

	New Jersey Workforce Innovation Notice		WD-PY22-16
	Issued By:	Workforce Development, Division of Career Services	
	Approved By:	Yolanda Allen, Assistant Commissioner Workforce Development	
	Issued Date:	June 9, 2023 (Draft Release)	

SUBJECT: Program Year 2023 (PY23/FY24)/Fiscal Year 2024 (FY24) Budget Guidelines and Requirements

PURPOSE: This policy provides specific guidance related to the development of Local Workforce Development Board (LWDB) budgets, inclusive of Workforce Innovation and Opportunity Act (WIOA) and WorkFirst New Jersey (WFNJ) and Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E & T) funds. In addition, this policy details specific budget requirements that must be submitted in addition to cost summaries in SAGE.

EFFECTIVE DATE: This NJWIN is effective immediately.

POLICY RESCISSIONS: No policy rescissions

FOR FURTHER INFORMATION: Questions about this policy can be directed to WIOApolicy@dol.nj.gov.

BACKGROUND: The New Jersey Department of Labor (NJDOLE) is issuing and updating guidance regarding annual budgeting of PY23/FY24 WIOA and WFNJ/SNAP E & T funds. As our workforce systems continue to grapple with the impacts of the COVID-19 pandemic and the ongoing transition from the Workforce Investment Act (WIA) to WIOA, NJDOLE recognizes the critical importance of supporting New Jersey's Local Workforce Development Boards (LWDBs) in developing budgets that support the full range of capacities expected of the board, related to both to local governance and service delivery.

WIOA specifically articulates, and allows for, significant investments in our local workforce systems, not only at the operational level, but also in supporting the development of systems and governance structures that support innovative approaches and high-quality service delivery to jobseekers, workers, and employers.

In May 2022, NJDOLE issued a new local governance policy, [WD-PY21-6](#), that outlined the key responsibilities of New Jersey's LWDBs. This includes an overview of the 14 core functions outlined in [20 CFR 679.370](#) that LWDB's play in guiding and governing local workforce systems. Developing a budget for the activities of the LWDB that is "consistent with the local plan and the duties of the Local WDB" is one of these core functions. In other words, budgets must include resources to support the LWDB itself in carrying out the responsibilities outlined in WIOA.

In addition to WIOA and WFNJ/SNAP E & T allocations, LWDBs in New Jersey also receive allocations for Workforce Learning Link (WLL) services, and Futureworks. Some LWDBs also secure funding through other state workforce programs, county initiatives, and private grants.

Finally, in addition to the standard state allocations and additional program and initiative funding, LWDBs may also receive funds from required One Stop partners as negotiated through Infrastructure Funding Agreements (IFAs) to support One Stop Career Center operations. Please see [WD-PY22-4.2](#) for more information regarding the development of IFAs, and corresponding Memoranda of Understanding (MOUs).

LWDBs must have processes in place for both allocating budgets and tracking expenditures regarding all funding sources. However, this policy focuses on specific requirements related to funds issued through standard state allocation in which NJDOL has oversight responsibilities, specifically WIOA and WFNJ/SNAP E & T.

OVERVIEW OF BUDGET REQUIREMENTS

Initial Program Year Budgets

Budgets for WIOA and WFNJ/SNAP E & T are submitted in the form of “cost summaries” in New Jersey’s SAGE system. Cost summaries must be allocated before any WIOA or WFNJ/SNAP E & T are expended. Table 1 below provides an overview of the line items that are included in SAGE for detailing PY23/FY24 budgets.

