



2002.01.09.A.3

Strategic Policy

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| Title: | Revision to Recapture and Reallocation of Workforce Innovation and Opportunity Act Funds |
| Adopted: | 01/9/2002 |
| Effective: | 01/9/2002 |

I. PURPOSE AND SCOPE

This policy requires an annual review of Public Law 113-128, the Workforce Innovation and Opportunity Act (2014) (WIOA) funding obligations for all local workforce development boards within the CareerSource Florida network. The annual review will determine if obligated balances at the state level meet the requirements of the federal WIOA grant and ensure that local workforce development boards' obligations of WIOA funds are sufficient to enable the federal WIOA grant to be most effective statewide.

WIOA funds have a three-year life, but local formula allocations must be expended by local workforce development boards within two years. WIOA funds shall be spent efficiently and effectively. Balances remaining after two years revert to the Florida Department of Economic Opportunity (DEO) for reallocation to eligible local areas for expenditure during the third year.

This periodic review and recommended obligation rates for the WIOA-Adult, WIOA-Youth and WIOA-Dislocated Worker programs are administered by DEO pursuant to Chapter 445.004(5)(b), Florida Statutes and the Florida WIOA State Plan.

If DEO determines the state is at risk of not meeting required obligation levels, WIOA funds may be recaptured from local workforce development boards with obligation levels below the threshold and reallocated to local workforce development boards that have met the threshold

for obligations. The state has discretion in recapturing and reallocating funds to meet the requirements of the Florida WIOA State Plan. The recapture and reallocation of funds is not mandatory.

This policy applies to all WIOA funds allocated to all local workforce development boards within the CareerSource Florida network.

II. BACKGROUND

Public Law 113-128, WIOA was signed into law on July 22, 2014. 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 Sections 128(c)(3) and 133(c) describe the reallocation of funds among local areas.

In 2021 the Florida Legislature passed, and the Governor signed into law, the Reimagining Education and Career Help (REACH) Act. The REACH Act addresses the evolving needs of Florida's economy by increasing the level of collaboration and cooperation among state businesses and education communities while improving training within and access to a more integrated workforce and education system for all Floridians.

On December 9, 2021, the CareerSource Florida Board of Directors approved Strategic Policy 2002.01.09.A.3 – Comprehensive Employment, Education and Training directing local workforce development boards to implement strategies that prioritize employment, emphasize education and training, and ensure local workforce development boards are responsive to Florida employers' demand for qualified workforce talent. These strategies shall be written and placed in each local workforce development board's four-year plan and reflected in the local workforce development board operating policies. The policies and procedures of this strategic policy align with the goals of WIOA, Code of Federal Regulations, the Comprehensive Employment, Education and Training policy and the REACH Act.

III. POLICY AND PROCEDURES

WIOA focuses on serving individuals with barriers to employment and seeks to ensure access to quality services for these populations. This policy aligns with that focus by ensuring the state has an effective mechanism for recapturing and reallocating funds to local workforce development areas most in need of resources for the specific purpose of serving low-income individuals, public assistance recipients, dislocated workers and reemployment assistance claimants.

Local workforce development boards must obligate at least 80 percent of each program year's youth, adult and dislocated worker formula grant program funds allocated to the local area to avoid having unobligated funds recaptured. Incentive grants, National Reserve

Account grants, and WIOA Governor's Set Aside projects are not included in the obligation calculation.

In accordance with 20 CFR 683.140(b), if DEO makes a recommendation and the Governor and state workforce development board approve the reallocation of WIOA funds, the amount to be recaptured from each local workforce development board 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 than any amount reserved for the costs of administration up to 10 percent.

To provide guidance on the recapture and reallocation of WIOA funds, DEO will:

1. Establish a methodology for recapturing funds on an annual basis from local workforce development areas that considers factors in addition to the obligations that meet the definition in 2 Code of Federal Regulations (CFR) 200.71.
2. Make determinations to recapture funds by considering what circumstances warrant an exception to DEO's determination to recapture funds.
3. Redistribute recaptured funds based on the reallocation procedures established in 20 CFR 683.140, as well as factors established by DEO, to ensure funds are reallocated to local workforce development areas with the greatest need. DEO will determine the amounts to be redistributed to local workforce development areas based on specific factors.
4. Facilitate maximum expenditure of recaptured federal funds. DEO seeks to redistribute WIOA funds to local workforce development areas that have achieved not only targeted obligation and expenditure levels, but also are meeting established performance targets.

DEO will track implementation of this policy by monitoring the obligation and expenditure levels of local workforce development boards no less than monthly, providing technical assistance to local workforce development boards with obligations and expenditures that are trending low, hosting regularly scheduled calls with local workforce development boards' executive directors, and using DEO's monitoring and performance accountability system.

DEO will report the most recent outcomes in data available for the state's WIOA Annual Report.

IV. AUTHORITY

[Public Law 113-128, Workforce Innovation and Opportunity Act \(2014\), Section 128\(c\)\(3\) and Section 133\(c\)](#)

[Public Law 113 – 128, Workforce Innovation and Opportunity Act \(2014\), Section 198\(i\)\(3\)\(B\)](#)

[2 Code of Federal Regulations, 200.1](#)

[20 Code of Federal Regulations 683.140](#)

[Chapter 445.006\(4\)\(b\), Florida Statutes](#)

[Section 445.007, Florida Statutes](#)

[CareerSource Florida Strategic Policy – 2002.01.09.A.3 Comprehensive Employment, Education and Training](#)

[CareerSource Florida Administrative Policy – 008 – Deobligation and Reallocation of Workforce Innovation and Opportunity Act Funds](#)

[Reimagining Education and Career Help \(REACH\) Act](#)

V. HISTORY

| Date | Description |
|------------|--|
| 06/07/2023 | Replaces Strategic Policy 2002.01.09.A.3 Deobligation and Reallocation of Workforce Innovation and Opportunity Act Funds; Updates policy to reflect requirements of Chapter 445.006(4)(b), Florida Statutes and CareerSource Florida Strategic Policy 2021.12.09.A.1 Comprehensive Employment, Education and Training, and implementation of the 2021 Reimagining Education and Career Help Act. |
| 05/17/2017 | Revised copy in plain language; changed references to Workforce Investment Act to Workforce Innovation and Opportunity Act; changed references to Workforce Florida, Inc., to CareerSource Florida, Inc.; changed references to regions to local workforce development boards; and consolidated sections to align more closely with Department of Economic Opportunity administrative policies. |
| | Supersedes Policies 2000.12.13.A.1 and 2001.01.18.A.3B |
| | <u>PDI WDCP 00-008</u> |

VI. ATTACHMENTS

[Recapture and Reallocation of WIOA Funds Waiver Request Dated September 15, 2022](#)

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

U.S. Department of Labor, Employment and Training Administration Response Letter
Dated December 6, 2022