



**DEPARTMENT OF WORKFORCES SERVICES
 ISSUANCE NUMBER PY 14-07**

Artee Williams, Director

November 18, 2014

TO: Local Workforce Investment Areas/Service Providers

SUBJECT: PY 2014 WIA Funds Being Made Available for WIOA Transition Activities

- Purpose:** To issue the amount of PY 2014 WIA Youth, Adult and Dislocated Worker funds being made available from current allocations for WIOA transition activities.
- Reference:** Training and Employment Guidance Letter (TEGL) Number 12-14 dated October 28, 2014
- General Information:** Section 503(g) of WIOA provides that funds that are available for carrying out programs and activities under WIA may be used to plan and implement programs and activities authorized under WIOA. Under section 503(g)(2) of WIOA, not more than two percent of the PY 2014 WIA Youth, Adult and Dislocated Worker formula allotments that states receive is available to states for transition activities related to WIOA, and of that amount, not less than 50 percent is to be provided to local areas for transitional activities. Arkansas will designate the full two percent of its PY 2014 WIA Youth, Adult and Dislocated Worker formula allotments for transition activities, and of that amount, make 50 percent available to local areas from their current PY 2014 allocations.

Per TEGL 12-14, local areas may blend the WIA Youth, Adult and Dislocated Worker funds that are used for transition purposes. For example, a local area may use transition funds from any one or all of its WIA Youth, Adult and Dislocated Worker allocation(s) for any WIOA transition activities relating to any of the three programs, and need not directly tie the activities carried out with those funds to the transition of any one of the programs. Additionally, the transition funds will not be subject to WIA or WIOA’s administrative cost limitations. All two percent funds should be considered and reported as program costs.

	Current PY 2014 State Allotment	2% of Allotment	50% for LWIAs
Youth	\$6,814,031	\$136,280.62	\$68,140.31
Adult	\$6,505,134	\$130,102.68	\$65,051.34
DLW	\$7,810,923	\$156,218.46	\$78,109.23
	\$21,130,088	\$422,601.76	\$211,300.88

4. **LWIA Transition Funding Levels**: The average of each local area's PY 2014 Youth, Adult and Dislocated Worker allocation percentage was used for this calculation. The amounts available based on this methodology are provided in the attachment to this Issuance.
5. **Financial Reporting**: Transitional costs must be traceable in the accounting systems of the State and sub-recipients. A new cost category, "510- WIOA Transitional Costs", will be added to each WIA formula funding stream for PY 2014 and become part of the total expense for monthly reporting. (Not informational) As TEGL 12-14 explains, the separate funding streams can be used to cover any of the WIOA transitional costs. Therefore, Local Areas will be allowed to report transitional costs against any of the funding streams up to the total amount provided in this Issuance.

Both program and finance staff should reference TEGL 12-14 for allowable and prohibited uses for transition funds.

6. **Inquiries**: Mike Kennedy (501) 682-3142 or mike.kennedy@arkansas.gov
7. **Attachment**: PY 2014 Calculation of LWIA WIOA Transition Amount
8. **Expiration Date**: June 30, 2016