

Oklahoma Employment Security Commission



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Representing Employees

Mary Lowe, Commissioner
DeWayne Goodman, Commissioner

Oklahoma Employment and Training Issuance #24-2000

TO: WIA Board Staff

FROM: Eddie Foreman, Director

DATE: May 17, 2000

SUBJECT: Oklahoma's Interim Final Policy on WIA Reallocation and Recapture of Funds

MESSAGE: To transmit Oklahoma's Interim Final Policy on the obligation of WIA funds. Comments must be submitted by June 16, 2000. Please send comments to me electronically using my e-mail address.

REALLOCATION AND RECAPTURE POLICY

I. PURPOSE

The purpose of the policy is to prescribe uniform procedures for the obligation of Workforce Investment Act (WIA) Title I funds by Local Workforce Investment Boards (LWIB) in order to avoid funds being recaptured and reallocated by the Employment and Training Division.

II. DEFINITIONS

- A. Obligation means the amount of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a funding period that will require payment by the recipient or subrecipient during the same or a future period.
- B. Recapture means the involuntary deobligation of funds previously allocated to a LWIB grant recipient.

III. RECAPTURE AND REALLOCATION PROCEDURES

- A. Obligation Requirements

A LWIB must obligate at least 80% of its program year allocation by June 30th of each year.

B. Funds Subject to Obligation

The funds that must be obligated are those allocated under WIA Title I for PY2000 and subsequent programs years.

C. Recapture

For the youth, adult and dislocated worker programs under WIA Title I, 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 for the 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.

D. Reallocation

To be eligible to receive WIA Title I youth, adult or dislocated worker funds under the reallocation procedures, a LWIB must have obligated at least 80 percent of the prior program 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 LWIB's eligibility to receive a reallocation must be separately determined for each funding stream.

IV. RECAPTURE AND REALLOTMENT BY THE SECRETARY OF LABOR

A. Recapture

The amount to be recaptured from each State for reallocation is based on State obligations of the funds allotted to each State under WIA sections 127 and 132 for programs serving youth, adults, or dislocated workers, less any amount reserved (up to 5 percent at the State level and up to 10 percent at the local level) for the costs of administration. This amount is separately determined for each funding stream.

B. Reallocation

The Secretary reallocates youth, adult and dislocated worker funds among eligible States in accordance with the provisions of WIA sections 127(c) and 132(c), respectively. To be eligible to receive a reallocation of youth, adult, or dislocated worker funds under the reallocation procedures, a State must have obligated at least 80 percent of the prior program year allotment, less any amount reserved for the costs of administration of youth, adult, or dislocated worker funds. A State's eligibility to receive a reallocation is separately determined for each funding stream.

V. VOLUNTARY REALLOCATIONS

A. Return of allocated funds

WIA Title I grant recipients may voluntarily return portions of their allocated funds. This voluntary return cannot occur prior to the initial allocation of any funds that are required by statutory formula.

B. Reallocation

Voluntarily returned funds will be reallocated by the Employment and Training Division based on the needs of WIA Title I clients.

ACTION: Please distribute this issuance to appropriate staff and include it as part of your permanent records.

INQUIRIES: Questions may be directed to your Planning Coordinator or Mike Clark at 405/557-5339.

MF/jyg