

GLOW WORKFORCE INVESTMENT BOARD POLICY

NAME OF POLICY: **GLOW WIB Workforce Investment Area Reallocation Policy**

APPROVAL DATE: **1/16/01**

AMENDED: **10/18/01, 10/25/05, 5/08**

Purpose:

Per Workforce Development System Technical Advisory #07-10 the NYS Department of Labor implemented a policy effective July1, 2007 for the recapture of unexpended WIA Formula funds that are in excess of thirty percent (30%) of available formula funds at the end of each program year. At least 70% of the GLOW WIA Title IB Adult, Dislocated Worker, and Youth category funds must be accrued by June 30th of the Program Year or those funds will be taken back by State DOL. (Statewide Activities funds, Supplemental Dislocated Worker funds and Rapid Response funds are not included in the State reallocation calculation, since these funds have their own date specific lapse dates.)

Policy:

ALL Program Providers for GLOW WIA Title IB Adult, Dislocated Worker, and Youth category funds will be subject to fiscal review and monitoring by the GLOW WIB, New York state DOL and Fiscal Agent, to ascertain if program spending levels will achieve the seventy percent (70%) expenditure rate by June 30th of the Program Year. Inter-county Reallocation will be necessary if it is determined, based on the process below, that the Program Provider will not meet the 70% benchmark.

Process:

In order to track accrued funds, ALL Program Providers will provide Monthly Financial Reports to the Fiscal Agent. Additionally, the Fiscal Agent will conduct a Quarterly Monitor of each Program Provider based on the schedule below.

<u>Timetable</u>		<u>Benchmark of Accrued Expenses</u>
Period 7/1 - 9/30	Due 10/31	Required Accrued 18%
Period 10/1 – 12/31	Due 1/31	Required Accrued 35%
Period 1/1 – 3/31	Due 4/30	Required Accrued 53%
Period 3/1 - 6/30	Due 9/30	Required Accrued 70%

A. Quarterly Monitor Process:

The Fiscal Agent will complete a Quarterly Monitoring Summary, submitting copies to the WIB Manager, GLOW Program Providers and the Finance Committee by the due date listed for each quarter under Timetable. Based on the results, the Fiscal Agent in consultation with the GLOW WIB manager will determine if formal Corrective Action is necessary.

1. Corrective Action for Failing a Benchmark:

a. When Corrective Action is required-the following steps will be taken:

- I* The Fiscal Agent will notify the Program provider that the benchmark has not been met.
- II* The program provider will be required to provide a corrective action plan indicating how it will spend down their allocation to meet the benchmarks.
- III* The plan will be reviewed by the Fiscal Agent and WIB Manager and if approved the plan will be sent to the Finance Committee and the Program Evaluation and

Oversight Committee. If not approved, the Fiscal Agent and GLOW WIB staff will provide Technical Assistance to the provider to assist them in producing an acceptable corrective action plan.

b.—The Program Evaluation and Oversight Committee will oversee the Program Provider(s) implementation of their Corrective Action Plan to determine if they adequately resolved each action listed in the Plan. The Program Evaluation and Oversight Committee will report back to the GLOW WIB on the status and compliance with the Corrective Action Plan.

2. Automatic Reallocation

a. Failure of a WIA Title IB Adult or Dislocated Worker Program Provider to achieve the benchmark for the same funding source in three of four quarters for the same Program Year will trigger an automatic reallocation. This automatic reallocation will occur following the quarter that represents the third time in the Program Year that the same funding source benchmark was missed. The reallocation funding will be transferred to the Program Provider(s) that have achieved their quarterly benchmark and can utilize the additional funds.

Note: If the WIA Title IB Adult or Dislocated Worker Program Provider fails the same benchmark for the third time after the third quarter, the Program Provider may submit a summary of the training commitments already made for the fourth quarter and this amount will be deducted from the amount identified for automatic reallocation.

b. The reallocation of funds will occur based on the original allocation formula for the WIA Title IB Adult and/or Dislocated Worker funding source. See Attachment A.

c. If a Program Provider does not wish to receive the total amount of funds they are being offered under the reallocation, they can refuse all or a portion of the funding. The remaining portion of the reallocation funding would then be allocated to the remaining Program Providers qualifying for reallocation based on the original allocation formula for the funding source.

d. Exception - If no Program Provider requests the additional funding it will remain with the original Program Provider, but a corrective action plan will be implemented to address the under-performance i.e. failing the benchmark.

B. Voluntary Reallocation

A Program Provider may voluntarily reallocate WIA funding to other Program Providers.

ATTACHMENT A

FORMULA FOR REALLOCATION:

1. The reallocation of funds will occur based on the original Program Year allocation formula for the funding source. The qualifying Program Providers will receive their corresponding % adjusted in terms of 100% of the funding available.

Example:

The third time the benchmark was failed by Program Provider A was after the Fourth Quarter Monitor. The difference between the actual accrued expenditures and the 70% fourth quarter benchmark was \$15,000, therefore \$15,000 will be reallocated to Program Provider B and Program Provider C who both met the fourth quarter benchmark and requested the additional funding.

If Program Provider B received 24% of the original allocation and Program Provider C received 26%, the following calculation will be used for reallocation.

	<u>Alloc %</u>		<u>(b.)Factor</u>	<u>Reallocation %</u>	<u>Reallocation Portion\$</u>
<u>Provider B</u>	24%	x	2	= 48% X \$15,000 =	\$7,200
<u>Provider C</u>	26%	x	2	= 52% X \$15,000 =	\$7,800
Total (a.)	50%			100%	\$15,000

Factor Formula: (b.) = 100% / (a.)
(b.) = 100% / 50% = 2