

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION PY 2015 Funding Allocations and Planning Guidance
	CORRESPONDENCE SYMBOL OWI/DINAP
	DATE May 26, 2015

ADVISORY: **TRAINING AND EMPLOYMENT GUIDANCE LETTER WIOA NO. 36-14 OPERATING GUIDANCE for the WORKFORCE INNOVATION AND OPPORTUNITY ACT (referred to as WIOA or the Opportunity Act)**

TO: ALL WIOA SECTION 166 INDIAN AND NATIVE AMERICAN (INA) GRANTEES

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: PY 2015 Workforce Innovation and Opportunity Act Section 166 Funding Allocations and the Extension of Grantee Strategic Plans

- Purpose.** To provide Workforce Innovation and Opportunity Act (WIOA) Section 166 INA grantees with (1) the requirements for Program Year (PY) 2015 adult and youth funding allocations; (2) performance measures and recommended levels of performance for PY 2015; (3) guidance on the period of performance for current grants and the close out of previous grant awards; and (4) an extension to the current grantee strategic plan through PY 2017 (6/30/2018).

WIOA was signed into law on July 22, 2014. WIOA 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 workers they need to compete in the global economy. WIOA supersedes titles I and II of the Workforce Investment Act of 1998, and amends the Wagner-Peyser Act and the Rehabilitation Act of 1973. In general, the Act takes effect on July 1, 2015, the first full program year after enactment, unless otherwise noted.

The Departments of Labor and Education are working to publish a set of regulations implementing WIOA. On April 9th, the Federal Register posted five Notices of Proposed Rulemaking (NPRMs) implementing the Opportunity Act on its Web site for public inspection, <https://www.federalregister.gov/public-inspection>. The NPRMs were formally published in the Federal Register on April 16th. Comments should be submitted in accordance with the process outlined in the NPRMs, including by visiting <http://www.regulations.gov>. The comment period is scheduled to be open for 60 days, closing on June 15, 2015.

In order to continue implementation prior to the final rule, a series of WIOA Operating Guidance documents that provide the needed implementation information will be issued in

RESCISSIONS None	EXPIRATION DATE Continuing
----------------------------	--------------------------------------

the form of Training and Employment Guidance Letters (TEGLs). These Operating Guidance documents on WIOA will inform the workforce system how to begin the important planning and reorganization necessary to comply with new WIOA statutory requirements for the upcoming Program Year 2015 (beginning July 1, 2015). The Operating Guidance TEGLs will provide a framework for program activities until the regulations are finalized. This TEGL is one in the ongoing series of Guidance.

2. **References.** See Attachment I.
3. **Background.** DOL conducted a full and open competition in 2014 to make WIA Section 166 awards for PY 2014 and PY 2015. Grantees selected through the competitive process were awarded WIA Section 166 grant funding for a two-year period, pursuant to WIA Section 166(c)(2). One change made by WIOA is to extend the period between competitions from two to four years. To implement this shift from two-year competitions to four-year competitions, the next competition for WIA Section 166 grantees will be conducted for PY 2018 funds with the competitive process beginning in 2017. DOL plans to make new grant awards every two years to facilitate the grant close-out process. The PY 2015 allocations in this TEGL are the second year's funding award under the current grant award period and a new grant will be issued to current grantees without competition for PY 2016 and PY 2017.

In addition, this TEGL informs grantees that the DOL's Employment and Training Administration (ETA) will extend grantees' 2013 strategic plan also referred to as the Comprehensive Service Plan, through this four-year grant period until PY 2017 (June 30, 2018) to align the plan cycle with the competition cycle. This one-time extension will allow ETA to facilitate the transition of INA section 166 grants from WIA to WIOA, which takes effect on July 1, 2015.

The transition provisions at WIOA Section 503(b) provide the Secretary with the authority to take such actions as he deems appropriate to provide for the orderly transition from Title I of WIA to the corresponding provisions of WIOA. This one-time extension of the competition and plan are consistent with that authority. As discussed above, WIOA establishes new timelines for both the strategic plan and the competitive process. ETA anticipates that the first four-year strategic plan and first four-year competition under the WIOA will be for the four-year period PY 2018 through PY 2022 (July 1, 2018 through June 30, 2022).

