Introduction to WIOA Funding and LWDB Budgeting
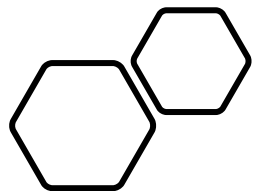
Module 6 of GSETA's Local Governance Policy Training Series

Training Series

Number	Topic
Module 6	Budgeting
Module 7	Monitoring I
Module 8	MOUs/IFAs
Module 9	Monitoring II
Module 10	Budgeting II

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Application Guide

As you go through this training, you will see these icons which indicate a prompt for reflection. You can:

1. Pause the training and do the prompt, OR

2. Complete the training and then go through the guide.

Agenda

- Introduction
- Journey of WIOA Funding
- Budgeting and the LWDB
- Categorizing Costs
- Wrap Up

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Objectives

✓ Explain how a budget can be strategically used to carry out the WIOA-prescribed governance functions.

✓ Describe the specific roles and responsibilities a LWDB has in budgeting.

✓ Explain how the LWDB oversees the budgets of contracted WIOA service providers.

✓ Categorize different costs in your LWDB's budget.

Journey of WIOA Funding

Federal and State Allocations

Federal Allocations

The federal government uses a statutory formula to determine a state's allotment of WIOA funding.

This formula looks at specific data points regarding unemployment, disadvantaged populations, and labor market information, and determines the amount of funds to be allocated to each county.

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Timing of Federal Allocations

Funding is released in increments

- July 1st
- October 1st
- *Youth* funds are released in May for new program year in July.

New Jersey Allocations

New Jersey follows the Sub-State Allocations Statutory Formula Description which includes local allocations based on the following data elements:

Youth
Areas of Substantial Unemployment
Excess Unemployment
Disadvantaged Youth

Adult
Areas of Substantial Unemployment
Excess Unemployment
Disadvantaged Adults

Dislocated Worker
Insured Unemployment Data
Unemployment Concentrations
Plant Closing and Mass Layoff Data
Declining Industries Data
Farmer-Rancher Economic Hardship Data
Long-Term Unemployment Data

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New Jersey Allocations

Locally, the Chief Elected Officer receives the funds and appoints a Fiscal Agent to draw-down and monitor the funding.
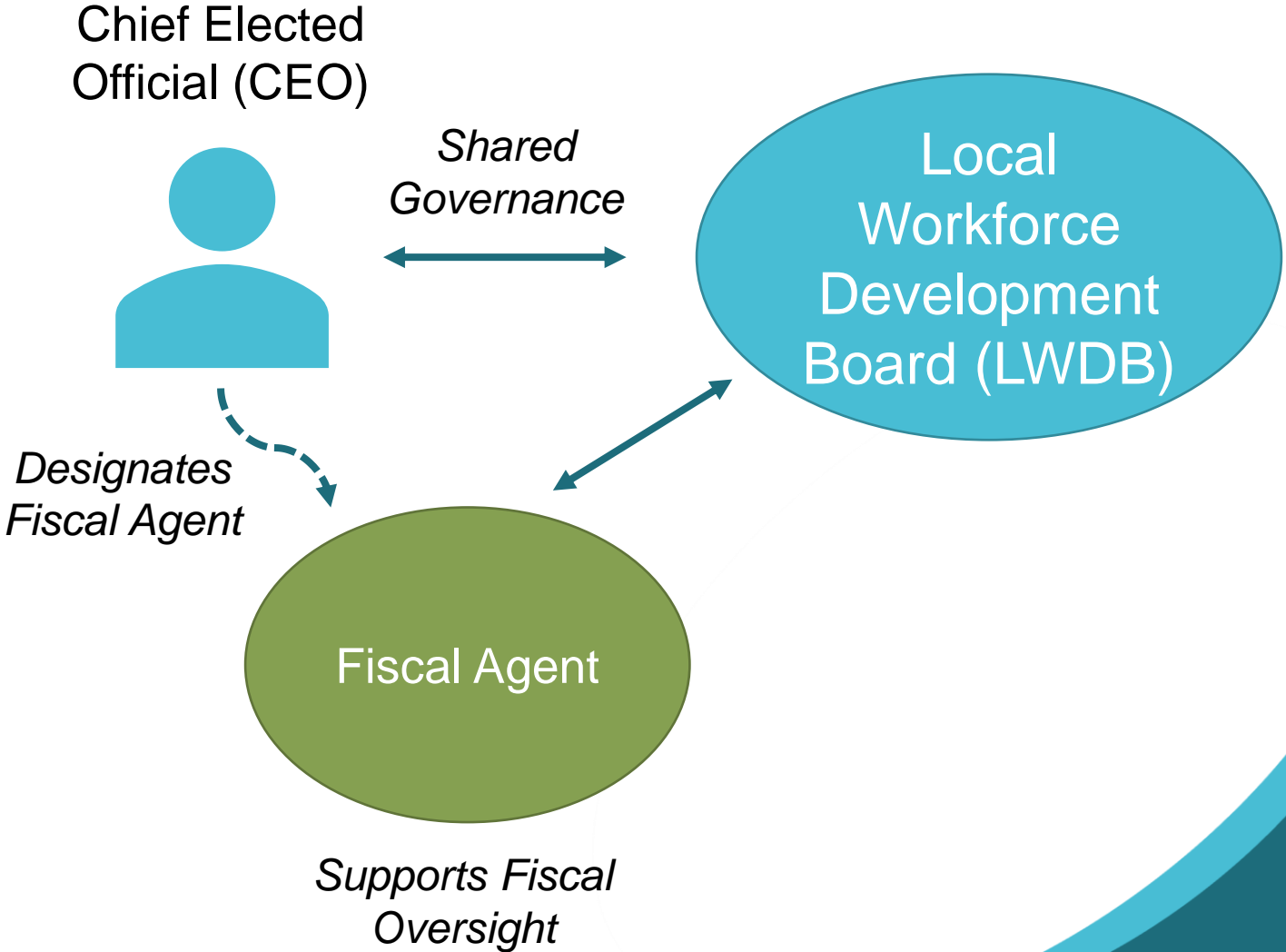
Chief Elected Official (CEO)

