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## STATE INSTRUCTION NUMBER 14-10

**To:** Local Workforce Area Signatory Officials  
Local Workforce Area Administrators

**Subject:** WIOA Transition Guidance Regarding WIA Funds and Participants

**Issuance Date:** June 17, 2015

**Effective Date:** Immediately

**Purpose:** The purpose of this instruction is to provide guidance on the transition of funds and participants under Title I of the Workforce Investment Act (WIA) to the Workforce Innovation and Opportunity Act (WIOA).

**Reference:** US Department of Labor Training and Employment Guidance Letter 38-14

**Policy:** Based on Federal clarification, the following policy guidance is provided regarding the:

- use of carry-in funds from WIA to WIOA;
- requirements for transitioning participants enrolled under WIA to WIOA; and,
- requirements for carry-forward service provider contracts under WIOA.

### Transition of WIA Carry-In Funds to WIOA

1. **Expiration of Program Year Funds:** PY 2013 funds expire on June 30, 2015, and are not subject to WIOA provisions. The expiration date of PY 2014 funds does not change. Therefore, PY 2014 funds will expire on June 30, 2016.
2. **Obligated Program Year Funds:** PY 2014 “carry-in” funds that are obligated as of June 30, 2015, may be liquidated in compliance with WIA requirements. The reporting of obligations must be consistent with TEGL 28-10, *Federal Financial Management and Reporting Definitions*. Further, local workforce areas must maintain documentation for those funds regarding compliance with WIA for audit, monitoring, and oversight purposes.
3. **Unobligated Program Year 2014 Funds:** PY 2014 “carry-in” funds that have not been obligated in PY 2014 will become subject to WIOA, effective July 1, 2015. This means that the funds will assume the requirements of those portions of WIOA that are effective July 1, 2015. As of July 1, 2015, the unobligated PY 2014 WIA funds carried into PY 2015 must only support allowable WIOA activities and conform to WIOA requirements effective July 1, 2015, with the exception of funds used to pay for WIA services for WIA participants who are transitioning to WIOA.

4. **Program Year 2015 Funds:** All PY 2015 funds will be awarded under the authority of and subject to the requirements of WIOA. While PY 2015 WIOA youth funds are available beginning in April 2015, the early release of these funds is for local areas to use these resources to begin preparation for WIOA youth implementation on July 1, 2015. WIOA youth funds available in April can be for direct services to WIA participants as well as transition planning to implement the WIOA youth program starting on July 1, 2015.

#### Transition of WIA Participants to WIOA

1. Local workforce areas are encouraged to continue enrolling participants through June 30, 2015. On July 1, 2015, all WIA Title I participants (Adult, Dislocated Worker, and Youth) who were enrolled in a WIA Title I program prior to July 1, 2015, must be transitioned (or “grandfathered”) into WIOA, even if the participant would not otherwise be eligible for WIOA. Local workforce areas must **not** complete an eligibility re-determination for participants already determined eligible and enrolled under WIA. Furthermore, these participants must be **allowed** to complete the WIA services (“grandfathered services”) specified in their individual service strategy and/or individual employment plans as of June 30, 2015. Local workforce areas must continue to serve participants enrolled under WIA (with pre-determined WIA or new WIOA services) by:
  - providing the services for which WIA funds were already obligated (and thus, liquidating those funds);
  - using unobligated carry-in WIA funds that become WIOA funds effective July 1, 2015; or
  - using new WIOA funds.
2. Effective July 1, 2015, local workforce areas must make all new eligibility determinations under the WIOA framework for participants enrolling on or after that date and must follow all WIOA requirements. Participants enrolled on or after July 1, 2015, may only access services allowable under WIOA.

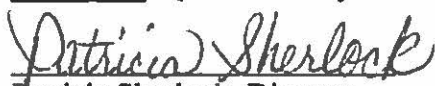
#### Changes to Local Service Provider Contracts

If a local workforce area has any service provider contract with an end date beyond June 30, 2015, such contract must be modified or amended, to the extent the contract terms allow, to:

- ensure that enrollment into the WIA program ceases on June 30, 2015, and enrollment using WIOA requirements begins July 1, 2015; and
- incorporate changes that conform to new WIOA legislation, regulations, and requirements. If, after July 1, 2015, a service provider refuses to comply with the new WIOA requirements, the local workforce area must take immediate corrective action, up to and including termination.

**Action:** Please ensure that all appropriate staff receive, understand, and adhere to this policy guidance.

**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

**WIA to WIOA - TRANSITION OF FUNDING, PARTICIPANTS, AND SERVICE PROVIDER CONTRACTS**

**Before July 1, 2015**

PY 2014

PY 2015

Expires 6/30/16

Expires 6/30/17

**After July 1, 2015**

PY2014

PY2015

Expires 6/30/16

Expires 6/30/17

**FUNDS**

Yes	No		Yes	No
		Can 2% of WIA formula funds be used for transitional activities? (TEGL 12-14 & local area caps issued 2-09-15)		
Yes	Yes	Will unobligated funds be carried over into WIOA?	N/A	N/A
Yes	Yes	Can funds obligated through June 30, 2015, be used to provide WIA services?	Yes	Yes
N/A	N/A	Can WIA funds not obligated before July 1, 2015, be used to provide WIA services only if it is for grandfathered WIA participants?	Yes	Yes
N/A	N/A	Can PY 15 WIOA funds obligated on or after July 1, 2015, be used to serve grandfathered WIA participants?	N/A	Yes

**PARTICIPANTS**

WIA	WIA		WIOA	WIOA
		What programs are participants enrolled in?		
Yes	Yes	Are WIA participants grandfathered into WIOA?	N/A	N/A
N/A	N/A	Must an eligibility re-determination be completed for grandfathered WIA participants receiving services on or after July 1, 2015?	No	No
N/A	N/A	Can grandfathered WIA participants continue to receive services under their existing WIA individual services strategy and/or individual employment plan?	Yes	Yes

**SERVICE PROVIDER CONTRACTS**

Yes	Yes		Yes	Yes
		Must existing service provider contracts with performance periods that extend beyond June 30, 2015 be modified or amended to reflect WIOA requirements and enrollments?		
N/A	N/A	Can service providers with existing contracts continue to enroll participants in WIA program services on or after July 1, 2015?	No	No
N/A	N/A	On or after July 1, 2015, can service providers with existing contracts serve participants enrolled into WIA before or on June 30, 2015?	Yes	Yes
N/A	N/A	Should a service provider contract be terminated if a service provider is unwilling or unable to adhere to the WIOA requirements on or after July 1, 2015?	Yes	Yes