

WORKFORCE SERVICES
INFORMATION NOTICE

Number: WSIN14-53

Date: May 13, 2015

Expiration Date: 06/13/17

69:167:vn:17487

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: WIOA FORMULA ALLOCATIONS—PY 2015-16

The Workforce Innovation and Opportunity Act (WIOA) formula fund allocations for each Local Workforce Investment Area (Local Areas), Adult, Youth, and Dislocated Worker (DW) funding streams for Program Year (PY) 2015-16, have been released.

These allocations are based on the allotments issued by the U.S. Department of Labor (DOL) to the states (DOL Training and Employment Guidance Letter (TEGL) [29-14, Change 1](#), dated May 1, 2015). In addition, TEGL 29-14, Change 1, clarifies that the amount available to the Governor for statewide workforce investment activities has been increased from eight and three-quarter percent to ten percent. The PY 2015-16 allotment was awarded from the DOL after December 26, 2014, therefore the new Federal Uniform Guidance (Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards; Final Rule) will apply.

The state has received the first WIOA allotment for the youth program. Operational implementation of the WIOA youth program begins on July 1, 2015. The PY 2015-16 WIOA youth allotment distributed in April 2015 is for preparation and programmatic activities for WIOA youth program implementation on July 1, 2015. Notably, WIOA shifts the primary program focus of Title I youth formula programs to support the educational and career success of out-of-school youth (OSY). A minimum of 75 percent of WIOA youth funds, after subtracting funds spent on administrative costs, is required to be spent on OSY, which is an increase from the minimum 30 percent under the Workforce Investment Act (WIA). For the PY 2014-15 WIA youth allotment, including unobligated PY 2014-15 funds carried over to PY 2015-16, the 30 percent OSY expenditure minimum will still apply. Additionally for PY 2015-16 WIOA youth funds, Local Areas must spend a minimum of 20 percent of non-administrative local area funds on work experience. Local Areas must track funds spent on work experience beginning with PY 2015-16 funds. An Information Notice will be posted with additional information. Refer to [TEGL 23-14](#), dated March 26, 2015, for further details on the youth program transition.

Please be aware that this notice is being issued for planning and budgeting purposes only because the state has not yet received the federal *Notice of Obligations* (NOO) for any of the funding streams. Once the NOO has been received, Youth allocations will be released to Local Areas immediately. The Adult and DW allocations will be released as soon as we receive federal and state spending authority for these funds.

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

Under WIA, the method used to calculate hold harmless allocation levels for sub-state areas was prescribed for the Adult and Youth programs. There were no provisions in the WIA regulations that provided guidance on the calculation of the sub-state hold harmless levels for DW Program funds. As a result, a slightly different calculation method was developed in California to determine sub-state hold harmless allocation levels for DW Program funds.

Unlike WIA, the WIOA prescribes a specific method to calculate sub-state hold harmless levels for DW Program funds. The new WIOA regulations now require a specific method to calculate sub-state hold harmless allocation levels for the DW program funds. As a result, there is an alignment in the WIOA hold harmless provisions across the Adult, Youth, and DW programs. The calculation method used to determine sub-state hold harmless Adult and Youth program fund allocations WIOA is unchanged from the WIA method.

These hold harmless provisions were established to help mitigate year-to-year volatility in funding levels. Under WIOA Hold harmless provisions ensure that each area receives no less than 90 percent of their average percentage share from the two prior years. The Local Areas that receive more than 100 percent of their average percentage share from the previous two years will be proportionately reduced by the amount of total funding necessary to ensure that all Local Areas receive at least 90 percent of their average percentage share from the two prior years.

The allotment to California and the amounts available for the formula allocation to the Local Areas are listed below. Attachment 1 reflects the total amount Local Areas will receive for each of the funding streams during the PY 2015-16. Additionally, Attachment 2 provides a breakdown of how each of the three funding streams is allocated.

<u>PY 2015-16</u>	<u>Total Federal Allotment</u>	<u>Amount Available for Formula Allocation</u>
Adult Program (Title I)	\$115,578,226	\$104,020,405
Youth Program (Title I)	\$120,707,084	\$108,636,376
Dislocated Worker Program (Title I)	\$164,063,131	\$106,641,037

Youth allotments to the states will be issued in one sum with an April 1, 2015, effective date under grant code 301.

If you have any questions about this notice, please contact Viviana Neet at Viviana.Neet@edd.ca.gov or by phone at 916-653-9150.

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division

Attachments are available on the internet:

1. [Youth, Adult, and Dislocated Worker Activities Program Allotments](#)
2. [WIOA Funding SFY 2015-16](#)