Shared Governance

Local Workforce Development Board (LWDB)

Designates Fiscal Agent

Fiscal Agent

Supports Fiscal Oversight

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Review of 14 Governance Responsibilities

Leading local and regional planning

Analyzing labor market information

Convening, brokering, and leveraging stakeholders

Engaging with employers

Developing career pathways

Identifying proven and promising practices for dual customers

Using technology to maximize accessibility and effectiveness

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Review of 14 Governance Responsibilities

Conducting program oversight

Setting local performance accountability measures

Negotiating with stakeholders on infrastructure costs

Selecting One Stop Operators and Career and Youth Services Providers

Coordinating with education providers

Developing and administrating the budget

Evaluating accessibility for individuals with disabilities

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Role of WIOA Budget

- Supports local governance and service delivery.

- Connects expenditures to governance responsibilities and program services.

LWDB Roles and Responsibilities

Planning the Budget

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Who Carries Out Budgeting Responsibilities?

LWDB Members

- Set guidelines and recommendations for budget
- Monitors budgets
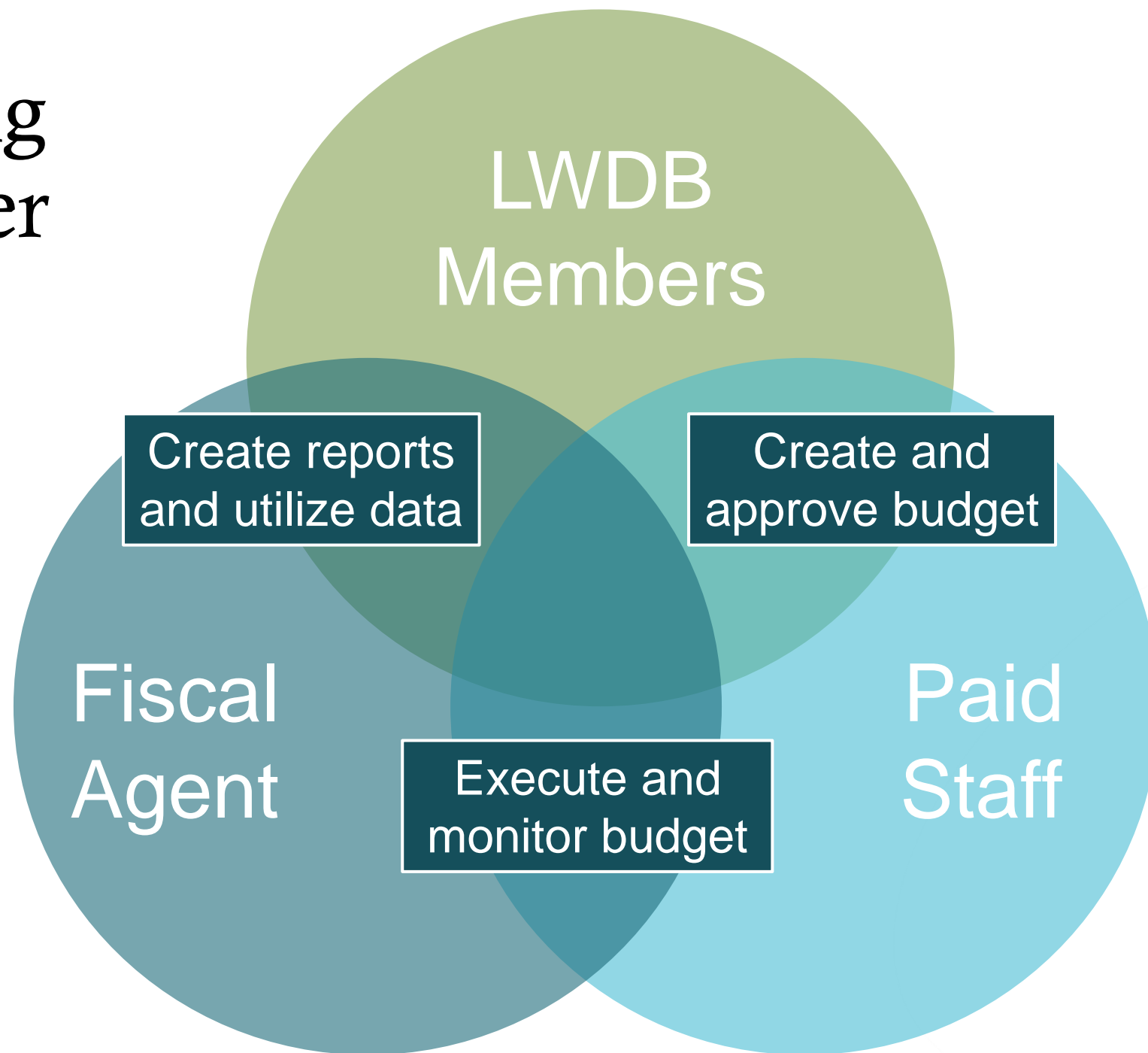- Approves operating and program budgets

Paid Staff

- Facilitate creation and documentation of the budget
- Builds capacity to execute and monitor budget
- Connects the Fiscal Agent and LWDB

Fiscal Agent

- Receives and oversees the expenditures
- Collects financial information and data
- Creates reports

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Budgeting and Contracted Services

