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**STATE INSTRUCTION NUMBER: 17-05**

**To:** Local Workforce Development Board Chairs  
Local Workforce Area Signatory Officials  
Local Workforce Area Directors

**Subject:** WIOA Fund Utilization Policy

**Issuance Date:** December 8, 2017

**Purpose:** To issue State policy regarding Workforce Innovation and Opportunity Act (WIOA) annual expenditure rates to promote maximum investment of funds, increased levels of service to customers, and increased WIOA fund utilization statewide. **This policy guidance replaces State Instruction 12-16.**

**References:**

- Workforce Innovation and Opportunity Act, Public Law 113-128, Section 101(d)(2), Section 101(d)(12), Section 102(b)(2)(D)(i)(I), Section 116(b)(2)(B)
- 20 CFR Part 679.130(b), Part 679.130(l), Part 676.110, Part 677.165
- Training and Employment Guidance Letter 2-15

**Background:** Local workforce areas receive approximately 80% of WIOA Title I funds allotted to the State (85% in Adult and Youth fund streams; 70% in Dislocated Worker fund stream). Although local funds have a two-year life, it is critical that annual expenditure rates, customer services and performance outcomes justify the continued national investment in the public workforce system. In the past, annual expenditure rates have resulted in federal budget reductions and even mid-year rescissions. Current budget proposals and appropriations discussions continue to alert the workforce system to the importance of timely and effective utilization of funds.

**Policy:** This guidance maintains the local fund utilization rate established in Program Year 2013 under the Workforce Investment Act (WIA), while updating the policy for WIOA. Per WIOA Public Law 113-128, Section 116(b)(2)(B), a minimum fund utilization rate policy is required as an additional State performance accountability indicator. Each local workforce development board shall ensure that an annual 70 percent fund utilization rate is met for each of the WIOA Title I funding streams (Adult, Dislocated Worker, Youth).

- The rate will be calculated for each local area by dividing total expenditures by total available funds (unexpended carry-in funds plus current annual allocation).
- Both program and administration cost category funds will be included in calculating the fund utilization rate.

- June Financial Status Reports (FSRs) submitted by each local workforce area will be used to determine total expenditures.
- As an additional State performance accountability indicator, the fund utilization rates for each local area will be included in the WIOA Annual Report.

Any workforce area that falls below the 70 percent fund utilization rate must submit a local board approved Corrective Action Plan that includes:

- a detailed analysis of the inability to attain a minimum 70 percent fund utilization rate;
- action steps to meet the minimum required rate;
- any measurable benchmarks or indicators that will ensure the local area is on track to meet the expected outcome; and
- other information the local board may want to include in the Corrective Action Plan that will be beneficial for state level review and comment.

**Action:** Ensure that this policy is distributed to all local workforce board members and appropriate staff within the workforce area.

**Inquiries:** Questions may be directed to Mary jo Schmick at [mschmick@dew.sc.gov](mailto:mschmick@dew.sc.gov) or 803-737-2708.



Patricia Sherlock, Director  
Policies and Procedures