FY 2015 Advance funding (with the 0.0554 percent reduction contained in the Continuing Appropriations Resolution, 2015). The two percent maximum transition amount calculation was performed by multiplying each state's allotment by two percent. Next, the minimum amount to be made available to the local levels was calculated by multiplying each state's two percent maximum transition amount by 50 percent.

**Dislocated Workers.** The PY 2014 WIA Dislocated Worker Activities formula allotments by State were used as the basis for the calculations. The PY 2014 amounts for the Dislocated Worker program include PY 2014 Base and FY 2015 Advance funding (with the 0.0554 percent reduction contained in the Continuing Appropriations Resolution, 2015). The two percent maximum transition amount calculation was performed by multiplying each state's allotment by two percent. Next, the minimum amount to be made available to the local levels was calculated by multiplying each state's two percent maximum transition amount by 50 percent.

**Youth.** The PY 2014 WIA Youth Activities formula allotments by State were used as the basis for the calculations. The two percent maximum transition amount calculation was performed by multiplying each state's allotment by two percent. Next, the minimum amount to be made available to the local levels was calculated by multiplying each state's two percent maximum transition amount by 50 percent.

8. **Financial Reporting.** For the two percent of the PY 2014 WIA formula allotments that are made from the funds appropriated under Division H-I of the Consolidated Appropriations Act, 2014, costs related to transition activities will be reported separately on the applicable ETA-9130 form. Specifically, costs are to be reported utilizing Line 12, Remarks. Additional guidance is being developed and will be issued shortly. These costs should be traceable through the entity's accounting system; we suggest that entities use separate expense codes for tracking purposes. Any other funds used by states, local areas, or other WIA grantees also would be reported separately on the 9130 on Line 12, Remarks.
9. **Inquiries.**  
Questions may be directed to the appropriate ETA Regional Office.

10. **Attachments.**

Attachment A - PY 2014 WIA Adult State Allotments Transition Funds

Attachment B - PY 2014 WIA Dislocated Worker Allotments State Transition Funds

Attachment C - PY 2014 WIA Youth State Allotments Transition Funds

**U.S. Department of Labor  
Employment and Training Administration  
PY 2014 WIA Adult State Allotments Transition Funds**

Attachment A

State	Revised * PY2014 Allotment Levels	Total Transition Amounts up to 2 % of Allotment	Local Level at least 50% of Total Transition Amounts
<b>Total</b>	<b>\$763,574,552</b>	<b>\$15,271,491</b>	<b>\$7,635,746</b>
Alabama	10,122,728	202,454.56	101,227.28
Alaska	1,904,164	38,083.28	19,041.64
Arizona	15,901,814	318,036.28	159,018.14
Arkansas	6,505,134	130,102.68	65,051.34
California	114,093,268	2,281,865.36	1,140,932.68
Colorado	11,528,135	230,562.70	115,281.35
Connecticut	8,637,966	172,759.32	86,379.66
Delaware	1,904,164	38,083.28	19,041.64
District of Columbia	2,013,061	40,261.22	20,130.61
Florida	44,955,948	899,118.96	449,559.48
Georgia	26,355,714	527,114.28	263,557.14
Hawaii	2,136,704	42,734.08	21,367.04
Idaho	3,170,097	63,401.94	31,700.97
Illinois	35,702,585	714,051.70	357,025.85
Indiana	16,178,720	323,574.40	161,787.20
Iowa	3,370,175	67,403.50	33,701.75
Kansas	4,535,415	90,708.30	45,354.15
Kentucky	12,435,427	248,708.54	124,354.27
Louisiana	8,943,285	178,865.70	89,432.85
Maine	2,957,372	59,147.44	29,573.72
Maryland	11,114,909	222,298.18	111,149.09
Massachusetts	12,843,736	256,874.72	128,437.36
Michigan	28,107,490	562,149.80	281,074.90
Minnesota	8,504,858	170,097.16	85,048.58
Mississippi	8,779,223	175,584.46	87,792.23
Missouri	11,972,827	239,456.54	119,728.27
Montana	2,046,918	40,938.36	20,469.18
Nebraska	1,904,164	38,083.28	19,041.64
Nevada	8,616,393	172,327.86	86,163.93
New Hampshire	1,904,164	38,083.28	19,041.64
New Jersey	24,631,930	492,638.60	246,319.30
New Mexico	4,454,853	89,097.06	44,548.53
New York	50,313,049	1,006,260.98	503,130.49
North Carolina	27,559,521	551,190.42	275,595.21
North Dakota	1,904,164	38,083.28	19,041.64
Ohio	24,330,547	486,610.94	243,305.47
Oklahoma	6,044,147	120,882.94	60,441.47
Oregon	10,102,855	202,057.10	101,028.55
Pennsylvania	30,603,341	612,066.82	306,033.41
Puerto Rico	18,334,737	366,694.74	183,347.37
Rhode Island	3,229,044	64,580.88	32,290.44
South Carolina	12,128,131	242,562.62	121,281.31
South Dakota	1,904,164	38,083.28	19,041.64
Tennessee	16,077,666	321,553.32	160,776.66
Texas	50,039,346	1,000,786.92	500,393.46
Utah	3,612,874	72,257.48	36,128.74
Vermont	1,904,164	38,083.28	19,041.64
Virginia	12,439,012	248,780.24	124,390.12
Washington	15,218,186	304,363.72	152,181.86
West Virginia	4,026,760	80,535.20	40,267.60
Wisconsin	11,756,401	235,128.02	117,564.01
Wyoming	1,904,164	38,083.28	19,041.64
<b>State Total</b>	<b>761,665,614</b>	<b>15,233,312</b>	<b>7,616,656</b>
American Samoa	182,847	3,656.94	1,828.47
Guam	713,336	14,266.72	7,133.36
Northern Marianas	374,375	7,487.50	3,743.75
Palau	74,961	1,499.22	749.61
Virgin Islands	563,419	11,268.38	5,634.19
<b>Outlying Areas Total</b>	<b>1,908,938</b>	<b>38,179</b>	<b>19,089</b>

