

Requirements for Year 2 and Year 3 One-Stop Funds: Some Guidelines for Team Contacts with One-Stop States

The regional office GOTRs will visit the One-Stop States. The principal purpose is to determine the State's projections for expenditure levels for the coming grant year. The State should present compelling arguments to support the validity of these projections with the Federal staff. To achieve this end, the Federal-State grantee discussions should focus on the following line of inquiry:

Accomplishments to date against the timelines and workplans contained in the original grant agreement and amendments, as applicable. The State should appraise its success in meeting the prior year objectives and targets (with a sharp focus on meeting the numerical goal of "centers opened").

State's projected accomplishments for the balance of the prior year.

Analysis of expenditure rates and patterns to date, with a "best estimate" of expenditures for the next two quarters. This analysis should assess the contributory factors to lower-than-projected expenditure rates as disclosed in the quarterly reports (SF 269) to date. Are the problems associated with "start-up" now largely solved? The State should provide an acceptable degree of evidence to the Region to support its confidence.

(Note. Some under-expenditures in technology may be due to procurement issues which now have been resolved. What is the State's assessment of expenditures for technology infrastructure for the balance of the current year? the coming year(s)? What additional issues may impact on future technology expenditures?

State projections of potential "carry-forward."

(Note. The State and Federal discussants have the "funding mark" as a context for the discussion.

The discussion should result in a firmer Federal handle on the ability of the grantee to achieve its 24 month and 36 month targets for achieving Statewide implementation, and provide a "blueprint" for possible grant modification.

This "fact-finding" should lead to a set of conclusions about each State (success, problems to date, prospects for future target accomplishment). This information will help the team determine the appropriate funding level for the States for recommendation to the Grant Officer.

There are several "theme touchstones" which the GOTRs and Regional Administrators can use in framing the exploratory conversations about funding requirements:

% While One-Stop enjoys a good measure of bipartisan support, the Department must have a "readiness posture" to empirically demonstrate the successes realized by the States in adhering to the four principles in the original SGA and achieving the quantitative targets for One-Stop accessibility for customer access (both bricks-and-mortar and technology-based). The States were reminded of OMB and Congressional interest at Madison, St. Louis, Louisville and Jett*Con; the likelihood of increased scrutiny has also been sounded in teleconference calls and faxes. This exercise to determine "financial status" and the requirements for Year 2 (or Year 3) funding presents another opportunity for the regional office stewardship (RA and GOTR) to gently -- but emphatically -- make the similar point.

% The Program Year 1995 rescission action, the reduction in PY 1996 appropriation and in the Administration's FY 1997 request argue for ETA's "fine-tuning" of out-year apportionments. Our allocations must be derived from accurate projections of expenditure levels for the coming year (acknowledging the contribution of carry-out) as well as from the evidence of State's performance to date and the prospect of sustained performance.

% These briefings also fulfill another important purpose: the information assembled about start-up problems and the impact on expenditure rates can be shared with the other States. One-Stop "lessons learned" can prove valuable additions to our knowledge base as we exercise our consultancy / technical assistance roles with the States coming on the One-Stop "line" during this grant cycle and in years to come.

II. Financial Summary and Recommendation

Guidance Notes:

Funds cannot be expended before they are obligated. The One-Stop recipients may expend first-year during the year of obligation and two additional years, i.e., PY 1996 funds may be expended through June 30, 1999. Analysis of the Year 2 (or Year 3) request should take into account obligations, expenditures, and commitments (planned obligations). These should be separately identified in the narratives to follow.

A. Based on analysis of quarterly narrative and financial reports and drawing on direct discussions with State staff, is there an underexpenditure of funds? If yes, briefly summarize the implementation, operational and administrative factors which have contributed to this status. In addition, describe what recent developments or changes in the State may augur for an accelerated expenditure pattern by the State during the coming quarter.

B. Some States may have earmarked some of their carryout funds for staff costs (since forward-funding of staff is not allowed). Synopsise the purposes identified by the State for these carryout funds.

C. Based on accomplishments to date, describe the ability of the State to meet the current year and out-year grant objectives. *[Besides the number of Centers to be opened, these objectives can include further program and service integration, provision of cross-training, improvement in LMI products, services and delivery methods, expansion of technology infrastructure, etc.]*

D. Briefly assess the impact of funding reductions on the State's major One-Stop deliverables and products -- numbers of Centers coming on-line, major technology purchases, delays in cross-training, etc.

E. Overall Funding Recommendation

1. For States entering Year 3, if the amount recommended is below the "funding mark," provide your reasons for the reduction.

Once the full One-Stop Team has considered the findings and recommendations for refunding all Implementation States and determined funding levels for each State, the GOTR will inform the State of its "funding mark" and request an Operational Plan for the coming year.

ETA views the Year 2 (or Year 3) Operational Plan as the document which fully describes the State's system-building objectives. The document:

- o describes what performance goals will be achieved, what products will be delivered, and what services will come "on-line" for the State's One-Stop customers in the coming twelve month period;
- o provides a summary time line by month for these goals, products and services; and,
- o provides a line item budget with monthly breakout of planned obligations/expenditures in support of these goals, products and services.

States should also report the current amount of uncommitted funds from prior year(s) funding (i.e., as of the most recent completed Quarter). States should submit a line item budget for the proposed use of uncommitted prior year(s) funds, as

well as a separate line item budget for Year 2 (or Year 3) funds which mirrors and supports the Operational Plan. This modification provides an opportunity for the State to "realign" prior year budget(s) based on operational experience.

The increased attention to One-Stop and the need to demonstrate the value of the Federal investment necessarily results in a more cautious financial management policy. As a result, the amount of funds available for draw-down on a quarterly basis will be subject to the negotiation between the individual State and the Regional Office GOTR.

Upon approval of the State's Operational Plan and Budgets (Year 2 [or Year 3] and Carry-In) the Grant Office will prepare a modification to fund the coming year of grant operation.

This is a bilateral modification which will require the signature of ETA and the grantee.