Table 1: Overview of SAGE Cost Summary Line Items

Funding Area	Cost Summary Line Items	
WIOA Title I Adult, DW, and Youth Services	<ul style="list-style-type: none"> • Total Salaries/ Wages • Total Fringe Benefits • Occupancy Costs • Travel • Conferences & Training • Training Contracts 	<ul style="list-style-type: none"> • Work-Based Training • Incumbent Worker Training • Pay for Performance • Supportive Services • Contracted Services • On-the-Job Training Contracts
WFNJ & SNAP E & T Services	<ul style="list-style-type: none"> • Subsidized Employment Staff and Participant Costs • Education and Training Staff and Participant Costs 	<ul style="list-style-type: none"> • Other Work Activities Staff and Participant Costs • Case Management • On-the-Job Training • Needs Based Work Support

In addition to these line items, NJDOL is requiring that each LWDB provide additional details regarding planned budgets outside of these cost summaries in SAGE. Appendices A and B include specific forms that must be submitted for WIOA Title I and WFNJ/SNAP E & T programs, respectively, prior to the expenditure of any funds. These details include the following:

WIOA Title I	WFNJ/SNAP E & T
<ul style="list-style-type: none"> • Staffing roles/description details • Contracted services details¹ • Youth work experience details 	<ul style="list-style-type: none"> • Staffing roles/description details • Service delivery details

¹ Please see page 6 of this policy – personnel and non-personnel costs associated with One Stop Operator, One Stop Career Services, and Youth Services contracts must be recorded as contracted services with the exception of any personnel or non-personnel costs that count towards the Youth Work Experience line item.

Overview of WIOA Budget Guidelines

Several different budget requirements guide the development of WIOA budgets. These guidelines include the following:

Administrative Expenditures: No more than 10% of WIOA Adult, Dislocated Worker, and Youth funds may be expended on administrative expenditures.² However, it is also important to note that the administrative costs of competitively procured provider contracts count as program costs, not administrative costs. LWDBs are responsible for setting and monitoring specific expectations regarding administrative costs for these contracts. Administrative costs are highlighted in [20 CFR 683.215\(b\)](#) and include a variety of costs related to fiscal, HR, legal, and information systems performing administrative functions.

Youth Work Experience Expenditures: 20% of youth program funds (less admin costs) must support youth work experiences. WIOA defines a range of costs that count towards youth work experience requirements in [TEGL 21-16](#), and most recently [TEGL 9-22](#) expanded allowable costs related to youth work experience. Youth work experience costs include the following:

Allowable Youth Work Experience Costs	
Wages	When work experiences are classified as an employment situation, opposed to a training situation, wages are paid according to all applicable laws.
Incentives	20 CFR 681.640 states that “incentive payments to youth participants are permitted for recognition and achievement directly tied to training activities and work experiences.
Stipends	In general, stipends represent a fixed, regular small payment made to a youth to encourage participation in a WIOA Youth program.
Supportive Services	While not previously an allowable work experience cost, Training and Employment Guidance Letter (TEGL) 9-22 states that local WDBs may count funds spent on Youth Work Experience for supportive services if it has been determined the services are necessary for participation in the work experience.
Associated Staff Costs:	<ul style="list-style-type: none"> • Participant work experience orientation sessions • Employer work experience orientation sessions • Classroom training or the required academic education component directly related to the work experience • Employability skills/job readiness training to prepare youth for a work experience • Identifying and developing a work experience opportunity, including staff time spent working with employers to identify and develop the work experience • Working with employers to ensure a successful work experience, including staff time • Managing the work experience • Evaluating the work experience
Other Allowable Costs	<ul style="list-style-type: none"> • Participant work experience orientation sessions • Employer work experience orientation sessions • Classroom training or the required academic education component directly related to the work experience

² As defined in WIOA regulations at [20 CFR 683.215](#)

Out-of-School Youth Expenditures: 75% of youth program funds (less admin costs) must support services to out-of-school youth across WIOA's 14 program elements (highlighted in [20 CFR 681.460](#)). An out-of-school youth is defined as an individual age 16-24 at the time of WIOA enrollment that is not attending school and has one or more barriers to employment as detailed in [20 CFR 681.210](#)

Incumbent Worker Training Expenditures: Up to 20% of combined total adult and dislocated worker funds may be utilized to support Incumbent Worker Training. Incumbent Worker Training is training "designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting the workers in obtaining the skills necessary to retain employment."³

