



OWD Issuance 17-2019, Change 1

Release Number—Program Year

Release Date:
March 27, 2020

Effective Date:
March 27, 2020

Expiration Date:
Continuous, until further notice

SUBJECT:

WIOA Expenditure Policy

ATTACHMENTS: Attachment 1-Line Item Descriptions

This Issuance is Official Policy of the Missouri Office of Workforce Development

ISSUING AUTHORITY:



Mardy Leathers, Director
Missouri Office of
Workforce Development
(OWD)

THIS ISSUANCE DOES NOT REQUIRE CREATION OR ALTERATION OF A CORRESPONDING LOCAL POLICY

KEYWORDS:

Indirect costs; Operational Costs; Salary; Training expenditure.

THIS ISSUANCE AFFECTS:

WIOA Title I Local Areas/Local Boards/Local Plans
WIOA Title I In-State Funding
WIOA Fiscal/Administrative Procedures
State of Missouri Workforce System Procedures

FOR THE ATTENTION OF:

Chief Elected Officials
Local Fiscal Agents
Local WDB Chairpersons
Local WDB Directors
Local WDB Members

RESCISSIONS:

OWD Issuance 17-2019, “WIOA Expenditure Policy,” February 28, 2020.

REFERENCES:

Workforce Innovation And Opportunity Act PY 19 Annual Agreement (*OWD–Local WDB Contract, version April 29, 2019*).

OWD Issuance 12-2018, “PY2019/FY2020 WIOA Formula Allocations to Local WDBs for Adult, Youth, and Dislocated Worker Programs,” May 22, 2019.

SUMMARY:

This Issuance clarifies the Workforce Innovation and Opportunity Act (WIOA)¹ Annual Agreement (OWD–Local WDB contract for Program Year (PY) 2020, or subsequent PYs) that sets the maximum percentage of WIOA formula funds used for staffing and administrative needs.

BACKGROUND:

There are limits to Maximum Staffing and other Non-Participant Costs Expenditures by Local Workforce Development Boards (WDB) for Title I of WIOA. The calculation of these expenditures, and their implementation, relates to the Line Item Description for that expenditure.²

As part of the State’s workforce education and training goals, the State has prioritized WIOA funds for Training and other Direct Participant Cost uses.

¹ Pub. L. 113-128 [[29 U.S.C. 3101 et seq.](#)]

² See Line Item Descriptions Attachment for the [current PY/FY Formula Allocations Issuance](#).

SUBSTANCE:

No more than sixty percent (60%) of the program budget may be used on Staffing and other Non-Participant Costs. This includes:

- WIOA Adult
 - Program Salary and Fringe Benefits
 - Program Other Staff Costs
 - Indirect Program Costs
- WIOA Dislocated Worker
 - Program Salary and Fringe Benefits
 - Program Other Staff Costs
 - Indirect Program Costs

These Staff and other Non-Participant Costs are line items on the Formula Funds Contract Progress Reports that are reported in the Financial Reporting System. All other line items are considered Direct Participant Costs³.

This maximum expenditure requirement applies to WIOA formula funds after the initial Administrative Costs of no more than ten percent (10%) are deducted.⁴ WDBs that do not use the full ten percent (10%) of Administrative Cost reserve must move unused Administrative Funds into the Program Budget.

Corrective Action

Any WDB that does not meet the minimum training expenditure requirement will be subject to corrective action as determined by OWD management. OWD will notify WDBs if they do not meet the requirement and of the appropriate corrective action.

Waiver

At any point during the current Program Year (PY), WDBs may request a waiver in order to be exempt from the 40% training expenditure policy. WDBs may submit a maximum of two waiver requests each PY for a **maximum waiver of 10% per PY**. The waiver request must include why the WDB does not anticipate meeting the 40% requirement as well as an action plan on what steps the WDB is taking to meet the requirement in the future. WDBs must submit the waiver request to Yvonne.wright@dhewd.mo.gov. OWD will notify the WDBs of approval or denial after each waiver request, previous and current expenditures, and action plans are reviewed.

ROLES, RESPONSIBILITIES, and REQUIRED ACTIONS:

All WDB Chairs, Chief Elected Officials, WDB Directors, should immediately begin adjusting local budgets to ensure compliance with this expenditure requirement.

TIMELINE:

WDBs—Implementation of these rules Immediate and Continuous

INQUIRIES:

Please direct all questions or comments regarding this Issuance document to dwdpolicy@dhewd.mo.gov. All active Issuances are available at jobs.mo.gov/dwdissuances. Expired/rescinded Issuances are available on request.

For information about [Missouri Office of Workforce Development](#) services, contact a [Missouri Job Center](#) near you. Locations and additional information are available at jobs.mo.gov or 1-(888)-728-JOBS (5627).

