

§1.19 Reallocation of Financial Assistance

(a) Purpose. As provided for by Tex. Gov't Code §2306.111(h), this rule provides the policy for the reallocation of financial assistance, including assistance related to bonds, administered by the Department if the Department's obligation with respect to that assistance is prematurely terminated.

(b) It is the policy of the Department to take prudent measures to ensure that, when funds are provided to recipients for assistance, the funds are timely and lawfully utilized and that, if they cannot be timely and lawfully utilized by the initial recipient, there are mechanisms in place to reallocate those funds to other recipients in order to ensure ~~their~~ full utilization of funds in assisting beneficiaries.

(c) The reallocation of federal or state financial assistance administered by the Department may be required when:

(1) an administrator, subrecipient, owner, or contractor returns committed, obligated or contracted funds;

(2) an administrator, subrecipient, owner, or contractor has failed to timely execute a contract on awarded funds;

(32) reserved funds are not fully utilized at completion of an activity;

(43) balances on contracts remain unused;

(54) funds in a contract or reservation are partially or fully recaptured or terminated;

(65) funds in a contract that were used for an ineligible activity and have been repaid to the Department and the federal oversight agency is allowing the Department to still utilize the funds;

(76) required benchmarks or expenditure deadlines have not been achieved within the time frames agreed;

(78) there is program income; or

(89) other circumstances arise that prompt an initial recipient, owner, contractor, or administrator to be unable to utilize committed, obligated, or contracted funds.

(d) Reallocation of financial assistance for specific federal or state funding sources or programs administered by the Department is also governed by or provided for in:

(1) federal regulations and requirements;

(2) state rules relating to deobligation and reobligation adopted in other sections of this title;

(3) funding plans authorized by the Board governing federal or state resources that may have been reviewed and approved by the federal funding agency or submitted to the Texas Legislature;

(4) Notices of Funding Availability (NOFAs) and Requests for Applications (RFAs); or

(5) written agreements and contracts relating to the administration of such funds.

(e) To the extent that programs or funding sources are governed by any of the items provided for in subsection (d) of this section, and the specific documents listed in subsection (d) of this section do not require further Board approval for the reallocation of funds, no additional Board approval will be sought in order to perform~~follow~~ the reallocation as provided for in those items.~~is required~~. Reallocation of funding not governed by subsection (d) of this section will require Board approval.

(f) To the extent that certain programs are required to regionally allocate their annual allocations of funds, funds having originally been regionally allocated and needing to be reallocated under this section

do not require that regional allocation be performed again, unless otherwise provided in the governing documents as provided for in subsection (d) of this section.

(g) Funds made available under this section may be aggregated over a period of time prior to being reallocated.

(h) Consistent with the requirements of Tex. Gov't Code §2306.111(h), if the Department's obligation of financial assistance related to bonds is terminated prior to issuance, the assistance will be reallocated among other activities permitted by that bond issuance and any indenture associated with those bonds, as approved by the Board.