

## State of Florida Waiver Request Workforce Innovation and Opportunity Act (WIOA) Recapture and Reallocation of Funds Among Local Areas

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### Statutory and/or Regulatory Requirements to be Waived

The State of Florida (State) is requesting a renewal of the waiver from the provisions of WIOA Sections 128(c)(3) and 133(c) regarding reallocation of funds among local workforce development areas (local areas). This waiver will provide flexibility to the Florida Department of Commerce (FloridaCommerce) in recapturing and reallocating WIOA funds among local areas.

### Actions the State Has Undertaken to Remove State or Local Barriers

There are no state, local, statutory, or regulatory barriers to implementing the requested waiver.

In the 2021 Legislative Session, through the passage of the Reimagining Education and Career Help (REACH) Act (House Bill 1507), the Florida Legislature adopted amendments to Chapter 445, Florida Statutes (F.S.). One key change introduced by the REACH Act was the creation of section 445.006(4), F.S., which authorizes FloridaCommerce to prepare a waiver to the U.S. Department of Labor that allows the Governor to reallocate funds among local areas that have a demonstrated need for additional funding and programmatic outcomes that will maximize the use of the additional funds to serve low-income individuals, public assistance recipients, dislocated workers, and unemployment insurance claimants (referred to as Reemployment Assistance claimants in Florida).

### Strategic Goals of the Waiver

FloridaCommerce requests to continue this waiver to support the State's goal of ensuring that funds are effectively managed and used for maximum service provision and program performance. Approval of this waiver will allow FloridaCommerce to continue meeting the following strategic goals:

1. Utilize a methodology established for recapturing funds from local areas that considers factors in addition to the obligations that meet the definition in 2 Code of Federal Regulations (CFR) 200.1, such as:
  - a. Funds that have been earmarked for anticipated Individual Training Account (ITA) expenditures; and
  - b. Funds that local workforce development boards (LWDBs) must retain for training services provided through ITAs where successful job placement triggers the final payment to training providers of at least 10 percent<sup>1</sup>.
2. Make determinations to recapture funds by considering when one or more of the following circumstances may warrant an exception to FloridaCommerce's determination to recapture funds:
  - a. The LWDB was impacted by a natural disaster or other emergency that resulted in a reduced demand for workforce services;
  - b. The LWDB received non-WIOA funds that impacted the utilization of WIOA formula funds;
  - c. There were significant issues that impacted the local economy; or

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<sup>1</sup> Section 445.009(8)(e)

- d. The LWDB was a direct provider of workforce services and, therefore, was unable to meet obligation requirements due to a lack of contractual obligations.
3. Redistribute recaptured funds based on the reallocation procedures established in 20 CFR 683.140, as well as factors established by FloridaCommerce, to ensure funds are reallocated to local areas with the greatest need. FloridaCommerce will determine the amounts to be redistributed to local areas based on factors such as:
  - a. Requested amount;
  - b. Demonstrated need for and ability to use additional funds to serve low-income individuals, public assistance recipients, dislocated workers, and Reemployment Assistance claimants;
  - c. Demonstrated capacity to expend the formula funds; and
  - d. Performance in the current and prior program year.
4. Facilitate maximum expenditure of recaptured federal funds. FloridaCommerce seeks to redistribute WIOA funds to local areas that have achieved not only targeted obligation and expenditure levels, but also established performance targets.

#### **Alignment with U.S. Department of Labor/Employment and Training Administration Policy Priorities**

WIOA focuses on serving individuals with barriers to employment and seeks to ensure access to quality services for these populations. This waiver request aligns with this focus by ensuring the State has an effective mechanism for recapturing and reallocating funds to local areas most in need for the specific purpose of serving low-income individuals, public assistance recipients, dislocated workers, and Reemployment Assistance claimants.

#### **Projected Programmatic Outcomes Resulting from Implementation of the Waiver**

The State expects to continue to achieve the following goals and programmatic outcomes as a result of this waiver:

1. Ensure the State continues to have an effective methodology for recapturing and reallocating funds;
2. Ensure funds will be more effectively and efficiently managed for maximum service provision and program performance; and
3. Enhance the quality of services in those local areas that have demonstrated consistent performance outcomes.

Continued approval of this waiver will provide the opportunity for recaptured funds to be redistributed to local areas where the greatest potential impact may be realized. Further, it will grant the State the flexibility to consider extenuating circumstances faced by LWDBs that may impact the recapture or reallocation of funds.

If FloridaCommerce applied the federal requirements for reallocating WIOA funds for PY 2022 of the 24 local boards:

1. Adult funds would have been recaptured from no local boards.
  - a. 18 of the 24 local boards serve as direct providers of workforce services.
  - b. 24 local boards would be eligible to be reallocated Adult funds.
2. Dislocated worker (DW) funds would have been recaptured from three local boards.

- a. 18 of the 24 local boards serve as direct providers of workforce services.
- b. 21 local boards would be eligible to be reallocated DW funds.
3. Youth funds would have been recaptured from one of the 24 local boards.
  - a. 11 of the 24 local boards serve as direct providers of workforce services.
  - b. 23 local boards would be eligible to be reallocated Youth funds.

### **Description of Individuals, Groups, or Populations Impacted by the Waiver**

1. Low-income individuals
2. Public assistance recipients
3. Dislocated workers
4. Reemployment Assistance claimants

### **The Process to Monitor the Waived Activities and Collect Waiver Outcome Information**

FloridaCommerce will monitor progress under this waiver by monitoring the obligation and expenditure levels of LWDBs no less than monthly, providing technical assistance to LWDBs with obligations and expenditures that are trending low, hosting regularly scheduled calls with LWDB executive directors, and using FloridaCommerce's monitoring and performance accountability system. FloridaCommerce will continue to report waiver outcomes in the State's WIOA Annual Report.

### **Most Recent Data Available Regarding the Results and Outcomes Observed Through the Implementation of the Existing Waiver**

Since the waiver was approved on December 6, 2022, it has provided the State with the flexibility to redistribute recaptured funds to local areas if the State determines the greatest potential may be realized, thus ensuring more effective and more efficient use of federal funds. The State has not yet exercised the provisions of this waiver; however, will continue to apply this strategy, when needed, and monitor outcomes.

### **Opportunity for Local Workforce Development Board and Public Comment on the Waiver**

Workforce development stakeholders, including LWDBs, businesses, and Chief Local Elected Officials, were notified of the State's waiver request through an email alert and post on CareerSource Florida's website. This included instructions on how to submit comments. In addition, both the public and stakeholders had access to the waiver request on CareerSource Florida's website, CareerSourceFlorida.com, in the WIOA combined plan. The public comment period was open for 30 calendar days; no comments were received.