Developing Clear Policies

Approving Contractor Budgets

Tracking Contractor Expenditures

Monitoring Contractor Invoices

Ongoing Communication

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At this point, for **Budgeting and the LWDB**, you can:
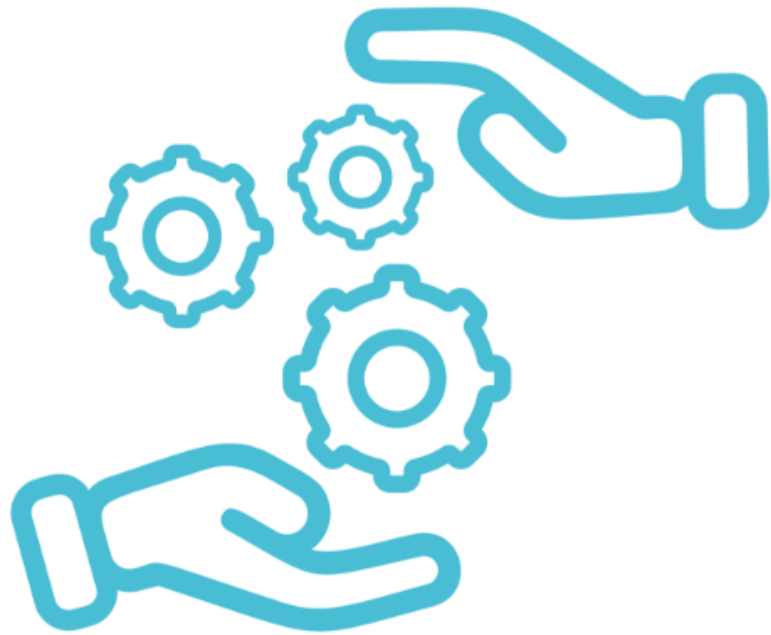
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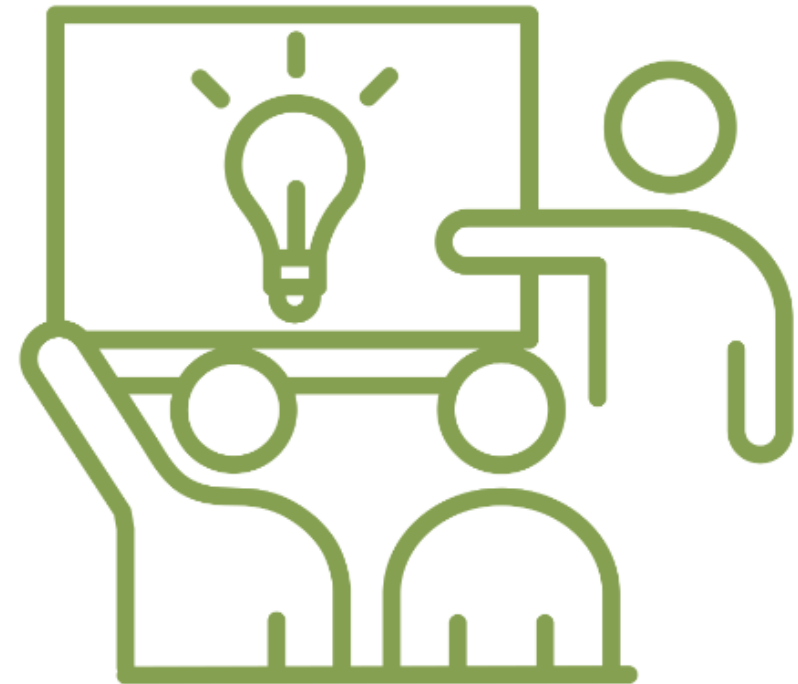
Categorizing Costs
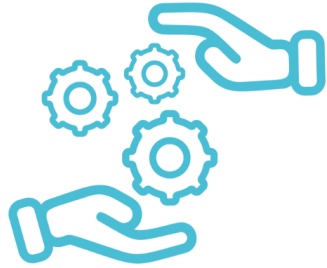
Administrative and Programmatic

Cost Categories

Administrative

Programmatic

Administrative Costs

Administrative Costs:
Costs not related to the direct provision of workforce investment services.

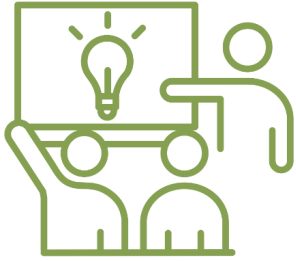|		
Fiscal Agent	Accounting, Budgeting, & Cash Management	Procurement & Purchasing
Property Management	Personnel Salaries	Payroll Functions
Office Equipment	Rent & Utilities	Office Supplies

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Programmatic Costs

Programmatic Costs:
Costs tied to the direct provision of workforce investment services including services to participants and employers.

Career Services	Business Services for Employers	Performance Measures & Outcomes
Continuous Improvement Activities	Tracking & Monitoring of Participant Outcomes	Support Services
Personnel Salaries	Infrastructure of One-Stop Center	Monitoring & Auditing

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Cost Categorization

The key to leveraging funds is critically examining *why* an expense is occurring.

To determine a cost objective, answer the following questions:

✓ What is the expense?

✓ What is the reason for the expense?

✓ Does the expense support WIOA Program functions?

✓ Does the expense support Board operations?

✓ Does the expense create or sustain administrative infrastructure that supports WIOA Program outcomes?

Administrative *or* Programmatic Costs?

✓What is the expense?
  Personnel costs.

✓What is the reason for the expense?
  Salary for a Paid Staff employee.

✓Does the expense support WIOA Program functions?
  Paid Staff employee directly supports WIOA programs.

✓Does the expense support Board operations?
  No, this Paid Staff member's job tasks are to support program services.

✓Does the expense create or sustain administrative infrastructure that supports WIOA Program outcomes?
  Yes! The Paid Staff indirectly supports program outcomes.

