



**POLICY
NUMBER
P104**

Workforce Policy

Title:	Sanctions for Local Workforce Development Boards' Failure to Meet Federal and State Standards
Policy Type:	Programmatic
Program:	Workforce Innovation and Opportunity Act
Adopted:	02/20/2020

I. PURPOSE AND SCOPE

This policy informs Local Workforce Development Boards (LWDBs) utilizing Workforce Innovation and Opportunity Act (WIOA) Title I and other funds authorized by the State Workforce Development Board (CareerSource Florida) about potential sanctions and remedies that may be imposed for failing to meet performance measures or violating federal and state laws, regulations, standards, or the terms of the agreements between LWDBs and the Florida Department of Commerce (FloridaCommerce).

II. KEY PROGRAM OBJECTIVES

- Increase awareness and develop training, as needed for Chief Local Elected Officials (CLEOs), local workforce development board members, leadership, and staff of local workforce development boards and career centers about board responsibilities and potential sanctions and remedies for failing to meet performance measures or violating federal and state laws, regulations, standards, or the terms of agreements between LWDBs and FloridaCommerce.
- Employ sound management practices and controls for the proper expenditure of funds passed to LWDBs and administered through FloridaCommerce.
- Develop strategies and policies to meet performance indicators and avoid potential repercussions in the form of sanctions.

III. MEASURABLE PERFORMANCE OUTCOMES

- A. Verification that CLEOs, Board Chairs, LWDB members, and career center staff are provided with information on CareerSource Florida's policies and strategies, on funding provided to the LWDB, and on LWDB performance outcomes.
- B. Verification that staff and career centers are provided information and training applicable to their job duties, including on federal and state guidance and strategic and administrative policies.

- C. LWDBs shall implement clear processes to locally monitor and ensure proper use and expenditure of funds.
- D. LWDB staff shall identify needs, implement training, and attend policy-related training conducted by CareerSource Florida and/or FloridaCommerce as necessary.
- E. LWDBs shall develop and implement policies and strategies to meet performance indicators to avoid potential sanctions.

IV. BACKGROUND

WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA, Section 116, Performance Accountability System describes performance accountability measures that apply across the WIOA core programs in achieving positive outcomes for individuals served by those programs.

Training and Employment Guidance Letter No. 11-19, Change 1 was issued May 10, 2023. Through this updated guidance, the U.S. Departments of Labor and Education:

- Revised their approach to using the statistical adjustment model for the purpose of assessing state performance.
- Clarified the implementation of potential financial sanctions for consecutive performance failures occurring across multiple State Plan periods; and
- Clarified that states can be sanctioned up to 10 percent of the Governor's Reserve Allotment if there is consecutive performance failure and a failure to report for the same program year.

This guidance also continues to delineate the process for negotiating levels of performance, as required by section 116(b)(3)(A)(iv) of WIOA and explains the two instances in which a state may be sanctioned, namely for performance failure or failure to report (Sec. 116(f) of WIOA).

CareerSource Florida seeks to ensure that all LWDBs, as subrecipients of authorized funds administered by FloridaCommerce to the LWDBs, are accountable for failing to correct identified performance, programmatic, and financial deficiencies. Correcting deficiencies maintains credibility in program administration, reduces risk of compliance findings, and reduces the potential for recapture and reobligation of funds by FloridaCommerce, the United States Department of Labor (USDOL) or other federal or state entities.

To reduce performance, programmatic, or financial deficiencies, and to increase programmatic integrity at the local level, any subrecipient not meeting the regulatory or statutory standards shall be subject to specific conditions, remedies, and sanctions consistent with applicable federal laws, regulations, and guidance.

V. POLICY AND PROCEDURES

The CareerSource Florida Board of Directors seeks to ensure all LWDBs maintain credibility and accountability for meeting performance, programmatic and financial requirements. Any LWDB not meeting the regulatory or statutory standards shall be subject to specific conditions and sanctions consistent with applicable federal laws, regulations, and guidance.

A. Deficiencies

In the following circumstances, corrective actions may be imposed on LWDBs:

1. Failure by the LWDB to execute a Grantee-Subgrantee Agreement between FloridaCommerce and the LWDB within the timeframe prescribed by FloridaCommerce).
2. Failure by the LWDB's board members, staff, fiscal agent, or administrative entity to appropriately oversee the delivery of services and ensure the effective and efficient use of funds.
3. Failure to:
 - a. Carry out the required functions of a LWDB as set forth in WIOA sec. 107(d).
 - b. Achieve certification.
 - c. Meet the adjusted levels of performance as set forth in WIOA sec. 116.
 - d. Sustain program and fiscal integrity.
 - e. Properly use federal or state funds resulting in disallowed costs.
 - f. Act in a manner necessary to prevent waste, fraud, or abuse of federal or state funds.
 - g. Submit timely and accurate required financial and performance reports.
 - h. Take corrective actions to resolve findings of non-compliance identified during programmatic, fiscal, or investigative monitoring or audit reviews conducted by the USDOL, FloridaCommerce or other legally authorized entity.
 - i. Resolve or address sanctions within the timeframe determined by the authorized monitoring or reviewing authority.
 - j. Resolve or address all independent audit findings or questioned costs.
 - k. Submit required annual Single Audits or financial statement audits.
 - l. Comply with administrative and service contract requirements.
 - m. Retain and produce required service delivery, program participant and/or financial records.
 - n. Address and resolve reported threats to health and safety of program participants or staff, which may include investigating complaints, taking appropriate corrective actions, or making referrals to the appropriate authorities.