4. **Required Documents For PY 2015 Funding.** To receive PY 2015 funds, WIOA Section 166 Indian and Native American grantees must submit the following documents to be approved by ETA. **(Note: Grantees whose WIOA Section 166 funds have been transferred to the Department of the Interior under Public Law 102-477 are not required to submit the documents below.)**
 - A. *Standard Form (SF) 424, "Application for Federal Assistance:* The SF-424 must clearly identify the grantee, be signed by an individual with authority to enter into a grant agreement, and include the grantee's Data Universal Numbering System number. Grantees must use the current version of SF-424 available at: http://apply07.grants.gov/apply/forms/sample/SF424_2_1-V2.1.pdf.

B. *SF-424A Budget Information Form*: Grantees must use the current version of SF-424A available at: <http://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf>. Use the following guidance when completing items 6.a through 6.j on the SF-424A.

- i. *Personnel* – List all staff positions by title (both current and proposed). Give the annual salary of each position, the percentage of each position’s time devoted to the project, the amount of each position’s salary funded by the grant and the total personnel cost for the period of performance.
- ii. *Fringe Benefits* – Provide a breakdown of the amounts and percentages that comprise fringe benefit costs such as health insurance, FICA, retirement, etc.
- iii. *Travel* – Specify the purpose, mileage, per diem, estimated number of in-state and out-of-state trips and other costs for each type of travel.
- iv. *Equipment* – Identify each item of equipment to be purchased which has an estimated acquisition cost of \$5,000 or more per unit (or if your capitalization level is less than \$5,000, use your capitalization level) and a useful lifetime of more than one year (see 2 CFR 200.33 for the definition of Equipment). List the quantity and unit cost per item. Items with a unit cost of less than \$5,000 are supplies. In general, we do not permit the purchase of equipment during the last funded year of the grant.
- v. *Supplies* – Supplies include all tangible personal property other than “equipment” (see 2 CFR 200.94 for the definition of Supplies). The detailed budget should identify categories of supplies (e.g. office supplies). List the quantity and unit cost per item.
- vi. *Contractual* – Identify each proposed contract and specify its purpose and estimated cost. If applicable, identify any sub-recipient agreements, including purpose and estimated costs. See Section VI.B.2.f. for more information on the distinction between sub-contractor (vendor) and sub-recipient.
- vii. *Construction* – No construction costs will be incurred to this category.
- viii. *Other* – List each item in sufficient detail for us to determine whether the costs are reasonable or allowable. List any item, such as stipends or incentives, not covered elsewhere here.
- ix. *Indirect Charges* – Any grantee that includes indirect charges on the SF-424A must have a valid Indirect Cost Rate Agreement (ICRA) or Cost Allocation Plan (CAP) supplied by the Federal Cognizant Agency on file. For any grantee that chooses to include estimated indirect costs in its budget, and that either does not have a ICRA/CAP or has a pending ICRA/CAP, the Grant Officer will release funds in the amount of 10 percent of salaries and wages to support indirect costs at the time of award. Within 90 days of award, a grantee must submit an acceptable indirect cost proposal or CAP to its Federal Cognizant Agency to obtain a provisional indirect cost rate.

5. Performance Measures and Recommended Levels of Performance for PY 2015.

WIOA establishes new primary indicators of performance, however, these new indicators will not go into immediate effect. Therefore, the Department will use the existing performance measures under WIA for PY 2015.

Entered Employment Rate (EER): Each Section 166 grantee has a recommended level of performance for the EER for their geographic service area. The recommended level of performance for the EER will remain the same in PY 2015 as PY 2014. Grantees can find the recommended EER on line N of the grantee’s 2014 Performance Standards Worksheet located in the “PY 2014.pdf” file located at the following link:
https://ina.workforce3one.org/page/performance_measures.

NOTE: The link above includes Performance Standards Worksheets for all WIOA Section 166 grantees (approximately 123 pages). Please be sure the grantee name on line A matches your organization when obtaining the recommended level of performance.

Employment Retention: The “recommended” level of performance for Employment Retention for all grantees for PY 2015 is 78.2 percent which is the same level as PY 2014. This is the level established for the Section 166 Program overall and does not factor in local economic conditions nor does it factor in the characteristics of the participants served. Since a recommended individual level of performance for Employment Retention has not been established, ETA will not hold grantees accountable for not meeting the Employment Retention rate at the end of PY 2015. However, grantees must strive to achieve a 78.2 percent Employment Retention Rate.