Professional Development (Conference and Training) Expenditures: In addition, NJDOL is setting a PY23/FY24 requirement that LWDBs allocate a minimum of 2% of Adult, Dislocated Worker, and Youth budgets to support professional development. 50% of this allocation must be earmarked specifically for the NJDOL-GSETA Training Partnership to support professional development opportunities throughout the year for LWDB members, LWDB staff, as well as contracted provider staff. These funds will be submitted directly to GSETA. LWDBs may also consider including professional development requirements in local contracts to ensure that providers also consistently offer training and professional development opportunities for service delivery staff.

Staffing Expenditures: TEGL 09-21 also highlights that salaries and bonuses cannot be paid out at a level in excess of the Executive Level II rate, which is set at \$212,100, effective January 2023.⁴ Furthermore, while LWDBs may braid funding to support the salaries and benefits of individual staff, funding levels must not exceed the actual cost of any individual's compensation.

Direct Service Expenditures: Finally, NJDOL is recommending that all local areas allocate and spend at least 40% of WIOA Adult, Dislocated Worker, and Youth funds on expenditures that directly support jobseekers and employers. This includes:

- Individual Training Accounts (ITAs) which directly support training costs
- Subsidized wages for work-based learning opportunities
- Supportive Services that provide direct supports for addressing barriers to employment.

Overview of WFNJ Guidelines

WFNJ and SNAP (Supplemental Nutrition Assistance Program) Employment and Training (E & T) budget guidelines mirror specific guidelines highlighted above in relation to WIOA budgets. Specifically, WFNJ budget guidelines include the following:

Administrative Expenditures: No more than 12% of WFNJ and SNAP E & T funds may be spent on administrative expenditures. As with WIOA funds, the administrative costs of competitively procured provider contracts count as program costs, not administrative costs. LWDBs are responsible for setting and monitoring specific expectations regarding administrative costs for any competitively-procured local

³ As defined in [20 CFR 680.790](#)

⁴ Rates of Basic Pay for the Executive Schedule: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/EX.pdf>

contracts. Administrative costs include a variety of costs related to fiscal, HR, legal, and information systems performing administrative functions.

Professional Development (Conference and Training) Expenditures: In addition, NJDOL is setting a PY23/FY24 requirement that LWDBs allocate a minimum of 2% of WFNJ and SNAP E & T funds to support professional development. LWDBs may also consider including professional development requirements in local contracts to ensure that providers also consistently offer training and professional development opportunities for service delivery staff.

Staffing Expenditures: WFNJ and SNAP E & T funds follow the same requirements as WIOA. Salaries and bonuses cannot be paid out at a level in excess of the Executive Level II rate, which is set at \$212,100, effective January 2023.⁵ Furthermore, while LWDBs may braid funding to support the salaries and benefits of individual staff; funding levels must not exceed the actual cost of any individual's compensation.

Direct Service Expenditures: Finally, NJDOL is recommending that all local areas allocate and spend at least 40% of WFNJ and SNAP E & T funds on expenditures that directly support jobseekers and employers. This includes:

- Subsidized wages for work-based learning opportunities
- Supportive Services that provide direct supports for addressing barriers to employment.

New Budget Resources

NJDOL has developed a comprehensive budgeting tool, *NJDOL's Annual Budgeting Template*, to support NJ's LWDBs in developing and planning comprehensive annual budgets that align with the NJDOL budgeting requirements highlighted in this policy. The use of this tool is not mandatory but may be helpful in generating budgeting details and informing submission of cost summaries and additional Appendix A and B reporting requirements. *NJDOL's Annual Budgeting Template* can be found here: https://njcms.state.nj.us/labor/wioa/documents/resources/NJDOL%20Budgeting%20Template_Update_d060723.pdf

In particular, this tool has been designed to help LWDBs in:

