§ 847. Limitations on uses of funds. 1. Not less than sixty percent of the funds expended by substate grantees must be used for retraining services as defined in section eight hundred thirty-five of this article.

2. Not more than twenty-five percent of the funds expended by any substate grantee or the governor may be used to provide needs-related services pursuant to section eight hundred forty-six of this article and other supportive services as defined in this act.

3. Not more than twelve percent of the funds expended by substate grantees pursuant to paragraph three of section eight hundred forty-eight of this article shall be used for administrative expenses.

4. (a) Twelve percent of the funds allocated to the state for state level activities in each year shall be made available to the department for administrative expenses. Provided further that not more than twelve percent of such funds shall be expended by the department pursuant to subdivision one of section eight hundred forty-eight of this article for administrative expenses including technical assistance and fiscal and compliance auditing.

(b) Six hundred seventy-five thousand dollars of the funds allocated to the state for state level activities in subdivision one of section eight hundred forty-eight of this article in each year shall be made available for statewide projects and demonstration programs authorized pursuant to section eight hundred forty-one of this article.

(c) Sixteen percent, plus three hundred thousand dollars, of the funds allocated to the state for state level activities in each year shall be made available for rapid response activities authorized pursuant to section eight hundred forty of this article, including the funding of innovative programs for the delivery of rapid response services to dislocated workers. No single state agency, department, board or commission shall receive a suballocation from the department of more than twenty percent of the funds allocated by this paragraph. Any funds suballocated to the department of economic development shall be for feasibility studies as provided in section eight hundred forty-four of this article.

(d) Fifty percent of funds allocated to the state for state level activities in each year remaining after funding is provided for the purposes described in paragraphs (a), (b) and (c) of this subdivision, which amount shall not exceed one million seventy-six thousand three hundred fifty dollars, shall be made available for the provision of employer specific skills training.

Not more than five percent of the funds expended pursuant to this paragraph shall be expended for administrative activities by the state education department. All remaining monies made available for the purpose described in section eight hundred forty-three of this article shall be suballocated to the state department of education.

(e) Fifty percent of funds allocated to the state for state level activities in each year remaining after funding is provided for the purposes described in paragraphs (a), (b) and (c) of this subdivision and any amount remaining after funding is provided for employer specific skills training pursuant to paragraph (d) of this subdivision, shall be made available for the purposes described in subdivision two of section eight hundred forty-one of this article. Such funding shall be made available to substate areas or to the department for the purpose of responding to plant closings and substantial layoffs including employment losses involving exceptional circumstances as defined in subdivision three of section eight hundred forty of this article as authorized by the commissioner which were unanticipated at the time of submission of the annual plan required by section eight hundred thirty-nine of this article. Substate grantees shall have precedence in receiving such funding. Notwithstanding the requirements of this paragraph, not more than one-third of such money may be made available to substate areas for the purpose of responding to significant layoffs which were unanticipated at the time of submission of the annual plan required by section eight hundred thirty-nine of this article. For the purpose of this paragraph significant layoffs shall mean any reduction in force which is not the result of a plant closing and which results in an employment loss at a single site of employment of at least thirty-three percent of the employees (excluding employees regularly working less than twenty hours per week). Not more than seven percent of expended funds shall be retained by the substate grantees for

administrative expenses. Each substate grantee with a demand for services which exceed those otherwise available under the substate plan shall be eligible for grants according to the following criteria:

(i) the substate grantee must demonstrate its need through submission of a written request which includes the amount of additional funding needed, number of dislocated workers or additional dislocated workers to be served, type of services to be provided, and a description of the substantial or significant layoff or plant closing which led to the request;

(ii) requests for additional funding which would provide added retraining services or regional or statewide services to identify dislocated workers or additional dislocated workers who are most in need of services and the types of services they need shall be considered before funds are released for added basic readjustment services; and

(iii) any funds undistributed at the end of the program year shall be included as part of the funding made available for activities under section eight hundred forty-six of this article in each succeeding program year and allocated pursuant to subdivision three of section eight hundred forty-eight of this article.

(f) The commissioner shall report to the chairs and ranking minority members of the senate and assembly labor, finance and ways and means committees, no later than March first of each year on (i) the amount of each suballocation or contract made from funds made available through paragraphs (b) and (c) of this subdivision, including any funds recaptured pursuant to subdivision four of section eight hundred forty-eight of this article, (ii) the entity receiving such suballocation or contract and (iii) the purpose of such suballocation or contract.

5. Not more than twelve percent of the funds expended pursuant to paragraph (a) of subdivision two of section eight hundred forty-eight of this article shall be retained by the substate grantees for administrative expenses.