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**GUIDANCE PAPER
DEOBLIGATION AND REALLOCATION OF JOBS FOR VETERANS' ACT GRANT
FUNDS**

OF INTEREST TO

Workforce Florida, Inc., Regional Workforce Boards (RWB), and other entities engaged in implementing programs under Title 38, United States Code (USC), Chapter 41, as amended by the Jobs for Veterans Act (JVA), Public Law 107-288

SUBJECT

The deobligation and reallocation of JVA Grant Funds with Regional Workforce Boards within Florida's workforce system

PURPOSE

To define and describe the procedures for the deobligation and reallocation of JVA Grant funds for programs serving veterans under Title 38, USC, Chapter 41, as amended by the JVA, Public Law 107-288.

BACKGROUND AND UNDERLYING STATE AND FEDERAL POLICY

The lapse of DVOP/LVER Grant funds by some RWBs has caused a recapture of program funds by the U.S. Department of Labor (USDOL), Veterans' Employment and Training Services (VETS). The State's continued loss of these funds may negatively impact workforce services to Florida's veterans. The cause of lapsed funds include not filling vacant Disabled Veterans' Outreach Program (DVOP)/Local Veterans' Employment Representative (LVER) positions in a timely manner and not drawing/reconciling funds timely.

Total Veterans' program funding (DVOP and LVER) is allocated to RWBs by formula which is weighted 50/50 based on each RWB's proportionate share of the State's Veteran population (ages 18-64) and Veteran registrations. This formula is similar to previous funding formulas for staffing, and should be an indication of workload. Each RWB designates how much of its allocation should be budgeted for DVOP and how much for LVER. Unfortunately, because Veterans' staff can only be funded as full-time or half-time FTEs, most RWBs will either have too much or too little funding for salaries and benefits and fair share expenses (pass-thru) for staffing.

As a result of the above stated situation, AWI encourages a policy that fosters the voluntary deobligation of JVA Grant funds by a RWB, which would preclude the necessity for an enforced deobligation process. RWBs are encouraged to request voluntary deobligation of JVA funds as soon as annual allocations and budget needs are known at the beginning of the year, but may request a voluntary deobligation at any time. In this same situation, RWBs that may be slightly short of being able to fund some portion of a half or full time position are encouraged to request the additional funds necessary. JVA funds that become available due to a voluntary deobligation will be reallocated to other RWBs based on need/requests.

In order to fairly assess whether a RWB is subject to deobligation, future RWB annual budgets for DVOP, LVER, and TAP funds will include a request for a breakdown of planned expenditures by quarter, rather than only for the July-September quarter, since some RWBs incur annual payments which could skew quarterly expenditures. Quarterly plans should be realistic based on positions and reasonable fair share costs, and should incorporate any anticipated or expected annual payments in appropriate quarters.

THE DEOBLIGATION/REALLOCATION PROCESS

RWBs' DVOP/LVER Grant funds will be reviewed at the end of each of the first three quarters to determine if there are funds available for deobligation.

Deobligation of JVA Funds

JVA Grant funds are allocated on a State Fiscal Year (July 1- June 30) basis. In approving the Veterans' program deobligation/reallocation policy, WFI authorizes implementation of these provisions beginning with the quarter ending December 31, 2006. DVOP/LVER Program funds on hand at that time will be reviewed for compliance as described below.

The deobligation amount will be determined separately for the DVOP and LVER Programs. TAP program funds will be allocated and reallocated as necessary throughout the year by AWI in consultation with those RWBs that conduct TAP workshops. Veterans' Program incentive funds will not be included in the deobligation calculation, and are not subject to mandatory deobligation, but may be voluntarily deobligated.

The deobligation and subsequent reallocation of JVA Grant funds will follow the process described in the Final Guidance, Deobligation and Reallocation of Workforce Investment Act (WIA) Funds. In addition, RWBs with DVOP/LVER vacancies that exceed sixty days will be subject to a reallocation of the funds that support these positions to other RWBs.

AWI reports JVA expenditures quarterly to USDOL, VETS based on the expenditures reported in the State's official accounting system, the Florida Accounting Information Resource (FLAIR), by program (DVOP/LVER/TAP), and USDOL, VETS recaptures funds from the State by program based on FLAIR reported expenditures. Therefore, reporting disbursements in the One-Stop Management Information System (OSMIS) will not prevent

a RWB's potential deobligation, if cash is not drawn in accordance with reported disbursements.

The determination to deobligate will be made based on each RWB's allocation, planned budget, and financial information (cash advances and reported disbursements) contained in OSMIS or any successor system. Any additional JVA Grant funds awarded to a RWB by AWI as supplemental funding and made a part of their formula allocation during the periods reviewed will be included in this calculation.

AWI, in consultation with WFI staff, will review reported financial information and may initiate a deobligation of funds from a Workforce Region. The Workforce Region will be contacted and provided an opportunity to submit additional information and or justification for the Agency to consider prior to deobligation.

Reallocation of JVA funds

RWBs that have expended at least 80% of their JVA program funds by the end of each quarter in accordance with the quarterly plans submitted will be eligible to request AWI's consideration for the reallocation of any available deobligated funds. A RWB's eligibility to receive a reallocation must be separately determined for each program (DVOP/LVER/TAP). Funds provided in supplemental allocations above the original allocations provided to RWBs will only be provided in cases where the State receives significant funding in excess of anticipated federal fiscal year JVA grant funds which were initially allocated statewide.

SUPERSESSION

None

AUTHORITY

Title 38, United States Code, Chapter 41, as amended by the Jobs for Veterans Act, Public Law 107-288

The Workforce Investment Act (WIA) of 1998

Final Guidance, Deobligation and Reallocation of Workforce Investment Act (WIA) Funds

Title 20, Code of Federal Regulations (CFR), Part 1001 (20 CFR 1001)

Policy Guidance issued by USDOL

The approved Jobs for Veterans Grant State Plan; and

All terms, conditions, assurances and provisions of the JVA Grant