CareerSource FLORIDA

Workforce Policy

POLICY NUMBER G104

Title:	Sanctions and Other Corrective Action for Local Workforce Development Boards
Policy Type:	Programmatic
Program:	Workforce Innovation and Opportunity Act
Adopted:	02/20/2020 — **Revised:** 08/27/2026

I. PURPOSE AND SCOPE

The Workforce Innovation and Opportunity Act (WIOA), Section 116, establishes performance accountability requirements for core programs that support employment and training outcomes. Training and Employment Guidance Letter No. 11-19, Change 2,[1] issued by the U.S. Departments of Labor and Education, updates how state performance is evaluated and clarifies that states may lose up to 10% of the Governor's Reserve funds for repeated failure or non-reporting of results. CareerSource Florida requires Local Workforce Development Boards (LWDBs) to promptly address performance, programmatic, or financial deficiencies to protect funding and avoid penalties.

LWDBs play a critical role in advancing the strategic and operational goals of the Governor and the State Workforce Development Board (SWDB) for Florida's Workforce Development System. The CareerSource Florida Board of Directors, acting as the SWDB, issues policy and guidance aligned with federal and state laws and its strategic priorities to ensure LWDBs, service providers, and career centers deliver services effectively and efficiently. This policy informs LWDBs utilizing WIOA Title I and other funds authorized by the SWDB about potential consequences, including sanctions and remedies, for failing to meet performance measures or violating applicable laws, regulations, standards, or agreement terms with the Florida Department of Commerce (FloridaCommerce).

II. KEY OBJECTIVES

1. Increase awareness and develop training, as needed for Chief Local Elected Officials (CLEOs), LWDB members, leadership, and staff of LWDBs 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

[1] Training and Employment Guidance Letter No. 11-19, Change 2

agreements between LWDBs and FloridaCommerce.

2. Employ sound management practices and controls for the proper expenditure of funds passed to LWDBs and administered through FloridaCommerce.
3. Develop strategies, procedures, and policies to meet or exceed identified state and federal performance standards in alignment with state goals and objectives.

III. 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. CLEOs and LWDBs have access to a data dashboard and receive quarterly updates and annual notifications on whether they meet federal performance accountability measures and state-issued letter grades. FloridaCommerce and CareerSource Florida may use any level of intervention warranted by the severity, duration, or risk of the deficiency. When appropriate, the response should progress as follows:

- **Technical Assistance and Early Intervention:** Governed by Workforce Policy G103, these actions may be provided when performance concerns, compliance concerns, data issues, or operational risks are identified and are intended to help resolve emerging concerns before formal corrective action is required.
- **Corrective Action Notice:** Issued when a deficiency requires formal correction, LWDBs will generally be given a reasonable opportunity to correct the deficiency before sanctions are imposed unless immediate action is necessary to protect public funds, participants, program integrity, or compliance with law.
- **Corrective Actions Including: Specific Conditions, Turnaround Plan, Sanctions or Reorganization:** Consistent with guidance in Section III-B of this policy.

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. Sustain program and fiscal integrity.
   d. Properly use federal or state funds resulting in disallowed costs.
   e. Act in a manner necessary to prevent waste, fraud, or abuse of federal or state funds.
   f. Submit timely and accurate required financial and performance reports, including annual Single Audits or financial statement audits.
   g. Meet the agreed-upon ITA expenditure requirement under section 445.003(3), Florida Statutes (F.S.).
   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 performance improvement plans, notices of deficiencies, or corrective action requirements within the timeframe determined by the authorized monitoring or reviewing authority.
   j. Resolve or address all independent audit findings or questioned costs.

k. Comply with administrative and service contract requirements.
l. Retain and produce required service delivery, program participant, and/or financial records.
m. 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.
n. Meet performance requirements, including:
    i. Two or more years of failing to meet adjusted local levels of performance consistent with WIOA sec. 116 and TEGL 11-19, Change 2[2] as measured through two consecutive years of a failure of an LWDB to meet the 90% target for an overall program score or an overall indicator score; or
    ii. Two consecutive years with an annual letter grade of F under the criteria established pursuant to s. 14.36, Florida Statutes.[3]
    iii. Three consecutive years with a score below 50% for the veterans and individuals receiving public assistance subgroup populations, under the criteria established pursuant to s. 14.36, Florida Statutes.[4]

B. Actions

FloridaCommerce will at a minimum provide notice to the CLEO, the executive director, board chair, and/or the designated person responsible for operational and administrative functions of the board of the need for a Turnaround Plan or corrective action to secure prompt compliance. 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."

The CareerSource Florida Board of Directors and FloridaCommerce may impose the following actions in response to identified deficiencies:

1. **Specific Conditions** – FloridaCommerce may impose specific conditions when an LWDB presents elevated risk or fails to make sufficient progress under a Corrective Action Notice. Specific conditions may be imposed consistent with 2 CFR 200.208 and may include additional reporting, additional monitoring, technical or management assistance, prior approval requirements, reimbursement-only payments, restrictions on drawdowns or expenditures, withholding authority to proceed to a project phase, or other conditions allowed by federal or state law.

