

WORKFORCE INVESTMENT FIELD INSTRUCTION (WIFI) No. 01-10

DATE: July 28, 2010
TO: Maryland Workforce Investment Act Grant Recipients
SUBJECT: WIA Recovery Act Funds Recapture Policy
REFERENCE: WIA Law Section 128 (c), 133 (c), 20 CFR 667.160,
TEGL 14-08 Change 1

BACKGROUND: The USDOL's initial Recovery Act guidance stresses that "States should anticipate that Congress and the public will be looking for expenditures and performance results very quickly". A guiding principle of ARRA was, and still is "the timely spending of funding and implementation of activities". States and local areas were expected to move quickly to use the Recovery Act funding, in conjunction with other available funds, to provide services to get Americans back to work. TEGL 14-08 Change 1 states that Recovery Act funds are eligible for recapture based on obligations at the end of Program Year 2009.

While many WIAs in Maryland have done well with the timely spending of ARRA funds, other areas have been less successful. In an effort to meet USDOL's requirement for timely spending, and to use unspent or unobligated ARRA funds in the most effective manner possible, the following policy has been established to meet the needs of unemployed Marylanders.

**ACTION TO
BE TAKEN:**

WIA local areas should develop and submit **expenditure and obligation plans (see attached template)** that meet local or regional workforce needs. DWDAL will provide guidance to local areas in the development of these plans. **These plans must be submitted to DWDAL no later than August 16, 2010, to the attention of Doreen Shahan.** DLLR will provide final approval of all plans consistent with statewide needs.

WIA local areas should incorporate this policy into their fiscal procedures and submit a QSR for ARRA funds for the quarter ending June 30, 2010. (See instructions on ARRA QSR reporting from Doreen Shahan)

CONTACT: Dorothee Norton, 410-767-2283
EFFECTIVE: Immediately


Eric Seleznow
Acting Assistant Secretary
Division of Workforce Development and Adult Learning

Recovery Act Obligation Policy

It is the policy of DWDAL to recapture, reallocate or redistribute unobligated ARRA funds that do not meet the obligation requirements set forth in 20 CFR 667.160 as outlined in TEGL 14-08 Change 1. Unobligated ARRA funds will be reallocated to other local areas that have the greatest need, or who have demonstrated the ability to expend funds quickly and effectively. DWDAL is committed to working closely with local WIAs to ensure that reasonable spending and obligation plans are developed and implemented for the most effective use of these funds for Maryland.

This policy requires that local areas obligate at least eighty percent (80%) of awarded Adult, Youth, and Dislocated Worker Recovery Act formula funds by August 31, 2010. All unobligated funds in excess of twenty percent (20%) will be recaptured and reallocated. **DLLR will consider local recommendations, innovative partnerships and local economic conditions in the reallocation of these funds.**

The amount of unobligated funds will be determined from the ARRA Monthly reports for August 31, 2010. In order to be eligible to receive reallocated funds, a local area must have met its obligation requirement. Upon verification of the reported obligations, unobligated funds in excess of the 20% limit will be recaptured and reallocated to eligible local areas. Since administrative funds are excluded from the recapture process, reallocated funds will include only program funds.

On-site monitoring reviews will be conducted based on the quarter ending June 30, 2010 Quarterly Status Reports to ensure that all local areas are complying with the federal definition of obligations.

“Obligations- The amount of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during a future period.

This policy is only in effect for Recovery Act funds. The recapture and reallocation policies for the normal WIA formula allotments remain unchanged.

ATTACHMENT: ARRA Expenditure and Obligation Plan

**PY08 WIA ARRA FUNDING, LOCAL EXPENDITURE AND OBLIGATION PLAN
ADULT FUNDING**

LOCAL AREA:
DATE SUBMITTED:

[Redacted area]

ITEM	DESCRIPTION (include contract dates, company name, and scope of work.)	START DATE	END DATE	AMOUNT	FULLY OBLIGATED BY	FULLY EXPENEDED BY
A. OBLIGATIONS Current as of 7-31-10: (legally obligated to pay)						
B. PLANNED OBLIGATIONS: (future planned contracts)						
C. PLANNED ACTIVITY (does not meet WIA definition of obligation, i.e. salaries)						
D. INNOVATIVE PARTNERSHIP TO OTHER LOCAL AREA (attach discussion with or consensus of other local area)						

PLEASE BRIEFLY DESCRIBE YOUR PLAN OF ACTION:

[Redacted area]

Instructions: Complete the hi-lighted areas. The row height will automatically adjust for the text entered.
Mail by August 16, 2010, to Doreen Shahan, 1100 North Eutaw Street, Room 209, Baltimore, MD 21201

**PY08 WIA ARRA FUNDING, LOCAL EXPENDITURE AND OBLIGATION PLAN
DISLOCATED WORKER FUNDING**

LOCAL AREA:

DATE SUBMITTED:

[Redacted]

ITEM	DESCRIPTION (include contract dates, company name, and scope of work.)	START DATE	END DATE	AMOUNT	FULLY OBLIGATED BY	FULLY EXPENEDED BY
A. OBLIGATIONS Current as of 7-31-10: (legally obligated to pay)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
B. PLANNED OBLIGATIONS: (future planned contracts)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
C. PLANNED ACTIVITY (does not meet WIA definition of obligation, i.e. salaries)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
D. INNOVATIVE PARTNERSHIP TO OTHER LOCAL AREA (attach discussion with or consensus of other local area)	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

PLEASE BRIEFLY DESCRIBE YOUR PLAN OF ACTION:

[Redacted]

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