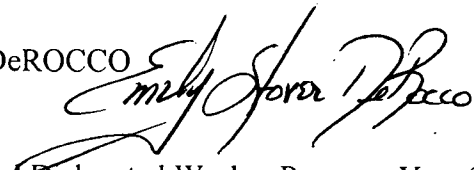


EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA
	CORRESPONDENCE SYMBOL OWT
	DATE June 15, 2004

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 25-03

TO: ALL STATE WORKFORCE AGENCIES
 ALL STATE WORKFORCE LIAISONS
 ALL ONE-STOP CENTER SYSTEM LEADS

FROM: EMILY STOVER DeROCCO
 Assistant Secretary 

SUBJECT: Changes in Adult and Dislocated Worker Program Year 2003 Funds

1. Purpose. To provide guidance on the rescission of Fiscal Year (FY) 2004 Adult and Dislocated Worker program formula funds for Program Year (PY) 2003 as required by Public Law 108-199, Consolidated Appropriations Act, 2004.
2. References.
 - (a) Training and Employment Guidance Letter (TEGL) No. 20-03.
 - (b) Consolidated Appropriations Act, 2004, Division H, Public Law 108-199, January 23, 2004.
3. Background. Public Law 108-199 requires the Secretary to make a reduction of 0.59 percent to all FY 2004 discretionary programs. This includes the Workforce Investment Act (WIA) Adult and Dislocated Worker program formula allotted funds for FY 2004 (available beginning October 1, 2003) appropriated in the FY 2003 Department of Labor appropriation. The rescission calls for a reduction of \$4,200,800 from the initial allotment of \$712,000,000 for Adult activities and a reduction of \$6,254,000 from the initial allotment of \$1,060,000,000 for Dislocated Worker activities. TEGL 20-03, which posted information on PY 2004 allotments, advised states of the rescission of FY 2004 funds and provided the amount of FY 2004 funds to be recaptured from each state for the Adult and Dislocated Worker program.
4. Within State Allocations of Adult Allotments. The distribution of the state allotments, as reduced by the rescinded funds, must follow the statutory requirements at WIA Section 133. States have flexibility provided by WIA to apply the rescission amounts to statewide activities and/or to local areas as long as the revised levels conform with:
 - (a) A minimum of 85 percent of each state's revised Adult allotment will be allocated to local area activities; and

RESCISSIONS	EXPIRATION DATE Continuing
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- (b) A maximum of 15 percent of each state's revised Adult allotment may be used for statewide activities as authorized under WIA.

Adult activities rescission amounts taken from statewide activities cannot exceed the total amount originally reserved for statewide activities from the Adult program for FY 2004.

- 5. Within State Allocations of Dislocated Worker Allotments. The distribution of the state allotments, as reduced by rescinded funds, must follow the statutory requirements at WIA Section 133. States have flexibility provided by WIA to apply the rescission amounts to statewide activities, rapid response activities, and/or local area activities as long as the revised levels conform with:

- (a) A minimum of 60 percent of each state's revised Dislocated Worker allotment will be allocated to local areas;
- (b) A maximum of 15 percent of each state's revised Dislocated Worker allotment may be used for statewide activities as authorized under WIA; and
- (c) A maximum of 25 percent of each state's revised Dislocated Worker allotment may be used for statewide rapid response activities as authorized under WIA.

Dislocated Worker activities rescission amounts taken from statewide activities may not exceed the total amount originally reserved for this category from the Dislocated Worker program for FY 2004.

- 6. Notice of Obligation (NOO). A NOO to deobligate the rescission amounts from the Adult and Dislocated Worker program for each state was issued in June 2004. The rescission of funds will be made to the FY 2004 advance portion (October 1 to June 30) of the PY 2003 allotments that were issued in October 2003.

- 7. Reporting. States should reflect reduced total Federal funds authorized on the appropriate line items of the proper ETA form 9076 beginning with the quarter ending June 30, 2004, consistent with the effective date of the deobligation of funds on the NOO. States should also report obligations and outlays consistent with the revised authorized funding levels for such quarters.

- 8. Action Required. States should:

- (a) Maximize efforts to review financial reports regarding obligation and expenditure amounts and to ensure the accuracy of the reports submitted as of the June 30, 2004, reporting period;
- (b) Promptly alert their Regional Offices of any significant errors found subsequent to their initial submittal of these financial reports; and
- (c) Provide this guidance to appropriate staff.

- 9. Inquiries. Questions on this TEGl should be addressed to the appropriate Regional Office contact as soon as possible.