



**POLICY
NUMBER
104**

Administrative Policy

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

I. PURPOSE AND SCOPE

The purpose of this policy is to inform Local Workforce Development Boards (LWDBs) utilizing the Workforce Innovation and Opportunity Act (WIOA) Title I and other funds authorized by the CareerSource Florida Board of Directors and passed to the LWDBs and administered through the Florida Department of Economic Opportunity (DEO) about potential sanctions and remedies that will be imposed for failing to meet or violating federal and state laws, regulations, standards, performance measures, or the terms of agreements between the LWDBs and DEO.

II. BACKGROUND

The CareerSource Florida Board of Directors seeks to ensure all LWDBs, as subrecipients of authorized funds administered by DEO to the LWDBs, are accountable for failing to correct performance, programmatic and financial deficiencies. Correcting any deficiencies maintains credibility in administration of programs, reduces risk of compliance findings, and reduces the potential for a reduction or recapture of funds by the United States Department of Labor (USDOL) or other federal or state funders. 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.

III. 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,](#)

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

IV. POLICIES AND PROCEDURES

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 DEO and the LWDB within the timeframe prescribed by DEO, consistent with the review procedure set forth in WIOA sec. 121(c)(2)(A).
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 an LWDB as set forth in WIOA sec. 107(d).
 - b. Meet the negotiated levels of performance as set forth in WIOA sec. 116, the state plan, the local plan for the respective local area, and Administrative Policy 088.
 - 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.
 - g. Take corrective actions to resolve findings of non-compliance identified during programmatic, fiscal, or investigative monitoring or audit reviews conducted by the USDOL, DEO, or other legally authorized entity.
 - h. Resolve or address sanctions within the timeframe determined by the authorized monitoring or reviewing authority.
 - i. Resolve or address all independent audit findings or questioned costs.
 - j. Submit required annual Single Audits or financial statement audits.

- 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.

B. Actions

The CareerSource Florida Board of Directors as well as DEO may impose the following actions in response to the commitment of deficiencies noted in Section A, above.

- 1. **Corrective Notice** – DEO will provide notice 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 DEO.
 - d. Any additional action which the state workforce development board or DEO may determine as effective or necessary to correct the deficiency.
 - e. Full fiscal review of expenditures related to funds passed to the LWDBs through DEO.
 - f. Full programmatic review of participant eligibility and compliance with federal and state laws, regulations and guidance.
- 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. Suspension or termination, in whole or in part, the federal or state award.
 - b. 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).
 - c. Temporarily withholding reimbursement.
 - d. Disallowing all or part of the cost or activity determined to be in non-compliance.

- e. Reduce infrastructure funding allotment.
4. **Additional Sanctions** – 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 Chief Local Elected Official(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, the CareerSource Florida Board of Directors or DEO.

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.

V. REVISION HISTORY

| Date | Description |
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| 02/20/2020 | Approved by CareerSource Florida Board of Directors. |
| 02/20/2020 | Issued by Florida Department of Economic Opportunity. This administrative policy supersedes and replaces AWI FG 00-014, Workforce Investment Act Sanction Process, issued on 10/04/2000. |