

## EXECUTIVE SUMMARY

### WIOA FUNDS

#### *Background*

WIOA funds are granted in 3-year project terms (e.g., the monies granted in 2015 must be used by 2018). The State WDC then allocates the monies to the local areas, requiring the funds to be spent within 2 years; all unused funds are returned to the State for use in the 3<sup>rd</sup> year. The State must use those funds for program expenses in the 3<sup>rd</sup> year, or the funds revert back to the federal government.

The State and counties' fiscal year ends on June 30. The local areas close out their year in ~September, and funds are provided back to the State in ~October, leaving approx. 9 months to decide how to expend the funds and to encumber them.

If the local area does not expend at least 80% of the PY funds in the first year, the State can reclaim the unexpended funds.

#### *WDC*

Administrative Expenditures – Represents 88% of total expenditures. This ratio is expected to decrease in FY19 due to an increase in project-related expenditures.

WIOA Integration Grant – expires on 9/30/18 (remaining balance is \$1,073,843). WDC will apply for an extension (note – most states require extension, as the federal process took a while, and we could not get an appointment with the federally appointed consultant in a timely manner). The funds are expected to be used for the single-sign on project by the Data Committee.

WIOA Implementation Grant - \$23,476 remaining balance expired on 6/30/18. This grant had a narrow scope (implementation of WIOA).

#### *Local Area Funds*

Unexpended PY16 funds will be returned to WDC, which must be used by 6/30/19. See estimates:

Adult Program	\$	29,839
Dislocated Worker Pgm		48,624
Youth Program		<u>196,336</u>
	\$	274,799

As the actual closing and reporting does not occur until September, WDC has limited time to plan for use of the funds.

Recommendation to the Exec Committee for recommendation to the WDC Board – to provide WDC with sufficient time to plan out programs funded by local area monies returned to the State, recommend reclaiming certain PY17 funds (as 80% were not expended in the first year) – note these are in addition to the PY16 unexpended/unencumbered funds.

Program Notes:

- Adult Program – Hawaii County not providing full service, resulting in lower cost per participant. Maui funds mainly used for personnel – WDC recommended that payroll information be included whenever funding is requested for enhanced monitoring
- Youth Services - Kauai does not have a Youth service provider, as such, no funds were expended

STATE GENERAL FUNDS

*Background*

In 2017, the State allocated \$462,560 of general fund monies to WDC. Unencumbered amounts as of June 30 revert back to the State general fund.

*FY18 Funds*

In FY 6/30/18, expended and encumbered ~\$432K. Personnel service/fringe benefits was over-budgeted (these amounts are difficult to project, as they are allocated by State DAGS).