

Attachment B
Example of a WIA funding rescission scenario using all 4 steps

A. Rescission scenario based on a rescission of \$6,000,000

Steps	Amount	Balance
Step 1: Statewide available funds	\$3,500,000	\$2,500,000
Step 2: Voluntary rescissions	\$200,000	\$2,300,000

B. Expenditure rates of area X and Y

	Area X	Area Y
Expenditure rate	75%	68%
Funds awarded	\$4,000,000	\$5,500,000
Hold-harmless rate	0.9	0.75

Funds to be recaptured from local areas:	Area X	Area Y	Balance
Step 3 (a): Hold-harmless rate 90% if > 70% of funds have been spent.	\$400,000 ¹	N/A (did not spend 70%)	
OR			
Step 3 (b): Hold-harmless rate 75% if < 70% of funds have been spent	N/A (spent more than 70%)	\$1,375,000 ²	
Total rescinded in step 3	\$1,775,000		\$525,000

¹ 10 percent of \$4,000,000

² 25 percent of \$5,500,000

C. Formula Allocations

Allocations	Area X	Area Y	Total
Total Allocated	\$4,000,000	\$5,500,000	\$9,500,000
Share of allocated funds to be recaptured			0.0552631³
Amount to be recaptured	\$221,053 ⁴	\$303,947	\$1,475,000

³ Balance after step 3 divided by Total Allocated funds: (\$525,000/\$9,500,000) = 0.0552631

⁴ Share of allocated funds to be recaptured times Total Allocated for area X: 0.0552631*\$4,000,000

Step 4: Across the board rescission	\$221,053	\$303,947	
Total rescinded in step 4	\$525,000		\$0