\* Reflects the revised total funding available to states for PY 2014, including a 0.0554 percent reduction on FY 2015 Advance funding available October 2014 contained in the short-term Continuing Appropriations Resolution, 2015.

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U.S. Department of Labor  
Employment and Training Administration  
PY 2014 WIA Dislocated Worker State Allotments Transition Funds

Attachment B

State	Revised * PY2014 Allotment Levels	Total Transition Amounts up to 2 % of Allotment	Local Level at least 50% of Total Transition Amounts
<b>Total</b>	<b>\$1,001,407,744</b>	<b>\$20,028,155</b>	<b>\$10,014,077</b>
Alabama	11,593,943	231,878.86	115,939.43
Alaska	1,632,248	32,644.96	16,322.48
Arizona	20,183,822	403,676.44	201,838.22
Arkansas	7,810,923	156,218.46	78,109.23
California	157,301,135	3,146,022.70	1,573,011.35
Colorado	15,815,100	316,302.00	158,151.00
Connecticut	13,236,893	264,737.86	132,368.93
Delaware	2,612,635	52,252.70	26,126.35
District of Columbia	2,996,857	59,937.14	29,968.57
Florida	60,286,383	1,205,727.66	602,863.83
Georgia	36,921,530	738,430.60	369,215.30
Hawaii	1,851,946	37,038.92	18,519.46
Idaho	3,459,770	69,195.40	34,597.70
Illinois	54,881,608	1,097,632.16	548,816.08
Indiana	22,292,982	445,859.64	222,929.82
Iowa	4,162,535	83,250.70	41,625.35
Kansas	5,468,412	109,368.24	54,684.12
Kentucky	14,249,330	284,986.60	142,493.30
Louisiana	10,281,994	205,639.88	102,819.94
Maine	3,805,730	76,114.60	38,057.30
Maryland	16,630,043	332,600.86	166,300.43
Massachusetts	18,890,534	377,810.68	188,905.34
Michigan	36,915,056	738,301.12	369,150.56
Minnesota	9,447,837	188,956.74	94,478.37
Mississippi	10,612,263	212,245.26	106,122.63
Missouri	16,284,721	325,694.42	162,847.21
Montana	1,659,030	33,180.60	16,590.30
Nebraska	2,043,220	40,864.40	20,432.20
Nevada	12,533,505	250,670.10	125,335.05
New Hampshire	2,524,563	50,491.26	25,245.63
New Jersey	38,562,464	771,249.28	385,624.64
New Mexico	5,178,099	103,561.98	51,780.99
New York	67,298,711	1,345,974.22	672,987.11
North Carolina	38,652,615	773,052.30	386,526.15
North Dakota	549,485	10,989.70	5,494.85
Ohio	32,552,830	651,056.60	325,528.30
Oklahoma	5,414,493	108,289.86	54,144.93
Oregon	13,133,949	262,678.98	131,339.49
Pennsylvania	43,079,834	861,596.68	430,798.34
Puerto Rico	14,736,966	294,739.32	147,369.66
Rhode Island	4,850,565	97,011.30	48,505.65
South Carolina	15,538,985	310,779.70	155,389.85
South Dakota	800,251	16,005.02	8,002.51
Tennessee	20,830,485	416,609.70	208,304.85
Texas	57,964,505	1,159,290.10	579,645.05
Utah	3,784,851	75,697.02	37,848.51
Vermont	779,152	15,583.04	7,791.52
Virginia	15,949,182	318,983.64	159,491.82
Washington	19,140,741	382,814.82	191,407.41
West Virginia	4,270,846	85,416.92	42,708.46
Wisconsin	16,179,413	323,588.26	161,794.13
Wyoming	726,590	14,531.80	7,265.90
<b>State Total</b>	<b>998,361,560</b>	<b>19,967,231</b>	<b>9,983,616</b>
American Samoa	291,777	5,835.54	2,917.77
Guam	1,138,304	22,766.08	11,383.04
Northern Marianas	597,408	11,948.16	5,974.08
Palau	119,620	2,392.40	1,196.20
Virgin Islands	899,075	17,981.50	8,990.75
<b>Outlying Areas Total</b>	<b>3,046,184</b>	<b>60,924</b>	<b>30,462</b>