1. *Detailing program vs. administrative costs at the LWDB level:* Many [functions](#) of the LWDB including strategy and design, procurement, data management and analysis, and monitoring related to program and service delivery may be classified as program costs, in addition to contracts with service delivery providers. Appendix C provides details from a USDOL desk guide providing an overview of considerations in establishing whether a cost is an administrative or program cost. The template includes separate tabs for planning and documenting administrative versus programmatic costs.
2. *Monitoring budget details related to resources directed toward contracts for any career, youth, and/or literacy service vendors:* For Title I Career Services and Youth Services, and One Stop Operators, these contracts must be competitively procured. Please see [WD-PY22-5](#) for NJ's

⁵ Rates of Basic Pay for the Executive Schedule: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/EX.pdf>

competitive procurement policy. LWDBs are responsible for the monitoring and oversight of these contracted provider budgets separate from NJDOL reporting, which includes gathering detailed budgets from providers and tracking expenses against those budgets. The template includes tabs for detailing these provider budgets separately from SAGE.

3. *Documenting and detailing separate budget line items for LWDB activities from the activities of operational entities (for WIOA):* Program costs, specifically, include LWDB costs and costs associated with One Stop Operator, Career Services, and Youth Services contracts. To facilitate clearer differentiation between LWDB and contracted services costs, contracted services must be captured in the contracted services line items in SAGE. Please note, however, direct services to participants must be captured in individual line items in SAGE, such as Training Contracts, OJTs, and Supportive Services, separately from contracted service amounts. In addition, any personnel or non-personnel costs that are part of Youth Services contracts counting towards youth work experience requirements must also be separated and recorded in the Youth Work experience line item in SAGE. This is all reflected in *NJDOL's Annual Budgeting Template*.

Ongoing Development of Budget Monitoring Practices

NJDOL's Workforce Division is continuing to develop strategies for supporting and overseeing WIOA and WFNJ/SNAP E & T budgets. These monitoring efforts focus on ensuring that the planning, development, and implementation of program budgets and the expenditure of funds align with federal, state, and local priorities and requirements. NJDOL may request and require additional budget details as part of these ongoing monitoring activities.

Contact us: For any questions regarding this guidance, please contact WIOAPolicy@dol.nj.gov

Attachments:

- WIOA Title I Required Budget Details Form
- WFNJ/SNAP E & T Required Budget Details From
- USDOL Desk Reference Admin vs. Program Costs

III. Youth Work Experience Budget Details: Below please provide an overview of your budget for youth work experience, including a description of costs, total Title I youth funding, and a breakdown of ISY and OSY funding if relevant.

Cost Category	Cost Description	Total Title I Youth Funding	Title I ISY Funding	Title I OSY Funding
Personnel Costs (Staff salaries/wages and fringe benefits)				
Non-Personnel Costs (Facilities, equipment and materials, IT, professional development, travel)				
Youth Work Experience (Work-Based Learning) Wages				
Stipends				
Incentives				
Supportive Services				
Other Costs				

II. **Service Delivery Details:** Below please provide an overview of your budget for service delivery, including a description of costs directly connected to serving customers, total costs, and a breakdown by funding source.

Cost Category	Cost Description	Total Cost	TANF Funding	GA Funding	SNAP Funding
Personnel Costs (Staff salaries/wages and fringe benefits)					
Non-Personnel Costs (Facilities, equipment and materials, IT, professional development, travel)					
Work-Based Learning Wages					
Needs-Based Work Support					
Contracted Services					
Other Costs					

The Workforce Innovation and Opportunity Act

What WIOA title I functions and activities constitute the costs of administration subject to the administrative cost limitation at 20 CFR 683.215?

GENERAL GUIDELINES

Administrative costs are incurred by:

- State and Local Workforce Development Boards,
- Regions, and
- Direct grant recipients including:
 - State grant recipients,
 - Local grant recipients,
 - One-stop operators,
 - Local grant subrecipients, and
 - Local fiscal agents.
- Administrative costs are not related to the direct provision of workforce investment services, including services to participants and employers.
- Administrative costs can be:
 - Personnel,
 - Non-personnel,
 - Direct, and
 - Indirect.