B. Actions

The CareerSource Florida Board of Directors and FloridaCommerce may impose the following actions in response to deficiencies noted in Section A, above.

1. **Corrective Notice** – FloridaCommerce will at a minimum provide notice to the CLEO and the Board Chair that corrective action to secure prompt compliance is required. The notice may include additional performance, programmatic, or financial reviews, or additional technical assistance activities. The notice will include a timeline for required implementation and provide the opportunity for the LWDB to resolve any deficiencies.
2. **Specific Conditions** – Failure by the LWDB to fully resolve the deficiencies stated in the corrective notice may result in:
 - a. Placing the LWDB on cost-reimbursement status.
 - b. Requiring invoices and supporting documentation to be submitted to justify and support expenditures prior to approving future draw requests.
 - c. Establishing additional prior approval as deemed necessary by FloridaCommerce.
 - d. Any additional action which the Governor, CareerSource Florida Board of Directors, or FloridaCommerce may determine as effective or necessary to correct the deficiency.
 - e. Full fiscal review of expenditures related to funds passed to the LWDB through FloridaCommerce.
 - f. Full programmatic review of participant eligibility and compliance with federal and state laws, regulations, and guidance.
 - g. Recapture and reallocation of funds.

3. **Sanctions** – Failure by the LWDB to fully resolve the deficiencies stated in the corrective notice or failure to fulfill the specific conditions placed on the LWDB may result in:
 - a. Disallowing all or part of the cost or activity determined to be in non-compliance.
 - b. Temporarily withholding reimbursement.
 - c. Reduce infrastructure funding allotment.
 - d. Reduction or otherwise adjustment of the LWDB's funding (by disqualification from distributions of incentive monies, reallocated formula funding and/or state-level reserve funds).
 - e. Suspension or termination, in whole or in part, of the federal or state award.
4. Failure by the LWDB to fully cure the deficiencies stated in the corrective notice or failure to fulfill the specific conditions or sanctions placed on the LWDB may result in:
 - a. Issuance of a notice of intent to revoke approval of all or part of the local plan affected.
 - b. Imposing a reorganization plan which may include:
 - i. Decertifying the LWDB and requiring that a new board be appointed and certified for the local area.
 - ii. Prohibiting the use of eligible providers and one-stop partners.
 - iii. Selecting an alternative entity as defined in WIOA Section 107 to administer the program for the local area involved.
 - iv. Merging the local area into one or more other local areas, after consultation with CLEO(s) in the local area; or
 - v. Making such other changes necessary to secure compliance.
 - c. Initiation of suspension or debarment proceedings.
 - d. Any other penalty or action deemed appropriate by the Governor, CareerSource Florida, or FloridaCommerce.

C. Appeal Processes

A local area that has been found in substantial violation of WIOA and has received notification that either all or part of the local plan will be revoked or that a reorganization will occur may appeal such sanctions to the Secretary of Labor, USDOL under 20 CFR 683.650. The appeal must be filed no later than 30 days after receipt of written notification of the revoked plan or imposed reorganization. A copy of the appeal must be simultaneously provided to the CareerSource Florida Board of Directors and the Governor. The sanctions do not become effective until the time for appeal has expired or USDOL has issued a decision. USDOL will notify the Governor and the appellant in writing of the Secretary's decision within 45 days after receipt of the appeal.

A local area that has failed to meet local performance indicators for three consecutive program years and has received the Governor's notice of intent to impose a reorganization plan may appeal to the Governor to rescind or revise such plan no later than 30 days after receiving written notice of the reorganization plan. The Governor must make a final decision within 30 days after receipt of the appeal. The local area may appeal the final decision of the Governor to USDOL under 20 CFR 677.225 no later than 30 days after receiving the Governor's final decision. Any appeal of the Governor's final decision must be appealed jointly by the LWDB and the Chief Elected Official. USDOL will make its final decision within 30 days after receipt of the appeal. The decision by the Governor on the appeal becomes effective at the time it is issued and remains effective unless USDOL rescinds or revises the reorganization plan.

VI. AUTHORITY

[Public Law 113-128, Workforce Innovation and Opportunity Act, Sections 107, 116, 124, 184](#)

[20 Code of Federal Regulations \(CFR\) Parts 677.220 and 225; 683.650; 683.720](#)

[2 CFR Parts 200.207; 200.338](#)

[Training and Employment Guidance Letter 11-19, Change 1 – Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act \(WIOA\) Core Programs](#)

[Sections 445.004 and 445.007](#), Florida Statutes.

VII. REVISION HISTORY

Date	Description
09/11/2024	Updated to reflect changes in law and Workforce System Transformation recommended by the CareerSource Florida Board of Directors and approved by the Governor.
02/20/2020	Approved by CareerSource Florida Board of Directors.
02/20/2020	Issued by Florida Department of Commerce. This administrative policy supersedes and replaces AWI FG 00-014, Workforce Investment Act Sanction Process, issued on 10/04/2000.