\* Reflects the revised total funding available to states for PY 2014, including a 0.0554 percent reduction on FY 2015 Advance funding available October 2014 contained in the short-term Continuing Appropriations Resolution, 2015.

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U.S. Department of Labor  
Employment and Training Administration  
PY 2014 WIA Youth Activities State Allotments Transition Funds

Attachment C

State	PY2014 Allotment Levels	Total Transition Amounts up to 2 % of Allotment	Local Level at least 50% of Total Transition Amounts
<b>Total</b>	<b>\$805,896,465</b>	<b>\$16,117,929</b>	<b>\$8,058,965</b>
Alabama	10,363,134	207,262.68	103,631.34
Alaska	2,009,628	40,192.56	20,096.28
Arizona	16,873,353	337,467.06	168,733.53
Arkansas	6,814,031	136,280.62	68,140.31
California	119,122,833	2,382,456.66	1,191,228.33
Colorado	12,414,406	248,288.12	124,144.06
Connecticut	9,398,657	187,973.14	93,986.57
Delaware	2,009,628	40,192.56	20,096.28
District of Columbia	2,216,117	44,322.34	22,161.17
Florida	45,067,004	901,340.08	450,670.04
Georgia	27,467,948	549,358.96	274,679.48
Hawaii	2,049,527	40,990.54	20,495.27
Idaho	3,414,748	68,294.96	34,147.48
Illinois	38,093,547	761,870.94	380,935.47
Indiana	17,756,443	355,128.86	177,564.43
Iowa	4,739,579	94,791.58	47,395.79
Kansas	5,398,508	107,970.16	53,985.08
Kentucky	12,118,913	242,378.26	121,189.13
Louisiana	9,327,194	186,543.88	93,271.94
Maine	3,244,888	64,897.76	32,448.88
Maryland	11,989,592	239,791.84	119,895.92
Massachusetts	14,507,221	290,144.42	145,072.21
Michigan	30,072,831	601,456.62	300,728.31
Minnesota	9,947,978	198,959.56	99,479.78
Mississippi	9,200,818	184,016.36	92,008.18
Missouri	12,877,148	257,542.96	128,771.48
Montana	2,152,132	43,042.64	21,521.32
Nebraska	2,394,620	47,892.40	23,946.20
Nevada	8,865,521	177,310.42	88,655.21
New Hampshire	2,200,035	44,000.70	22,000.35
New Jersey	25,513,414	510,268.28	255,134.14
New Mexico	4,625,925	92,518.50	46,259.25
New York	52,011,703	1,040,234.06	520,117.03
North Carolina	28,871,997	577,439.94	288,719.97
North Dakota	2,009,628	40,192.56	20,096.28
Ohio	26,270,342	525,406.84	262,703.42
Oklahoma	6,258,954	125,179.08	62,589.54
Oregon	10,543,691	210,873.82	105,436.91
Pennsylvania	33,509,103	670,182.06	335,091.03
Puerto Rico	17,265,863	345,317.26	172,658.63
Rhode Island	3,743,023	74,860.46	37,430.23
South Carolina	12,574,365	251,487.30	125,743.65
South Dakota	2,009,628	40,192.56	20,096.28
Tennessee	16,496,140	329,922.80	164,961.40
Texas	52,492,802	1,049,856.04	524,928.02
Utah	4,304,671	86,093.42	43,046.71
Vermont	2,009,628	40,192.56	20,096.28
Virginia	13,392,465	267,849.30	133,924.65
Washington	16,309,501	326,190.02	163,095.01
West Virginia	3,957,765	79,155.30	39,577.65
Wisconsin	13,562,824	271,256.48	135,628.24
Wyoming	2,009,628	40,192.56	20,096.28
<b>State Total</b>	<b>803,851,042</b>	<b>16,077,021</b>	<b>8,038,510</b>
American Samoa	196,434	3,928.68	1,964.34
Guam	766,348	15,326.96	7,663.48
Northern Marianas	402,258	8,045.16	4,022.58
Palau	75,000	1,500.00	750.00
Virgin Islands	605,383	12,107.66	6,053.83
<b>Outlying Areas Total</b>	<b>2,045,423</b>	<b>40,908</b>	<b>20,454</b>