Average Earnings: The “recommended” level of performance for Average Earnings for all grantees in PY 2015 is \$10,377 which is the same level as PY 2014. This is the national level established for the Section 166 program overall and also does not factor in local economic conditions or the characteristics of participants served. Thus, a recommended level of performance for Average Earnings has not been established for individual grantees. ETA will not hold Section 166 grantees accountable for not meeting the Average Earnings rate at the end of PY 2015. However, grantees must strive to achieve a \$10,377 Average Earnings Rate.

Adult Performance Measures and Goals	
Measure	Goal
Entered Employment Rate	Line N of the Performance Standards Worksheet
Employment Retention	78.2%
Average Earnings	\$10,377

Attainment of Two or More Goals (Youth Program Only): The level of performance for the Attainment of Two or More Goals for the Supplemental Youth Services (SYS) program in PY 2015 is 60% which is the same level as PY 2014 (see table below).

Youth Performance Measure and Goal	
Measure	Goal
Attainment of Two or More Goals	60%

- 6. Period of Performance and Extension of the Current Grant Award.** In PY 2014, INA grantees received a new grant award with a new grant award number that began with “AB-25” or “AB-26” (for example; **AB-25**1234-14-55-A-6 or **AB-26**1234-14-55-A-33). The duration of this grant award (a.k.a. period of performance or POP) is from July 1, 2014 through June 30, 2016, or April 1, 2014 through June 30, 2016, if the grantee receives youth funds.

Closeout of the “AB-21” Grants: In addition to the “AB-25” and “AB-26” grants numbers issued in PY 2014, most grantees also have an active grant beginning with “AB-21.” This grant award includes adult and youth funding from program years 2011, 2012 and 2013 and has a period of performance through September 30, 2015, at which time the remaining unobligated funds will be de-obligated and sent back to the Department of Treasury.

IMPORTANT: Grantees should be aware that:

- PY 2012 funds under the “AB-21” grant award must be fully obligated by June 30, 2015.
- PY 2013 funds under the “AB-21” grant award must be fully obligated by September 30, 2015.

- 7. Extension of Comprehensive Service Plan.** Pursuant to the transition provisions under WIOA Section 503(b), the Department has elected to extend grantees’ current Comprehensive Service Plan required under WIA. However, grantees must implement any new requirements under WIOA when it becomes effective on July 1, 2015. The Department plans to issue separate guidance on the new requirements under WIOA for the INA program. Accordingly, once Departmental guidance is issued, grantees may need to update their plans if the current plan does not reflect the new service delivery requirements under WIOA, as well as the performance metrics and memorandum of understanding agreement with the One-Stop system, once those are established.

Additionally, grantees must submit a revised plan narrative if significant changes are planned or if local economic conditions require significant changes to the current service strategy. Grantees that plan to have a significant change in the number of participants served (i.e. 25 percent or greater) must also submit a revised planning narrative along with the estimated number of participants to be served in PY 2015. Grantees do not need to submit a revised planning narrative or the number of participants to be served if there are no significant changes to the current plan.

8. WIOA 166 PY 2015 Funding.

- A. PY 2015 Adult Appropriation: The PY 2015 appropriation for the adult program is \$46,082,000 which is the same as the PY 2014 appropriation. However, grantees will see a slight decrease in funding compared to PY 2014 because one percent of funding is being withheld from the PY 2015 funding for technical assistance and training (TAT) whereas only a half a percent was withheld in PY 2014. The PY 2015 grantee adult allocations are included in Attachment II of this TEGL.

B. PY 2015 YouthFunding: \$12,443,205 has been allocated for the PY 2015 youth program which is a \$170,670 increase from the PY 2014 allocation of \$12,272,535. The PY 2015 grantee youth allocations are included in Attachment II of this TEGL.

9. **Action Requested**. Grantees must submit a SF-424, SF-424A as required in item #4 of this TEGL no later than May 29, 2015. Please e-mail these documents electronically (preferably in pdf format) to the Division of Indian and Native American Programs (DINAP) at DINAP@dol.gov with the subject line: “*SF-424 and SF-424A*” with a “cc” to your Federal Project Officer (FPO).

10. **Inquiries**. Please direct questions to your designated Federal Project Officer below.

Duane Hall (972) 850-4637
Craig Lewis (202) 693-3384
Michael Delaney (202) 693-3695
Guy Suetopka (415) 625-7988

Andrea Brown (202) 693-3736
Dawn Anderson (202) 693-3745
Angela McDaniel (202) 693-2789

11. **Attachments**.

- Attachment I: References
- Attachment II: PY 2015 INA Adult and Youth Allocations