



POLICY

SECTION: CSTB	POLICY# 020-C0065	PAGE: 1 of 5
TITLE: Sanctions for CSTB LWDB's Failure to Meet Federal and State Standards		EFFECTIVE DATE: 5.21.20
REPLACES: N/A		DATED: N/A

DISTRIBUTION: CAREERSOURCE TAMPA BAY STAFF

PURPOSE: To provide guidance to CareerSource Tampa Bay's (CSTB) Local Workforce Development Board (LWDB) about potential sanctions and remedies that may be imposed, if CSTB fails to meet or violates federal and state laws, regulations, standards, performance measures, or the terms of agreements between CSTB's LWDB and Department of Economic Opportunity (DEO).

BACKGROUND: The CareerSource Florida Board of Directors seek to ensure CSTB LWDB, as subrecipient of authorized funds administered by DEO to CSTB LWDB, are accountable for failing to correct performance, programmatic and financial deficiencies. Correcting any deficiencies maintains credibility in administration of programs, reduces risk of compliance findings, and reduces the potential for a reduction or recapture of funds by the United States Department of Labor (USDOL) or other federal or state funders. To increase programmatic integrity at the local level, and to reduce performance, programmatic or financial deficiencies, any subrecipient not meeting the regulatory or statutory standards shall be subject to specific conditions, remedies, and sanctions consistent with applicable federal laws, regulations, and guidance.

POLICY:

As CSTB's LWDB utilizes WIOA Title 1 and other funds authorized by CareerSource Florida Board of Directors and passed to CSTB's LWDB through the Florida Department of Economic Opportunity potential sanctions and remedies that may be imposed if CSTB fails to meet or violates federal and state laws, regulations, standards, performance measures, or the terms of agreements between CSTB's LWDB and DEO.

CSTB's policy adheres to all guidance outlined in the CareerSource Florida Administrative Policy #104 - Sanctions for Local Workforce Development Boards' Failure to Meet Federal and State Standards effective 2.20.2020.

A. Deficiencies

Corrective actions may be imposed on CSTB in the following circumstances:

1. Failure by CSTB to execute a Grantee-Subgrantee Agreement between DEO and itself within the timeframe prescribed by DEO, consistent with the review procedure set forth in WIOA sec. 121(c)(2)(A).
2. Failure by CSTB board members, staff, fiscal agent or administrative entity to appropriately oversee the delivery of services and ensure the effective and efficient use of funds.
3. Failure to:
 - a. Carry out the required functions of a LWDB as set forth in WIOA sec. 107(d).
 - b. Meet the negotiated levels of performance as set forth in WIOA sec. 116, the state plan, and CSTB local plan for the respective local area, and CareerSource Florida Administrative Policy 088.
 - c. Sustain program and fiscal integrity.
 - d. Properly use federal or state funds resulting in disallowed costs.
 - e. Act in a manner necessary to prevent waste, fraud, or abuse of federal or state funds.
 - f. Submit timely and accurate required financial and performance reports.
 - g. Take corrective actions to resolve findings of non-compliance identified during programmatic, fiscal, or investigative monitoring or audit reviews conducted by the USDOL, DEO, or other legally authorized entity.
 - h. Resolve or address sanctions within the timeframe determined by the authorized monitoring or reviewing authority.
 - i. Resolve or address all independent audit findings or questioned costs.
 - j. Submit required annual Single Audits or financial statement audits.
 - k. Comply with administrative and service contract requirements.
 - l. Retain and produce required service delivery, program participant, and/or financial records.
 - m. Address and resolve reported threats to health and safety of program participants or staff, which may include investigating complaints, taking appropriate corrective actions, or making referrals to the appropriate authorities.

B. Actions

The CareerSource Florida Board of Directors as well as DEO may impose the following actions in response to the commitment of deficiencies noted in Section A, outlined above.