Missouri Department of Higher Education and Workforce Development is an [equal opportunity](#) employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

³ See Line Item Descriptions Attachment for the [current PY/FY Formula Allocations Issuance](#).

⁴ WIOA sec. 128(b)(4) [[29 U.S.C. 3163\(b\)\(4\)](#)].

Adult—Local Administration:	Definitions	Expenditure Category
Adult—Salary and Fringe Benefits	Salaries and fringe benefits for administrative staff working with the program.	10%
Adult—Other Administration	Other costs associated with operating the program such as supplies, space, travel, etc.	10%
Adult – Administration Indirect	Admin Indirect costs associated with operating the program such as supplies, space, travel, etc.	10%

Adult—Program Services:		
Adult—Salary and Fringe Benefits	Salaries and fringe benefits for staff operating the program.	60%
Adult—Other staffing costs	Other costs associated with operating the program such as supplies, space, travel, etc.	60%
Adult – Program Indirect	Program Indirect costs associated with operating the program such as supplies, space, travel, etc.	60%
Adult—ITA	Funds expended for participants enrolled in Activity 300 Occupational Skills Training and paid for through individual	40%
Adult—OJT	Funds expended for participants enrolled in Activity 301 On-the-Job Training.	40%
Adult—Pre-Apprenticeship	Programs that provide training to increase math, literacy, and other vocational skills needed to gain entry to a registered apprenticeship program. Activity code 223.	40%
Adult—Registered Apprenticeship	A registered apprenticeship is a program registered under the National Apprenticeship Act. Activity code 314.	40%
Adult—Transitional Jobs	Time-limited, subsidized employment in the private, non-profit, or public sectors for individuals with barriers to employment who are chronically unemployed or have an inconsistent work history. Activity code 348. No more than 10% of combined Adult/DW allotment.	40%
Adult—Incumbent Worker Training	A program designed to meet the special requirements of an employer (including a group of employers to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment. Activity code 347. No more than 20% of combined Adult/DW allotment.	40%
Adult—Internship	A planned, structured learning experience that takes place in a workplace for a limited time. An internship may be arranged within the private for-profit sector, the non-profit sector, or the public sector. Activity code 218.	40%
Adult—Work Experience	A planned, structured learning experience that takes place in a workplace for a limited time. Work experience may be paid or unpaid, as appropriate. An internship or work experience may be arranged within the private for profit sector, the non-profit sector or the public sector. Activity code 219.	40%
Adult—Supportive Services	Funds expended for participants enrolled in allowable activities. Activity codes include: 180, 181, 182, 184, and 185.	40%

Dislocated Worker—Local Administration:	Definitions	Expenditure Category
Dislocated Worker— Salary and Fringe Benefits	Salaries and fringe benefits for administrative staff working with the program.	10%
Dislocated Worker— Other Administration	Other costs associated with operating the program such as supplies, space, travel, etc.	10%
Dislocated Worker – Admin Indirect	Admin Indirect costs associated with operating the program such as supplies, space, travel, etc.	10%

Dislocated Worker—Program Services:

Dislocated Worker— Salary and Fringe Benefits	Salaries and fringe benefits for staff operating the program.	60%
Dislocated Worker— Other staffing costs	Other costs associated with operating the program such as supplies, space, travel, etc.	60%
Dislocated Worker – Program Indirect	Program Indirect costs associated with operating the program such as supplies, space, travel, etc.	60%
Dislocated Worker—ITA	Funds expended for participants enrolled in Activity 300 Occupation-Specific Training and paid for through individual	40%
Dislocated Worker—OJT	Funds expended for participants enrolled in Activity 301 On-the-Job Training. Does not include funds expended from the OJT Dislocated Worker Grant.	40%
Dislocated Worker— Pre-Apprenticeship	Programs that provide training to increase math, literacy, and other vocational skills needed to gain entry to a Registered Apprenticeship program. Activity code 223.	40%
Dislocated Worker— Registered Apprenticeship	A Registered Apprenticeship is a program registered under the National Apprenticeship Act. Activity code 314.	40%
Dislocated Worker—Transitional Jobs	Time-limited, subsidized employment in the private, non-profit, or public sectors for individuals with barriers to employment who are chronically unemployed or have an inconsistent work history. Activity code 348. No more than 10% of combined Adult/DW allotment.	40%
Dislocated Worker— Incumbent Worker Training	A program designed to meet the special requirements of an employer (including a group of employers to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment. Activity code 347. No more than 20% of combined Adult/DW allotment.	40%
Dislocated Worker—Internship	A planned, structured learning experience that takes place in a workplace for a limited time. An internship may be arranged within the private for-profit sector, the non-profit sector, or the public sector. Activity code 218.	40%
Dislocated Worker— Work Experience	A planned, structured learning experience that takes place in a workplace for a limited time. Work experience may be paid or unpaid, as appropriate. An internship or work experience may be arranged within the private for profit sector, the non-profit sector or the public sector. Activity code 219.	40%

