



Missouri Division of Workforce Development
DWD Issuance 04-2015

Issued: August 12, 2015
Effective: August 12, 2015

Subject: Workforce Innovation and Opportunity Act (WIOA) Youth Program Expenditures Guidance Policy

1. Purpose: This Issuance is written to transmit the Division of Workforce Development's (DWD) guidance to Local Workforce Development Boards (LWDB) regarding WIOA Youth program expenditures.

2. Background: This policy is necessary to inform LWDBs of the WIOA minimum Youth program expenditure requirements for Out-of-School Youth (OSY); the minimum expenditure requirements mandated for both OSY and In-School Youth (ISY) work experiences are also outlined in WIOA.

3. Substance: The WIOA offers the workforce system the ability to serve more OSY and support their access to in-demand training opportunities and their transition to successful employment. With that prospect in mind, Congress has outlined in the WIOA to the states and their LWDBs the funding expenditure requirements for Youth programs.

Local Workforce Development Areas (LWDA) are required to spend a minimum of 75 percent of their Youth funding on OSY. This represents a significant change from the Workforce Investment Act (WIA) OSY expenditure requirement of 30 percent. LWDA's administrative costs are not subject to the 75 percent OSY expenditure rate. The Youth funds remaining after the subtraction of the LWDB's administrative costs are subject to the 75 percent OSY expenditure requirement. DWD recognizes that this new WIOA regulation will require LWDBs to incorporate changes to their local Youth program design, implementation, and service delivery models. LWDA's are obligated to work toward meeting the 75 percent OSY requirement of PY 15 funds. Those LWDA's which are unable to meet this requirement must show improvement from the previous year's expenditure rate by a minimum of 10 percentage points to at least a 50 percent expenditure rate. DWD expects these changes to be incorporated in local planning guidance.

The WIOA also considers work experience a priority for both OSY and ISY, linking this Youth service to future long-term success in the workforce. LWDA's must utilize a minimum of 20 percent of Youth funding to support work experiences for WIOA Youth participants. The expenditure rate is not separated based on ISY or OSY work experience percentages, but the 20

percent requirement is determined based on total Youth funding. As referenced above, the 20 percent funding priority for work experiences applies to WIOA funding after administrative costs have been subtracted from the Youth funding allotment.

4. Action: This Issuance is effective immediately, please distribute to all staff and parties responsible for monitoring Youth funding expenditures and other appropriate individuals.
5. Contact: Please direct questions or comments regarding this Issuance to Randy Cottrell, Manager, Youth & Adult Programs, at 573-526-8242 or e-mail randy.cottrell@ded.mo.gov.
6. Reference: Workforce Innovation and Opportunity Act, and the U.S. Department of Labor's Proposed Rules, TEGL 23-14.
7. Rescissions: None.
8. Attachments: None.

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