

State of Florida
Workforce Investment Act
Waiver Request:
DEOBLIGATION/REALLOCATION OF WIA FUNDS (Revised 2-2007)

Pursuant to WIA Section 189 (i)(4)(B) and the WIA Federal regulations at 20 CFR 661.420, the State of Florida requests continuation of the current waiver approval necessary to implement State policy regarding the deobligation and reallocation of local area Workforce Investment Act funds. This policy was developed by the State Workforce Florida, Inc., (WFI) Board and included in Modification 4 of the State of Florida Strategic Five-Year Workforce Investment Plan submitted August 14, 2002. The waiver was initially approved by USDOL in 2002 and subsequently extended for the 5-Year Plan extension through June 30, 2005 and then the next two year plan ending on June 30, 2007. This is a request to extend the waiver for the next two plan years that will end on June 30, 2009. The waiver request has been revised to clearly state that the deobligation and reallocation of WIA funds will be done solely on the basis of expenditures and not obligations.

The State policy provides for the mid-year deobligation and reallocation based on expenditure levels. Pursuant to the state policy, the expenditure of local funds are to be reviewed four times during their two-year life:

1. At the mid-point of the program year 1
2. At the end of the program year 1
3. At the mid-point of the following program year 2
4. At the end of the following program year 2

The state policy incorporates the following minimum expected expenditure rates:

- a. At least 25% expended at the mid-point of the first year
- b. At least 50% expended at the end of the first year
- c. At least 75% expended at the mid-point of the second year
- d. At least 100% expended at the end of the second year.

All local areas that have met the expenditure criteria of the state policy are eligible for any potential reallocation of deobligated funds based on the method used to allocate their regular formula funds.

A. Statutory or Regulatory Requirements to be Waived

Should the above policy related to mid-year deobligation of local area funds and/or criteria for minimum expenditure rates be deemed to be not in accord with any provision of WIA federal regulations at 20 CFR 667.160, Florida requests waiver of the federal regulation.

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

The State policy provides for the timely identification of idle funds so that they may be redistributed to areas of greater need. In the past, reviews based upon obligations alone did not result in the identification of a significant amount of funds for redistribution because the reporting of obligations has proven to be subjective and therefore unreliable as a consistent indicator of program progress. The definition of “obligation” allowed some local areas to accumulate reserves to cover activities that may not be necessary or feasible for some time. In the meantime, vital programs in other areas have remained unfunded due to temporary funding constraints. Even when under-spending regions were eventually deobligated at the end of the second year, it often left the areas in receipt of needed additional funding an extremely short time frame for implementing additional services. The state’s policy utilizes expenditures as a more reliable indicator of program progress and incorporates additional reviews to facilitate the more timely redistribution of funds.

B. State or Local Statutory or Regulatory Barriers

There are no state or local statutory or regulatory barriers to implementing the State’s proposed waiver policy.

C. Description of the Individuals Impacted by the Waiver

All WIA customers as well as the State’s Regional Workforce Boards will be positively affected by the adoption of the above referenced policy. Increased numbers of individuals in need of service will be served. Regional Workforce Boards identifying unmet needs or experiencing the sudden need for increased services in their areas will have more timely access to additional resources. The rate of investment of WIA funds will increase. Regional Workforce Boards experiencing under-expenditure will not be unduly jeopardized by the deobligation of unneeded funds as they would become eligible to participate in subsequent redistributions of funds based on improved performance and increased needs within their areas.

D. Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

The State’s policy regarding the deobligation and reallocation of local area WIA funds was developed by the Executive Committee of Workforce Florida, Inc., -- the State’s Workforce Investment Board. Based on its review of WIA performance and progress toward the goals established in the State’s Strategic Plan, the Board identified the need to revise policy governing the expenditure and reallocation of funds in order to achieve the maximum investment of WIA funds. The policy was extensively discussed at meetings of the Executive Committee during December 2001 and January 2002 at which time public comment was encouraged and received. Public comment was also solicited by email to state agencies, all Regional Workforce

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Boards, service providers, and other interested parties. The Executive Committee's final draft policy was also distributed for comment prior to a scheduled meeting in February 2002 of Board members and Board staff with representatives of Regional Workforce Boards, state and local agencies, One-Stop Career Center operators, and other providers, at which time the policy and its implementation was discussed and comment received. The policy was adopted for inclusion in Modification 4 of the State's Five-Year Strategic Workforce Investment Plan by the WFI Board at a public meeting in May 2002. It was then distributed for public comment as part of the State Plan Modification prior to its submittal to the U.S. Department of Labor in August 2002. Public comment received on Modification 4 of the State Plan is attached to that document. Public comment received at any meeting of the WFI Board or its Executive Committee is summarized in the meeting minutes. This request for continuation has been disseminated for public comment along with the 2-Year plan and multiple other requests for the continuation of approved waivers.

The implementation of this policy will be monitored by the WFI and the Agency for Workforce Innovation as they continue to monitor all WIA performance and the progress toward goals and objectives expressed in the State Plan. Information contained in the State's management information system and financial management tracking system will be reviewed and reported to the local areas and WFI on a regular basis. Review of the implementation and application of the policy will regularly be placed on the agenda of public meetings of the State Board and regularly scheduled meetings of the Board members and staff, with partner agencies, representatives of Regional Workforce Boards, One-Stop Career Center operators and other partners.