

Oklahoma Employment Security Commission



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Representing Employees

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Oklahoma Employment & Training Issuance #7-2004

TO: WIA Grantees

FROM: Mike Ferguson, Director

DATE: June 8, 2004

SUBJECT: Oklahoma's Policy on the Workforce Investment Act's Recapture and Reallocation of Formula Funds.

Background: This policy is established in order that WIA grantees can properly report annually, after the program year-end, the amount of total obligations (including expenditures) existing as of **June 30th** for Youth programs and as of June 30th for the Adult and Dislocated Worker programs. This policy allows the proper distribution of excess unobligated funds among eligible Workforce Investment Areas.

Purpose: Reallocation of formula funds—State agencies must report annually, after the program year-end, the amount of total obligations (including expenditures) as of **June 30th** for the Youth program and as of June 30th for the Adult and Dislocated Worker programs. The information provided to the state on these reports will establish amounts eligible for recapture by the state from workforce investment areas for the purposes of reallocation. WIA Regulations 667.160 provides the basis for the recapture/reallocation procedure.

WIA regulations 667.160(b): “For youth, adult and dislocated worker programs, the amount to be recaptured from each local area for purposes of reallocation, if any, must be based on the amount by which the prior year’s unobligated balance of allocated funds exceeds 20 percent of that year’s allocation by program, less any amount reserved (up to 10 percent) for the costs of administration. Unobligated balances must be determined based on allocations adjusted for any allowable transfer between funding streams. This amount, if any, must be separately determined for each funding stream.”

Section 660.300 of the WIA regulations provides the definition of obligations: “Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a funding period that will require a payment by the recipient or subrecipient during the same or future period.”

The state will issue letters to subrecipients requesting amounts unobligated on an annual basis. (See attachments).

Only eligible WIAs will receive portions of reallocated excess unobligated funds. WIA regulations 667.160(c) defines such eligibility: “To be eligible to receive Youth, Adult, or Dislocated Worker funds under the reallocation procedures, a local area must have obligated at least 80 percent of the prior year’s allocation, less any amount reserved (up to 10 percent) for the costs of administration, for youth, adult, or dislocated worker activities, as separately determined. A WIAs eligibility to receive a reallocation must be separately determined for each funding stream.”

WIA funds provided to WIAs through the original allocation process and through the reallocation process indicated above must be expended within the first two years of the availability of the grant. Funds not expended within these two years are subject to WIA regulations 667.107(2): “Funds which are not expended by a local area in the two-year period described in paragraph (b)(1) of this section, must be returned to the State. Funds so returned are available for expenditure by State and local recipients and subrecipients only during the third program year of availability. These funds may:

- (i) be used for Statewide projects, or
- (ii) be distributed to other local areas which had fully expended their allocation of funds for the same program year within the two-year period.

The final June financial status reports, due by **the 31st of August** following the two-year period are used to determine remaining unexpended balances to be recaptured.

Reallotment of Youth Funds: Reallotment of Youth Activities formula funds, as provided by WIA section 127(c), will be based on completed program year financial reports submitted by the locals. Reallotment of funds among the locals under WIA will **occur** during PY 2004

based on obligations may during PY 2003. There were no recapture/reallotment of WIA youth funds in PY 2003.

Reallotment of Adult Funds: Reallotment of Adult Activities formula funds, as provided for by WIA section 132(c), will be based on completed program year financial reports submitted by the locals. Reallotment of funds among the locals under WIA will **occur** during PY 2004 **based on obligations of PY 2003 funds made during PY 2003.** There was no recapture/reallotment of WIA Adult Activities funds in PY 2003.

Reallotment of DLW Funds: Reallotment of Dislocated Worker Activities formula funds, as provided for by WIA section 132(c), will be based on completed program year financial reports submitted by the locals. Reallotment of funds among locals under WIA will **occur** during PY 2004 **based on obligations made during PY 2003.** Recapture/Reallotment of WIA Dislocated Worker Activities funds for 2003 was announced in TEGL 17-03, dated February 23, 2004.

Required Action: This OETI is to become a part of your permanent records and made available to appropriate staff and subrecipients.

Inquiries: If you have any questions about this issuance, contact Jackie Younge-Gladden at 405/557-5314.

