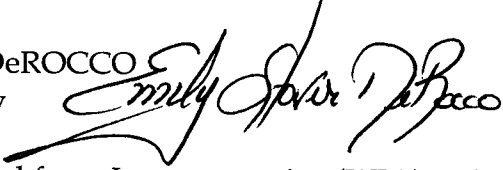


EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION	OWI
	CORRESPONDENCE SYMBOL	OWI
	DATE	March 30, 2006

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 22-05

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

FROM: EMILY STOVER DeROCCO
Assistant Secretary 

SUBJECT: Reallotment of Workforce Investment Act (WIA) Title I Formula-Allotted Funds for Dislocated Worker Activities

1. **Purpose.** To provide adjusted funding levels for Program Year (PY) 2005 allotments for the dislocated worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- A. TEGL 23-04
- B. Workforce Investment Act (Public Law 105-220) Section 132(c); 29 USC 2862(c)
- C. 20 CFR 667.150

3. **Background.** On March 25, 2005, TEGL 23-04 provided states and outlying areas with WIA Title I Adult, Dislocated Worker, and Youth Activities allotments for PY 2005 and alerted states on the reallotment of funds as required under WIA Section 132(c). Under this section of WIA, the Secretary is required to conduct reallotment of excess unobligated WIA Adult and Dislocated Worker formula funds based on state financial reports submitted at the end of the prior program year. The procedures the Secretary uses for recapture and reallotment of funds are described in the WIA regulations at 20 CFR 667.150. We will not recapture any PY 2005 funds for Adult and Youth programs because in no case do PY 2004 unobligated funds exceed the statutory requirement of 20 percent of state allotted funds. For the Dislocated Worker program, a total of \$239,605 will be recaptured in PY 2005 from two states and reallotted to the remaining states, as required by WIA Section 132(c).

RESCISSIONS	EXPIRATION DATE	Continuing
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4. **Notice of Obligation (NOO) Adjustment.** Notices of Obligation and Deobligation for the states will be issued to reflect the recapture and reallocation of these funds. The adjustment of funds will be made to the Fiscal Year (FY) 2006 advance portion of the PY 2005 allotments which were issued in October 2005. Attached are tables displaying the net changes to PY 2005 formula allotments and a description of the reallocation methodology.
5. **Procedures and Reporting.** Neither WIA statutory language nor WIA regulatory language provides specific requirements by which states must distribute recaptured funds among states and local areas, so states have flexibility to determine the methodology to be used. For any state from which funds are being recaptured, WIA Section 132(c)(5) requires the governor to prescribe equitable procedures for making funds available between the state and local areas.

For reporting purposes, the recapture/reallocation amount must be reflected (decrease or increase) in the "Total Federal Funds Authorized" line of any affected FY 2006 WIA Financial Status Reports (Statewide Activities, Statewide Rapid Response, Local Dislocated Worker Program Activities, and Local Administration) in a manner consistent with the method of distribution of these amounts to state and local areas used by the state. An explanation of the adjustment should be included in the remarks sections of the adjusted reports.

6. **Action.** This guidance letter should be distributed to the appropriate WIA staff.
7. **Inquiries.** Questions regarding the revised allotments should be directed to the appropriate Regional Office.
8. **Attachments.**
 - A. WIA Dislocated Worker Activities, PY 2005 Reallocation to States
 - B. WIA Dislocated Worker Activities, PY 2005 Revised Allotments with Reallocation
 - C. Dislocated Worker State Formula PY 2005 Reallocation Methodology.