

## EXHIBIT 21

### WORKFORCE INVESTMENT NOTICE: 99-12

**SUBJECT:** Reallocation of Unobligated Adult, Youth and Dislocated Worker Funds

**DATE:** February 14, 2000

#### **INTRODUCTION** [Ref. Act Sec. 128(c) , 133(c), Regs. Sec. 667.160]

The Workforce Investment Act allows for the governor to reallocate unobligated funds for Adult, Youth and Dislocated Worker programs among local areas within the State.

The amount to be recaptured from each local area for purposes of reallocation must be based on the amount by which the prior year's unobligated balance of allocated funds exceeds 20% of that year's allocation for the program less any amount reserved (up to 10%) for administration. Unobligated balances must be determined based on allocations adjusted for any allowable transfer between funding streams. The unobligated balance, if any, is separately determined for adult, youth and dislocated worker allocations.

#### **POLICY**

1. The first reallocation of funds will occur during PY 2001 based on obligations in PY2000.
2. During the first quarter of the current program year, the State Workforce Investment Office will determine whether a local area has obligated its required level of at least 80% of its allocated funds. If the local area's financial report for the period ending September 30, shows unobligated funds in excess of 20%, the State WIO will require the local area to submit a corrective action plan that will demonstrate its ability to achieve the required 80% obligation by the end of the second quarter.
3. Reallocation will occur during the first quarter of the program year for the excess unobligated balance for the prior program year.

4. In order to be eligible to receive adult, youth or dislocated worker funds under these reallocation procedures, a local area must have obligated at least 80% of the prior program year's allocation, less any amount reserved for the cost of administration for adult, youth or dislocated worker activities, as separately determined. A local area's eligibility to receive a reallocation will be separately determined for each funding stream. Therefore, it is possible that a local area may not have achieved 80% obligation of its adult allocation yet may receive reallocated youth funds.