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Cost Category: Programmatic

Administrative *or* Programmatic Costs?

✓What is the expense?
  Personnel costs.

✓What is the reason for the expense?
  Salary for a Paid Staff employee.

✓Does the expense support WIOA Program functions?
  No.

✓Does the expense support Board operations?
  Yes, the Paid Staff employee manages the office of the LWDB.

✓Does the expense create or sustain administrative infrastructure that supports WIOA Program outcomes?
  No, the Paid Staff does not support WIOA Program outcomes.

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Cost Category: Administrative

Administrative *or* Programmatic Costs?

✓ What is the expense?
   Value stream mapping for continuous improvement.

✓ What is the reason for the expense?
   To enhance the efficiency of board operations and processes.

✓ Does the expense support WIOA Program functions?
   No.

✓ Does the expense support Board operations?
   Yes, the value stream map will enhance Board operations.

✓ Does the expense create or sustain administrative infrastructure that supports WIOA Program outcomes?
   No, the value stream map will not enhance WIOA Program outcomes.

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Cost Category: Administrative

Administrative *or* Programmatic Costs?

✓What is the expense?
  Value stream mapping for continuous improvement.

✓What is the reason for the expense?
  To enhance the efficiency of the WIOA enrollment processes.

✓Does the expense support WIOA Program functions?
  Yes, directly improves WIOA Program services.

✓Does the expense support Board operations?
  No.

✓Does the expense create or sustain administrative infrastructure that supports WIOA Program outcomes?
  Yes, the value stream map directly impacts WIOA Program outcomes.

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Cost Category: Programmatic

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At this point, for **Categorizing Costs,** you can:

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2. Complete the training and then go through all the prompts.

Administrative *or* Programmatic *or* Both?

The LWDB hires a new accountant. The accountant is *solely* responsible for processing ITA payments to training providers and managing Paid Work Experience Payroll for youth participants.

PROGRAMMATIC

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Administrative *or* Programmatic *or* Both?

The LWDB has a Program Coordinator on staff. This individual monitors program files, ensures contracted service providers are delivering services adequately, analyzes programmatic data, researches innovative workforce solutions, and project manages the board's annual fiscal audit.

BOTH

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Administrative *or* Programmatic *or* Both?

The LWDB recently hired a Business Services Manager. This individual spends their time networking with area employers to build PWE and OJT opportunities, researching and publishing LMI for local employers, and coordinating industry partnerships.

PROGRAMMATIC

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Administrative *or* Programmatic *or* Both?

The Outreach and Communications Manager with your LWDB spends their time creating outreach materials for the WIOA Youth Program, Adult and Dislocated Worker Program, and business services. They coordinate events such as job fairs and training fairs and they represent the LWDB at community events. They also manage and update the LWDB website and create general marketing materials for the LWDB.

BOTH

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Administrative *or* Programmatic *or* Both?

The LWDB recently purchased new procurement software.

ADMINISTRATIVE

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Key Takeaways

The LWDB Members, Paid Staff, and Fiscal Agent work together to fulfill budgeting responsibilities.

A main budgeting responsibility the LWDB has is overseeing the budget of contracted service providers.
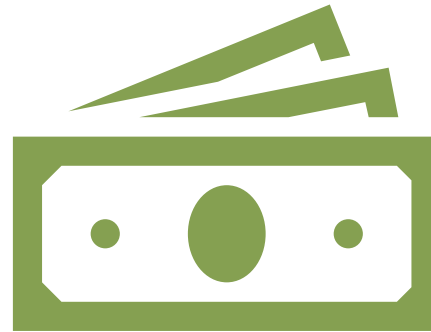
Oversight best practices include developing clear policies, reviewing and approving budgets, tracking expenditures, monitoring invoices, and frequent communication.

Costs need to be categorized as either administrative or programmatic to best leverage funds.

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What's Next?

Use the prompts for reflection in your application guide	Look for more modules on budgeting, monitoring, and IFAs and MOUs.

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Policy References

§ 20 CFR 679.370	§ 20 CFR 679.379(o)	Form DESC 23	TEGL 9-21 Attachment C
§ 20 CFR 683.215(b)	WIOA Admin-Program-Indirect-Direct Costs	NJ WIN WD-PY21-6	§ 20 CFR 683.205(a)(5)

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Thank You!