

WORKFORCE SERVICES
INFORMATION NOTICE

Number: WSIN14-52

Date: May 11, 2015

Expiration Date: 06/11/17

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: FUNDING LIMITS AND REPORTING FOR WIOA TRANSITIONAL
ACTIVITIES

This Information Notice (IN) supersedes WSIN14-15.

The guidance for Funding Limits and Reporting for WIOA Transitional Activities has been revised due to the U. S. Department of Labor’s decision to overturn the 0.0554 percent rescission contained in the Continuing Appropriations Resolution, 2015, which was applied to round two allotments. Funding limits and reporting of Workforce Investment Act (WIA) Program Year (PY) 2014-15 funds for Workforce Innovation and Opportunity Act (WIOA) transitional activities must conform to the following guidance.

Funding Limits

Section 503(g)(2) of WIOA states that two percent of each of the PY 2014-15 WIA formula allotments for Youth, Adult, and Dislocated Worker funding streams is available to states for transition activities related to WIOA, and of that amount, no less than 50 percent shall be provided to Local Workforce Investment Areas (local areas) for their transitional activities.

On October 28, 2014, the U.S. Department of Labor Employment and Training Administration released Training and Employment Guidance Letter [\(TEGL\) 12-14](#), which provides guidance to states and other recipients of funds under Title I of WIA on the use and reporting of PY 2014-15 funds for the planning and implementation activities associated with the transition to WIOA. It also describes the methodology for calculating transitional funding limits to the states. The amounts available based on the methodology described in TEGL 12-14 for California and the total amounts available to the local areas have been revised as follows:

	California PY 2014-15 Allotment Levels	Total Transition Amounts up to 2% of Allotments	At least 50% of Total Transition Amounts to LWIAs
Adult	\$114,152,207	\$2,283,044	\$1,141,522
Youth	\$119,122,833	\$2,382,457	\$1,191,228
Dislocated Worker	\$157,376,202	\$3,147,524	\$1,573,762

Calculation of WIA Funding Limits for Transitional Activities to Local Areas: The state has calculated a maximum total of funds available by program for each local area. The

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funding limits for each local area were calculated by using their relative share of the total allocation for each program. For example, if a local area received 1.8 percent (\$1,874,950) of the total WIA Adult formula allocation (\$104,163,890), then they were allocated 1.8 percent (\$20,547) of the total local area transition funding allocation (\$1,141,522) for WIA Adult formula. The amounts available for each local area by program are shown in the *Funding Limits for WIOA Transitional Funds* attachment.

Financial Reporting

Transition funding will not be subject to WIA or WIOA's administrative cost limitations, and local areas may blend WIA Youth, Adult, and Dislocated Worker formula funds that are used for transition purposes. However, for tracking purposes, the funds must be reported to the state under the program where expenditures were incurred. For example, a local area may choose to exhaust their Youth allocation for transition activities first before using their Adult and Dislocated Worker portions. In this case, the costs associated with transition activities that were paid for with Youth funds should be reported and tracked under "Youth" until the limit is reached.

Costs related to transition activities will be reported under "Section VII, Miscellaneous Items, line 2 - State Mandated Match, of the WIA Summary of Expenditures Report" in CalJOBSSM. The "State Mandated Match" line-item on the WIA "Summary of Expenditures Report" will be used as a temporary method for the Employment Development Department to track costs related to transition activities. Nothing else should be accounted for in "Section VII, Miscellaneous Items, Line 2 - State Mandated Match," except those expenditures spent on WIOA transition activities. These costs should be traceable through the local area's accounting system. We suggest that local areas use a unique identifier for these expenses for tracking and reporting purposes, and input the actual expenditures under "Section V -Cumulative Expenditures (Program) the WIA Summary of Expenditures Report" in CalJOBSSM to allow drawdown of cash.

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 a WIOA authorized purpose. Funds may not be spent on activities prohibited under WIA or WIOA, such as purchase of real property.

For additional information and guidance regarding WIOA transition activities, allowable and prohibited use of WIA transition funds, as well as high priority activities, refer to TEGL 12-14 or consult with your Regional Advisor regarding specific questions about allowable transition costs.

If you have any questions regarding 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

The following attachment is available on the internet:

1. [*Funding Limits for WIOA Transitional Funds*](#)