    The written notice imposing specific conditions must identify the condition, the reason for the condition, the action needed to remove the condition, the timeframe for compliance, and the method for requesting reconsideration, when applicable.

2. **Turnaround Plan:** CareerSource Florida and FloridaCommerce will examine LWDB performance on each of the criteria developed under s. 14.36(3)(h) for various subgroups served, including, but not limited to, veterans, individuals on public assistance as defined in s. 414.0252(10), and businesses. LWDBs with two consecutive years of failure to meet the 90% target for an adjusted overall program score or an overall indicator score and two consecutive state-issued LWDB annual Letter Grades of a D or one annual letter grade of an F, including data isolated for the veteran or individuals receiving public assistance subgroups, will be required to submit an LWDB Turnaround

[2] Training and Employment Guidance Letter No. 11-19, Change 2
[3] Letter grade methodology described at https://analytics.careersourceflorida.com/LetterGrades/Methodolog[3]y
[4] When evaluating subgroup performance, cohort size will be considered to ensure statistical validity and fairness in the assessment process

Plan to the SWDB for review and approval. An LWDB that fails to submit a timely Turnaround Plan or completes a Turnaround Plan cycle and does not improve to a grade of "C" or higher is subject to corrective action, including, but not limited to, removal of board members and executive directors under s. 445.007(2)(b) and possible board decertification under WIOA s. 107(c)(3).

a. LWDB Turnaround Requirements: After notification, the LWDB will have 6 months to develop and submit this plan, which must be data-based and designed to create the conditions to improve the LWDB's performance during a two-year implementation period. FloridaCommerce shall apply intensive monitoring until the plan's closure. Requirements for LWDB Turnaround include:

    i. If cause exists under s. 445.007(2), F.S., the removal of the current LWDB Chair.
    ii. The results of a review of the performance of the executive director and/or the designated person responsible for operational and administrative functions of the board and a plan based on that review for the improvement of leadership performance designed to support LWDB improvement in administrative function of the board.

b. The development of a professional development plan that provides ongoing, targeted support to increased performance by staff and leaders.
c. The results from a review of practices in hiring, recruitment, retention, and reassignment of staff supporting the identified population and the associated actions identified for improvements in this area.
d. A description of local, data-based monitoring efforts, aligned to SWDB standards, that will be enacted to support improvement in the identified area(s).
e. A description of the review and update of any applicable local policies or operating procedures and how these will be updated to improve alignment and performance with the identified subgroup, if applicable; and
f. A description of how plan implementation will be documented and tracked.

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 one or more of the following sanctions, as appropriate and consistent with applicable law:

    a. Disallowing all or part of the cost or activity determined to be non-compliant.
    b. Temporarily withholding reimbursement.
    c. 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).
    d. Suspension or termination, in whole or in part, of the federal or state award.
    e. Issuance of a notice of intent to revoke approval of all or part of the local plan affected.
    f. 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 identified as achieving a poor level of performance; or
        iii. Taking such other significant actions as the Governor determines appropriate, which may include:
            - Selecting an alternative entity as defined in WIOA Section 107 to administer the program for the local area involved.
            - Merging the local area into one or more other local areas,

after consultation with CLEO(s) in the local areas; or
  - Making such other changes necessary to secure compliance.

g. Initiation of suspension or debarment proceedings.
h. Any other penalty or action deemed appropriate by the Governor, SWDB, 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[5] 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 receiving 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.

IV. IMPLEMENTATION

LWDBs must establish and maintain Local Operating Procedures (LOPs) that ensure all staff understand performance accountability requirements, including those outlined in TEGL No. 11-19, Change 2, 20 CFR 677.220, and 20 CFR 683.720. LOPs should outline the processes the LWDB uses to collect, validate, and report performance data; monitor internal program quality; implement corrective actions at the staff and provider level; and ensure timely resolution of findings identified through local or state monitoring. These procedures should focus on strengthening internal controls, supporting continuous improvement, and promoting program integrity. LOPs should be data-informed, aligned with state and federal standards, and reviewed regularly to ensure responsiveness to evolving compliance and reporting requirements.

Implementation of this policy requires LWDBs to integrate local policies, procedures, and training in alignment with this policy. LWDBs must document and track all efforts to meet performance expectations, including training, monitoring, and leadership development activities.

FloridaCommerce, in consultation with CareerSource Florida, will monitor LWDB compliance through intensive reviews, fiscal and programmatic audits, and evaluation of LOPs. This oversight ensures that LWDBs maintain accountability and transparency while working toward continuous improvement and alignment with state workforce goals.

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[5] 20 CFR 683.650(c)