Issue Date: June 8, 2004

Effective Date: June 8, 2004

Recessions: OETI #22-2001

JYG/jyg

**Adult WIA Annual Settlement/Reallocation
Report of PY03 WIA Title I - Adult Obligated Funds
For Period Ending June 30, 2004**

WIA Name: _____

Purpose: The purpose of this document is to identify funds, if any, to be redistributed among WIA adult service providers as allowed under Section 667.160 of the WIA Regulations.

Title I – Adult Formula

- | | |
|---|----------|
| A. Total Funds Available | \$ _____ |
| B. 10% Administration | \$ _____ |
| C. Balance (90%) (Subtract Line A from Line B). | \$ _____ |
| D. 80% of Program Funds Available (Enter 80% of Line C). | \$ _____ |
| E. Total Amount of Program Funds Obligated
and/or Expended as of June 30, 2004. | \$ _____ |
| F. Funds Subject to Reallocation. (Subtract Line E from Line D
and Enter Result if a Positive Number). | \$ _____ |

Date Completed: _____

WIA Director's Signature: _____

Please send completed form by July 31, 2004 to:

Jackie Younge-Gladden
OESC, E&T Division, Rm. 5NE
Will Rogers Building
Oklahoma City, OK 73152

For purposes of completing the Annual Settlement report the term "Obligations" means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transaction during a funding period that will require payment by the recipient or subrecipient during the same or a future period." The above definition is taken from WIA regulations 660.300.

**Youth WIA Annual Settlement/Reallocation
Report of PY03 WIA Title I -Youth Obligated Funds
for period ending June 30, 2004**

WIA Name: _____

Purpose: The purpose of this document is to identify funds, if any, to be redistributed among WIA youth service providers as allowed under Section 667.160 of the WIA Regulations.

Title I – Youth Formula

- | | |
|---|----------|
| A. Total Funds Available | \$ _____ |
| B. 10% Administration | \$ _____ |
| C. Balance (90%) (Subtract Line A from Line B). | \$ _____ |
| D. 80% of Program Funds Available (Enter 80% of Line C). | \$ _____ |
| E. Total Amount of Program Funds Obligated
and/or Expended as of June 30, 2004. | \$ _____ |
| F. Funds Subject to Reallocation. (Subtract Line E from Line D
and Enter Result if a Positive Number). | \$ _____ |

Date Completed: _____

WIA Director's Signature: _____

Please send completed form by July 31, 2004 to:

Jackie Younge-Gladden
OESC E&T Division, Rm. 5NW
Will Rogers Building
Oklahoma City, OK 73152

For purposes of completing the Annual Settlement report the term "Obligations" means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transaction during a funding period that will require payment by the recipient or subrecipient during the same or a future period." The above definition is taken from WIA regulations 660.300.

**DLW WIA Annual Settlement/Reallocation
Report of PY03 WIA Title I –Dislocated Worker Obligated Funds
For period ending June 30, 2004**

WIA Name: _____

Purpose: The purpose of this document is to identify funds, if any, to be redistributed among WIA dislocated worker service providers as allowed under Section 667.160 of the WIA Regulations.

Title I – Dislocated Worker Formula

- | | |
|---|----------|
| A. Total Funds Available | \$ _____ |
| B. 10% Administration | \$ _____ |
| C. Balance (90%) (Subtract Line A from Line B). | \$ _____ |
| D. 80% of Program Funds Available (Enter 80% of Line C). | \$ _____ |
| E. Total Amount of Program Funds Obligated
and/or Expended as of June 30, 2004. | \$ _____ |
| F. Funds Subject to Reallocation. (Subtract Line E from Line D
and Enter Result if a Positive Number). | \$ _____ |

Date Completed: _____

WIA Director's Signature: _____

Please send completed form by July 31, 2004 to:

Jackie Younge-Gladden
OESC, E&T Division, Rm. 5NW
Will Rogers Building
Oklahoma City, OK 73152

For purposes of completing the Annual Settlement report the term "Obligations" means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transaction during a funding period that will require payment by the recipient or subrecipient during the same or a future period." The above definition is taken from WIA regulations 660.300.