ADMINISTRATIVE COSTS

- 1) **General administrative functions and coordination of the following functions (20 CFR 683.215(b)(1)(i-x)):**
 - accounting, budgeting, financial and cash management;
 - procurement and purchasing;
 - property management;
 - personnel management;
 - payroll functions;
 - resolution of findings arising from audits, reviews, investigations and incident reports;
 - audits;
 - general legal services functions;
 - information system development (see item # 5)
 - development of systems and procedures including information systems, for administrative functions; and
 - fiscal agent responsibilities.
- 2) **Performing oversight and monitoring related to WIOA Administrative functions (20 CFR 683.215(b)(2)).**
- 3) **Costs of goods and services required for administrative functions of the program, including goods and services such as (20 CFR 683.215(b)(3)):**
 - rental or purchase of equipment,
 - utilities,
 - office supplies
 - postage, and
 - rental and maintenance of office space.
- 4) **Travel costs incurred for official business in carrying out administrative activities (20 CFR 683.215(b)(4)).**
- 5) **Costs of information systems related to administrative functions including the purchase, development, and operating costs of such systems (20 CFR 683.215(b)(5)). For example:**
 - Personnel,
 - procurement and purchasing,
 - property management, and
 - accounting and payroll systems.
- 6) **Awards to subrecipients or contractors that are solely for the performance of administrative functions.**

The allowability and allocability of administrative costs must be consistent with the Cost Principles in the Uniform Guidance. Efforts must be made to streamline the services and functions to reduce administrative costs by minimizing duplication and effectively using information technology to improve services.



The Workforce Innovation and Opportunity Act

PROGRAM COSTS

- 1) **Costs tied to the direct provision of workforce investment services including services to participants and employers. Such costs may include the following:**
 - career services;
 - business services for employers;
 - performance measures/outcomes;
 - continuous improvement activities;
 - tracking or monitoring of participant and performance information;
 - employment statistics information, including job listing information, job skills information, and demand occupation information;
 - performance and program cost information on eligible training providers, youth activities, and appropriate education activities;
 - local area performance information;
 - information related to supportive services; and
 - information related to unemployment insurance claims for program participants.
- 2) **All costs incurred for functions and activities of subrecipients, except those entities listed in the box labeled "General Guidelines", and contractors are charged as program costs.**

For example, an entity contracted to provide youth services incurs incidental costs for processing youth work experience. The entity's payroll may charge all of its costs to program costs.
- 3) **Costs of the following information systems, including the purchase, systems development and operating (e.g. data entry) costs are charged as program costs. Unless funding, award or other notices say otherwise.**
- 4) **Negotiation of a Memorandum of Understanding (MOU) or Infrastructure Funding Agreement (IFA) ([20 CFR 683.205\(a\)\(5\)](#)).**

ADMINISTRATIVE OR PROGRAM COSTS

These costs might be charged as administrative or program costs depending on the circumstance.

- 1) **Personnel and related non-personnel costs of staff who perform both administrative functions and programmatic services are allocated to the benefitting cost objectives/categories. Allocation of cost are in accordance with equitable allocation methodologies outlined in the Uniform Guidance.**
- 2) **Continuous improvement activities are charged based on the purpose or nature of the activity to be improved. Documentation of such charges must be maintained.**
- 3) **Infrastructure costs for title I programs**

Title I WIOA partner programs can use administrative and program funds to pay for infrastructure costs. However, the definition of administrative costs may differ in other partner programs. Partner's contributions for infrastructure costs are subject to the partner programs' administrative cost definition and limitations. For title IV WIOA partner programs, such as Vocational Rehabilitation (VR), agencies must report funds spent for infrastructure costs as administrative costs ([20 CFR 678.720](#)).