Dislocated Worker— Supportive Services	Funds expended for participants enrolled in allowable activities. Activity codes include: 180, 181, 182, 184, and 185.	40%
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Youth—Local Administration:	Definitions	Expenditure Category
Youth—Salary and Fringe Benefits	Salaries and fringe benefits for administrative staff working with the program.	10%
Youth—Other Administration	Other costs associated with operating the program such as supplies, space, travel, etc.	10%
Youth – Admin Indirect	Admin Indirect costs associated with operating the program such as supplies, space, travel, etc.	10%

Youth—In-School Youth Program Services:

In-School—Salary and Fringe Benefits	Salaries and fringe benefits for staff operating the program.	Exempt
In-School—Other staffing/operational costs	Other costs associated with operating the program such as supplies, space, travel, etc.	Exempt
In-School – Program Indirect	Program Indirect costs associated with operating the program such as supplies, space, travel, etc.	Exempt

Youth—In-School Youth Direct Participant Costs:

In-School—Occupational Skills Training	Funds expended for In-School WIOA Youth participants enrolled in Activity 416 for occupational skills training.	Exempt
In-School—Work Experiences Staffing	Funds used for staffing costs for the development and management of WIOA work experiences as defined in 20 CFR 681.590 & 20 CFR 681.600 . Meets the requirement of WIOA Section 129(c)(4): 20% minimum budgeted for and expended for work experiences.	Exempt
In-School—OJT	Funds expended for In-School WIOA Youth participants enrolled in On-the-Job Training. Activity code 428.	Exempt
In-School—Supportive Services	Funds expended for WIOA In-School participants enrolled in allowable activities. Activity codes 480, 481, 482, 483, 485,	Exempt
In-School—Pre-apprenticeship	Funds used for Pre-apprenticeship programs, Activity code	Exempt
In-School—Internships and Job	Funds used for Internships and Job Shadowing, Activity code	Exempt
In-School—Financial Literacy	Funds used for Financial Literacy Education, Activity code 434.	Exempt
In-School— Alternative Secondary School	Alternative secondary school services, or dropout recovery services, as appropriate. Activity code 415.	Exempt
In-School— Other direct participant costs	Incentive payments made to participants. Activity code 487.	Exempt
In-School—Summer Employment Opportunities and Other Employment Opportunities—Participant Wages and Pre-Employment Testing	Summer Employment and other employment as available throughout the school year, Activity codes 400 and 425. This would include participant wages and fringe costs for payroll.	Exempt

Youth—Out-of-School Youth Program Services:	Definitions	Expenditure Category
Out-of-School— Salary and Fringe Benefits	Salaries and fringe benefits for staff operating the program.	Exempt
Out-of-School— Other staffing/operational costs	Other costs associated with operating the program such as supplies, space, travel, etc.	Exempt
Out-of-School – Program Indirect	Indirect costs associated with operating the program such as supplies, space, travel, etc.	Exempt

Youth—Out-of-School Youth Direct Participant Costs:

Out-School—Occupational Skills Training	Funds expended for Out-of-School WIOA Youth participants enrolled in Activity 416 for occupational skills training.	Exempt
Out-School—Work Experiences Staffing	Funds used for staffing costs for the development and management of WIOA work experiences as defined in 20 CFR 681.590 & 20 CFR 681.600 . Meets the requirement of WIOA Section 129(c)(4): 20% minimum budgeted for and expended for work experiences. 681.600	Exempt
Out-School—OJT	Funds expended for Out-of-School WIOA Youth participants enrolled in On-the-Job Training, Activity code 428.	Exempt
Out-School—Supportive Services	Funds expended for WIOA Out-of-School participants enrolled in allowable activities. Activity codes 480, 481, 482, 483, 485, and 486.	Exempt
Out-School— Pre-apprenticeship Programs	Funds used for Pre-apprenticeship programs, Activity code 433.	Exempt
Out-School—Internships and Job Shadowing	Funds used for Internships and Job Shadowing, Activity code 427.	Exempt
Out-School—Financial Literacy Education	Funds used for Financial Literacy Education, activity code 434.	Exempt
Out-School— Alternative Secondary School Services	Alternative secondary school services, or dropout recovery services, as appropriate, Activity codes 415 and 418.	Exempt
Out-School— Other direct participant costs	Incentive payments made to participants. Activity code 487.	Exempt
Out-School Summer Employment Opportunities and Other Employment Opportunities—Participant Wages and Pre-Employment Testing	Summer Employment and other employment as available, throughout the school year, Activity codes 400 and 425. This would include participant wages and fringe costs for payroll.	Exempt