



**ARKANSAS
Workforce Investment Board**
POLICY MANUAL

No. WIB #

Effective: Program Year 2009

SUBJECT

**WIA TITLE I B RECAPTURE/REALLOCATION POLICY
AND PROCEDURE**

APPROVED

April 14, 2009

POLICY STATEMENT:

This policy effects all funding streams: youth, adult and dislocated worker funds among local areas within the State of Arkansas in accordance with the provisions of § 128(c) and 133(c) of the Act.

General Information

For each funding stream under WIA (youth, adult and dislocated workers), the State may recapture from each local area, for purposes of reallocation, any unobligated balance that exceeds 20 percent of that year's allocation for the program. The calculation will exclude any amount reserved for administrative costs (up to 10 percent) per §667.160(b). The unobligated balance will be determined based on an adjustment for any allowable transfers between funding streams. Each funding stream will be calculated separately.

Corrective Action Plan

For any local area not in compliance with the above provisions, and if it is determined that corrective action is necessary, the State staff will make a request of the LWIB to submit a Corrective Action Plan (CAP). The CAP must be signed and submitted by the LWIB Chairperson within fourteen days of receipt of the request. Copies will be provided to the LWIB Administrative staff, CEO and AWIB Executive Director.

The CAP shall include, at a minimum:

- A. An assessment of the current situation, including a review of action that has already been taken to address the problem
- B. A plan which describes, in detail, the action which will be taken to correct the problem
- C. A timetable for the action that identifies what steps will be taken through a specified time period, benchmarking dates by which certain levels of progress will be accomplished.

Reallocation Policy

To be eligible for receiving youth, adult or dislocated worker funds under the reallocation process, the following will apply:

Youth funds will be reallocated to eligible local areas (i.e., areas that have obligated at least 80 percent of the prior program year funds less any amount reserved for the costs of administration (up to 10 percent). Per §128(c)(3), the State will allocate an amount based on the relative amount allocated to the local area under §128(b)(3) for activities for the prior program year as compared to the total amount allocated to all eligible local areas in the State. For purposes of any reallocation under the youth program, local areas that received allocations under §128(b)(2)(A) for the prior program year will be treated as if the local areas received allocations under §128(b)(3).

Reallocation Policy - Continued

Adult and dislocated worker funds will be reallocated to eligible local areas (i.e., areas that have obligated at least 80 percent of the prior program year funds less any amount reserved for the costs of administration (up to 10 percent) and adjustments for any allowable transfer(s) between the adult and dislocated worker funding streams (reference §667.140 for the definition of an “allowable” transfer). Per §133(c)(3), the State will allocate an amount based on the relative amount allocated to the local area under §133(b)(3) for activities for the prior program year as compared to the total amount allocated to all eligible local areas in the State. For purposes of any reallocation under the adult and dislocated worker programs, local areas will be treated as if the local areas received allocations under §128(b)(3) of the Act.

Recapture Policy

Funds not expended by a local area per §667.107:

Funds that were not expended by a local area in the two-year period as described under §667.107(b), **must** be returned to the State. Funds returned to the State will be either utilized for Statewide projects, or at the discretion of the State, may also be distributed to other local areas which had fully expended their allocation of funds for the same program year within the two-year period of availability of the funds. Such funds must be expended by the next program year regardless if used for Statewide projects or distributed to local areas.