1. **Corrective Notice-** DEO will provide notice that corrective action to secure prompt compliance is required by the LWDB. The notice may include additional performance, programmatic, or financial reviews, or additional technical assistance activities. The notice will include a timeline for required implementation and provide the opportunity for CSTB to resolve any deficiencies.
2. **Specific Conditions-** If CSTB fails to fully resolve the deficiencies stated in the corrective notice may result in the following:
 - a. Placing CSTB on a cost-reimbursement status.
 - b. Requiring invoices and supporting documentation to be submitted to justify and support expenditures prior to approving future draw requests.
 - c. Establishing additional prior approval as deemed necessary by DEO.
 - d. Any additional action which CareerSource Florida or DEO may determine as effective or necessary to correct the deficiency.
 - e. Full fiscal review of expenditures related to funds passed to CSTB through DEO.
 - f. Full programmatic review of participant eligibility and compliance with federal and state laws, regulations and guidance.
3. **Sanctions-** If CSTB LWDB fails to fully resolve the deficiencies stated in the corrective notice or failure to fulfill the specific conditions placed on CSTB LWDB may result in:
 - a. Suspension or termination, in whole or in part, the federal or state award.
 - b. Reduction or otherwise adjustment of CSTB LWDB's funding (by disqualification from distributions of incentive monies, reallocated formula funding and/or state level reserve funds).
 - c. Temporarily withhold reimbursement.
 - d. Disallowing all or part of the cost or actively determined to be in noncompliance.
 - e. Reduction of infrastructure funding allotment.
4. **Additional Sanctions-** If CSTB LWDB fails to fully cure the deficiencies in the corrective notice or fail to fulfill the specific conditions or sanction placed on CSTB LWDB may result in:
 - a. Issuance of a notice of intent to revoke approval of all or part of the local workforce services plan affected.
 - b. Imposing a reorganization plan which may include:
 - i. Decertifying CSTB and requiring that a new board be appointed and certified for the local area, Hillsborough County;
 - ii. Prohibiting the use of eligible providers and one-stop partners;
 - iii. Selecting an alternative entity as defined in WIOA Sec. 107 to administer the program for the local area involved;
 - iv. Merging the CSTB's local area into one or more other local areas, after consultation with Chief Local Elected Officials (CLEOs) in the local area; or
 - v. Making such other changes necessary to secure compliance.

- c. Initiate suspension or debarment proceedings.
- d. Any other penalty or action deemed appropriate by the Governor, CareerSource Florida Board of Directors or DEO.

C. Appeal Processes

If CSTB has been found in substantial violation of WIOA and has received notification that either all or part of the local plan will be revoked or that a reorganization will occur may appeal such sanctions to the Secretary of Labor, USDOL under 20 CFR 683.650. CSTB must file the appeal no later than 30 days after receipt of written notification of the revoked plan or imposed reorganization. A copy of the appeal must be simultaneously provided to CareerSource Florida Board of Directors and the Governor. The sanctions do not become effective until the time for appeal has expired or USDOL has issued a decision. USDOL will notify the Governor and the appellant in writing of the Secretary's decision within 45 days after receipt of the appeal.

If CSTB has failed to meet the local performance indicators for three (3) consecutive program years and has received the Governor's notice of intent to impose a reorganization plan may appeal to the Governor to rescind or revise plan no later than 30 days after receiving a written notice of the reorganization plan. The Governor is required to make a final decision within 30 days after receipt of the appeal. CSTB may appeal the Governor's final decision to USDOL under 20 CFR 677.225, no later than 30 days after receiving the final decision from the Governor. Any appeal of the Governor's final decision must be appealed jointly by CSTB's LWDB and Chief Elected Official. The USDOL will make its final decision within 30 days after receipt of the appeal. The decision by the Governor on the appeal becomes effective at the time it is issued and remains effective unless the USDOL rescinds or revises the reorganization plan.

References:

- CareerSource Florida Administrative Policy #104, Sanctions for Local Workforce Development Boards' Failure to Meet Federal and State Standards:
http://www.floridajobs.org/docs/default-source/lwdb-resources/policy-and-guidance/guidance-papers/2020-guidance-papers/adminpolicy104_-_sanctionslwdbfailmeetfed-statestds---final.pdf?sfvrsn=858143b0_2
- WIOA Public Law 113- 128, Sections 107, 116, 124, and 184:
<https://www.govinfo.gov/app/details/PLAW-113publ128>
- 20 Code of Federal Regulations (CFR) Parts 677.220:
https://www.ecfr.gov/cgi-bin/text-idx?SID=86f2b29914a9c1c79b0a55d4add62aef&mc=true&node=se20.4.677_1220&rgn=div8

- 20 Code of Federal Regulations (CFR) Part 677.225: https://www.ecfr.gov/cgi-bin/text-idx?SID=86f2b29914a9c1c79b0a55d4add62aef&mc=true&node=se20.4.677_1225&rgn=div8
- Florida Statutes Section 445.004 and 445.007: http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=0400-0499/0445/Sections/0445.004.html

INQUIRIES: Any questions about this procedure should be directed to the Chief Executive Officer, and/or their designee.