

Oklahoma Employment Security Commission



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Oklahoma Employment and Training Issuance #42-2000

TO: WIB Board Staff, WIA Grant Recipients/Fiscal Agents, and CLEOs

FROM: Eddie Foreman, Director

DATE: August 16, 2000

SUBJECT: WIA Grant Fund Management

PURPOSE: To respond to a number of questions relating to the fiscal roles of various local entities involved in implementing the Workforce Investment Act.

BACKGROUND: Under the Job Training Partnership Act, local elected officials and Private Industry Councils jointly designated a JTPA local grant recipient and administrative entity. In Oklahoma, each local grant recipient was also designated as the administrative entity. These local JTPA grant recipients/administrative entities staffed the PIC, provided program services, and were responsible for all program funds as determined by the PIC and local elected officials. The new Workforce Investment Act creates a potentially new landscape. For example, the Act is clear that the chief local elected official shall serve as the local WIA grant recipient.

MESSAGE: The WIA grant recipient/fiscal agent must utilize WIA funds for a variety of activities. These include fiscal agent functions; core, intensive and training services; WIA Board staff and expenses; youth services; and funding a proportionate share of the costs of the One Stop system and services. In addition to these various activities that must be funded from the adult, dislocated worker and youth grants, there is a cost limitation of 10% for administrative expenses.

This brings us to the question, "Who makes the decisions about how much of the various WIA grants are to be used for which purposes and who decides how the even more limited administrative funds will be used?"

Section 117(d)(3)(B)(i)(III) of the Workforce Investment Act says the WIA grant recipient/fiscal agent, shall “disburse such funds for workforce investment activities at the direction of the local board.” Also, Interim Final Regulation 661.300(d) states “The Local Board, **in partnership with the chief elected official**, develops the local workforce investment plan and performs the functions described in WIA section 117(d).” Accordingly, the answer to the question of who makes decisions about the appropriate uses of the WIA grant funds and who gets how much is the WIA Board, in partnership with the CLEO.

While the CLEO appointed the various members of the WIA Board, the majority of members represent businesses. It should not be a surprise that occasionally business leaders view program-funding decisions differently than local elected officials. We believe Congress anticipated a continuing dialogue between the WIA Boards and the CLEOs concerning these issues. Section 661.120(b), indicates that “State Boards should establish policies, interpretations, guidelines and definitions to implement provision of title I of WIA to the extent that such policies, interpretations, guidelines and definitions are not inconsistent with the Act and regulations.”

Rather than have the State address what happens in workforce investment areas, we suggest the opportunity presented in Interim Final Regulation 661.300 (c) which indicates that the Local Board and the CLEO can enter into an agreement that describes the respective roles and responsibilities of the concerned parties. Establishing a common understanding for “how you will do business” will move the Board and CLEO forward on key critical issues affecting your communities’ future.

ACTION: Board Staff, please distribute this issuance to appropriate members and include it as part of your permanent records.

INQUIRIES: WIA Boards and/or CLEOs should submit any questions or issues to Eddie Foreman for response and/or action.

LC/EF/jyg