



Mark Sanford
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Joe E. Taylor, Jr.
Secretary

STATE WIA INSTRUCTION NUMBER: 06-01

TO: Local Workforce Investment Areas (LWIAs)

SUBJECT: Obligation and Expenditure Requirements

ISSUANCE DATE: January 8, 2007

EFFECTIVE DATE: Immediately

EXPIRATION DATE: June 30, 2007

PURPOSE: This instruction (1) sets policy concerning obligation requirements; (2) transmits instructions for the Annual Obligations Compliance Report; and (3) transmits policy on expenditure of funds.

REFERENCES: Sections 127(c), 128(c), 132(c), 133(c), and 189(g)(2) of the Workforce Investment Act (WIA) of 1998, and Sections 667.107, 667.150, and 667.160 of the Regulations, as well as the WIA Program Year 2006 Incentive Policy.

BACKGROUND: The references given above state the requirements for the obligation and expenditure of WIA funds distributed to states and local workforce investment areas. These requirements are intended to promote the effective use of WIA funds by setting minimum acceptable levels of fund obligation and setting maximum time limits for fund expenditure.

INSTRUCTION:

1. A LWIA must obligate at least 80% of the *program portion* of its current (Program Year 2006) PY/FY allocation for each of the three fund streams – Youth, Adult, and Dislocated Worker– by March 1, 2007. If more than 20% of the program funds remain unobligated as of March 1, 2007, these excess program funds, along with associated administration funds, will be recaptured by the State and reallocated to those local areas that met the requirement.
2. Each LWIA must complete the Annual Obligations Compliance Report for each fund stream. These reports are due to Workforce Development staff at the SC Department of Commerce by March 12, 2007.

Workforce Development

1201 Main Street, Suite 1600, Columbia, SC 29201 USA
tel: (803)737-2806 · fax: (803)737-2119 · www.sccommerce.com

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3. A LWIA has only two years to expend formula funds. Compliance must be separately determined for each funding stream. Funds not expended in the two-year period must be returned to the State and will be available for expenditure during the third and final year of availability. At the discretion of the State Workforce Investment Board, such funds will be used for statewide projects and/or reallocated to those local areas which fully expended their allocation of funds for the same program year within the two-year period.

To facilitate timely expenditure of available funds, the State Workforce Investment Board approved the following policy regarding LWIA expenditures. Refer to the Program Enhancements Section of the WIA Program Year 2006 Incentive Policy.

By June 30, 2007, LWIAs must expend a minimum of 75% of total available funds in each of the three fund streams (Youth, Adult, Dislocated Worker), as well as the pooled Administrative funds. In calculating the fund utilization rate, total available funds include carry-in funds, new PY/FY allocations, and applicable transfers. The State will not impose a recapture provision if the 75% fund utilization rates are not met. However, failure to meet this expenditure level in any category will result in ineligibility to receive the 15% portion of incentive funds associated with this requirement.

Voluntary Rescission

A LWIA may decide to voluntarily return a portion of its Youth, Adult and/or Dislocated Worker funds should the local area find that 1) the funds available to the area will not be expended within the allowable two-year time period and 2) the funds are needed by another local area and can be expended in the time remaining. In such an instance, both the giving and receiving local areas must jointly submit a Rescission/Reallocation Request Form to Workforce Development staff at the SC Department of Commerce. Approval of the Workforce Investment Board and the Chief Elected Official(s) for both local areas is required to initiate such a request. The request can be submitted at any time. Voluntary Rescission must occur in whole dollars, consisting of 90% program funds and 10% administration funds.

ACTION: LWIAs must submit the Annual Obligations Compliance Report to their state grant manager by March 12, 2007 and ensure fiscal accountability through compliance with the above policies and procedures.

INQUIRY: Questions may be directed to Ms. Pat Sherlock at 803-737-2601 or psherlock@sccommerce.com.



Margaret Torrey
Deputy Secretary for Workforce Development

Attachments:

Annual Obligations Compliance Report
Rescission/Reallocation Request Form
WIA PY 2006 Incentive Policy

**ANNUAL OBLIGATIONS COMPLIANCE REPORT
Program Year 2006**

LWIAs must obligate at least 80% of the **program** portion of their current PY/FY allocation for each fund stream by **March 1, 2007**. Please **complete a compliance report for each fund stream**. Attach the face sheet of each grant and/or contract listed.

Fund Stream: **Youth** **Adult** **Dislocated Worker**

LWIA	Program Year 2005 Carryin Program Funds	PY'06/FY'07 Program Allocation	PY'06/FY'07 Transfer (+ or -)	Total PY'06/FY'07 Program Allocation	Total Program Year 2006 Program Funds Available

List below grants and contracts, including those associated with local workforce investment board and local area operations that meet the definition of obligations as stated in 20 CFR 660.300.

Grantee/Contractor	Grant/Contract #	Contract Period	Total Funds Obligated	Administration Funds Obligated	Program Funds Obligated

Total Program Funds Obligated \$0

Percent Obligated of Total Available #DIV/0!

Percent Obligated of PY'06/FY'07 Funds #DIV/0!

**STATE OF SOUTH CAROLINA
WORKFORCE INVESTMENT ACT
RESCISSION/REALLOCATION REQUEST FORM**

Date Submitted _____ Effective Date _____

The _____ Workforce Investment Area requests to voluntarily rescind
WIA funds detailed below to the _____ Workforce Investment Area.

Amount*	(Program) \$	_____
	(Admin) \$	_____
	TOTAL \$	_____

Program Year Identification _____

Fund Stream _____

*Rescission must occur in whole dollars, which consist of 90% program and 10% administration funds.

_____	_____	_____
Type or Print Name	Signature of WIB Chairperson	Date

_____	_____	_____
Type or Print Name	Signature of Chief Elected Official(s)	Date

The _____ Workforce Investment Area agrees to accept funds in the
amount of \$ _____ as voluntarily rescinded by the _____
_____ Workforce Investment Area.

_____	_____	_____
Type or Print Name	Signature of WIB Chairperson	Date

_____	_____	_____
Type or Print Name	Signature of Chief Elected Official(s)	Date

For Workforce Development Use Only:

Date Request Received _____

Approved YES NO

Effective Date _____

Date NFA Issued _____

Comments _____

Please submit three originals of this form for
each rescission/reallocation request to:

Workforce Development
SC Department of Commerce
1201 Main Street
Suite 1600
Columbia, SC 29201-3200
ATTN: Pat Sherlock

WIA PY 2006 INCENTIVE POLICY
July 1, 2006 - June 30, 2007
(Based on Common Measures)

CATEGORY	CRITERION	PERCENTAGE
Performance		30%
	Achieve at least 90% of local area goal in two of the three Adult measures.	10%
	Achieve at least 90% of local area goal in two of the three Dislocated Worker measures.	10%
	Achieve at least 90% of local area goal in two of the three Youth measures.	10%
Program Enhancements		70%
	Increase Adult participation level by 10%.	15%
	Increase # served in on-the-job training (OJT) & customized training by 10% with some level of increase documented in both.	10%
	Expend a minimum of 75% of total available funds in each of the four fund streams (Adult, Dislocated Worker, Youth & Administration).	15%
	Demonstrate significant increase in WorkKeys utilization within the local area by achieving a 10% gain in the number of individuals assessed and/or jobs profiled.	10%
	Adopt local board standards.	10%
	Increase the presence of mandated or optional partners physically co-located within each comprehensive one-stop center.	10%