



Andrew Cuomo, Governor

Peter M. Rivera, Commissioner

**NEW YORK STATE
WORKFORCE DEVELOPMENT SYSTEM
TECHNICAL ADVISORY #13-12
DATE: NOVEMBER 4, 2013**

To: Workforce Development Community

Subject: Policy on the Recapture and Redistribution of Local Workforce Investment Area (LWIA) Workforce Investment Act (WIA) Formula Funds

PURPOSE

The purpose of this Workforce Development System Technical Advisory (WDS-TA) is to advise LWIAs of:

- The New York State Department of Labor's (NYSDOL'S) policy on the recapture of WIA formula funds from those local areas which do not achieve the required accrued expenditure rates; and
- Possible subsequent redistribution of those funds to those local areas that reach or exceed targeted expenditure rates.

ACTION

LWIBs should:

- Review current expenditure projections and ensure that they will meet the requirements outlined in this WDS TA.
- Understand that this policy will be applied to PY 2012 carry-in formula funds and PY 2013 formula funds.

POLICY

For Adult, Dislocated Worker and Youth formula funds, LWIAs are to spend 100% of their PY 2012 carry-in formula funds and 80% of their PY 2013 formula funds by June 30, 2014.

LWIAAs that have not reported accrued expenditures of 100% of PY 2012 carry-in formula funds by this deadline will have those funds recaptured.

LWIAAs that have not expended at least 80% of their PY 2013 funds by this deadline will have unexpended formula funds in excess of 20% recaptured.

All PY 2013 WIA formula funds must be fully expended by June 30, 2015.

ADDITIONAL INFORMATION

Table 1 below depicts the expenditure and recapture requirements.

Table 1 – Expenditure and Recapture Requirements

Program Year Funds	% That must be expended by June 30, 2014	Risk if June 30, 2014 expenditure requirement is not met
PY 2012 Carry-in Formula Funds	100%	Recapture unexpended funds
PY 2013 Formula Funds	80%	Recapture unexpended funds in excess of 20%

This expenditure compliance requirement will be calculated by individual funding stream. The 80% rate calculation will be based on each LWIA's PY 2013 available formula funds including administration funds disaggregated back to program. For the purpose of expenditure compliance, all transferred funds will be treated as remaining in their original funding stream. Also, please be aware that any funds allocated to LWIAs during the program year in the form of a supplemental distribution will not be included in the 80% calculation.

Field staff will contact LWIB Directors throughout the program year regarding local expenditure projections and plans for meeting the required thresholds. LWIAs may contact field staff at anytime for assistance in developing spending plans.

INQUIRIES

Questions regarding this TA may be directed to: FOTA Representative