

## **WIOA TRANSMITTAL #9**

### **WIOA PROGRAM POLICY**

**October 26, 2016**

**TO:** Workforce Development Council

**FROM:** Rogelio (Roy) Valdez, Deputy Director

**SUBJECT:** New Workforce Development Council cost allocation

**ACTION REQUESTED:** Approval of the proposed policy; Approval of special administrative fund expenditures for PY2014 and PY2015

**REFERENCE:** WIOA Sec. 111; Idaho Code 72-1347A; Idaho Code 72-1347B

#### **BACKGROUND:**

Under the Workforce Investment Act, the Workforce Development Council expenses were shared among the One-Stop partners. The cost allocation formula was based on a percentage of administrative funds received under each partner's federal grant. Generally large federally funded programs with significant administrative expenses such as Unemployment Insurance paid the bulk of the expenses.

The Workforce Innovation and Opportunity Act specifies that only WIOA administrative funds and other non-federal funds may be used to fund the state and local boards. The intent of the law is to encourage workforce boards to incorporate and solicit outside funding for state and local workforce initiatives.

Unfortunately, the WIOA nullifies the existing cost allocation formula which was based on federal funding of the partner programs. This creates a challenge for Idaho, where none of the federally funded programs are augmented by state or local funds, except for required maintenance of effort funds. An alternate cost allocation formula must be created with allowable funds.

By Idaho statute and executive order, the Workforce Development Council is created to serve as the state workforce investment board under WIA and WIOA. However, Idaho code extends the Council's oversight to 1) the employment security special administration fund (72-1347A); and 2) the workforce development training fund (72-1347B).

Staff propose using the three areas of the Workforce Development Council's responsibility to fund the Council's expenses.

- 1) WIOA Administrative Funds (see Transmittal #2)
- 2) Workforce Development Training Fund (WDTF)
- 3) Employment Security Special Administration Fund (Special Admin Fund)

The WIOA administrative funds are the only federal funds allowed to support the Council. Because the WDTF and the Special Admin funds are state funds, they are also allowable to support the Council.

The Council has oversight and approval authority over the Special Admin Fund expenditures. If the Council chooses to use these funds, they will need to provide an explicit directive as proposed in the recommendation.

### **Staff Recommendation**

Staff recommend that Workforce Development Council expenses be paid with the following cost allocation formula.

- 50% from WIOA Administrative Funds
- 30% Employment Security Special Administration Fund (Special Admin Fund)
- 20% Workforce Development Training Fund (WDTF)

Staff recommend approval of the following amounts from the Employment Security Special Administration Fund:

- \$6,858.44 for Program Year 2014 expenses
- \$9,422.02 for Program Year 2015 expenses

Contacts:	Primary:	Rico Barrera	(208) 332-3570, ext. 3316
	Secondary:	Cheryl Foster	(208) 332-3570, ext. 3213



## Idaho Workforce Development Council

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# Workforce Development Council Cost Allocation Policy Updated October 26, 2016

**Reference:** WIOA 101(d)(2),(12)

**History:** Previous Workforce Development Council Cost Allocation Formula

**Purpose:** WIOA-compliant Workforce Development Council Cost Allocation Formula

**Policy:**

The Workforce Development Council will be funded as follows:

- 50% from WIOA Administrative Funds
- 30% Employment Security Special Administration Fund (Special Admin Fund)
- 20% Workforce Development Training Fund (WDTF)