DOL Instructions to States for
Methodology for Local Area Distribution of
FY 2008 $250 Million Congressional Rescission of
WIA Youth, Adult, and Dislocated Worker Programs

NOTE: States should use the attached four Excel template files provided by DOL for data compilation and rescission calculations described below.

Excel Template Files: **1a Local Area WIA 063007 CARRYIN FUNDS CALCS Template.xls**
1b Local Area WIA 063007 NEW FUNDS CALCS Template.xls
2 Local Area WIA 63007 SUMbyPgm Template.xls
3 Local Area WIA RESC CALCS Template.xls

I. Data to be Used in Rescission Calculations
- Funds available during Program Year (PY) 2006, by program (funding stream), by local area. Funds available are from fund year sources PY 2004, Fiscal Year (FY) 2005, PY 2005, FY 2006, PY 2006, and FY 2007. (FY funds are appropriated in advance.)
- Unexpended balances carried into PY 2007, by program (funding stream), by local area. These balances carried into PY 2007 are from fund year sources PY 2005, FY 2006, PY 2006, and FY 2007.

II. Data Methodology
These instructions are to be used for compiling the data needed in the calculation of the state distribution of this rescission. The instructions use the same methodology in concept as used by DOL for the data used for the state rescission amounts.

1. **Source of Data**
    WIA financial status reports as of the 6/30/2007 reporting period and as of the 6/30/2006 reporting period as submitted to the state by local areas and used in following WIA Financial Status Reports (FSR) submitted by the state to DOL in the EBSS system as of 1/15/08:
    - ETA 9076-C, Local Administration
    - ETA 9076-D, Local Youth Program Activities
    - ETA 9076-E, Local Adult Program Activities
    - ETA 9076-F, Local Dislocated Worker Program Activities
    for reports covering fund year sources: PY 2004, FY 2005, PY 2005, FY 2006, PY 2006, and FY 2007. Data extracts from these FSRs submitted to DOL and used by DOL in the calculation of the state rescission amounts can be viewed online at http://www.doleta.gov/budget/qtrlyspend.cfm.

    In general, no adjustments should be made to local area funds authorized, transfers, or expenditures data that was reported as of the 6/30/07 or 6/30/06 periods as submitted to DOL. The only exceptions to this are the allowance for any adjustment to local area authorized amounts made by the state for the Adults and Dislocated Workers programs due to the 1 percent across-the-board rescission amount for the FY 2007 fund year source, and, for the states of Arizona and New Mexico, the addition of data for the Navajo Nation. In states which have recaptured local area unexpended funds at the end of PY 2006 as of 6/30/07, those recaptured funds should be treated as local area funds in their original 6/30/07 status for the purposes of this rescission, regardless of the subsequent reallocation of those funds. This is done so that the data is consistent with the data used by DOL for calculating the state rescission amounts.

    For rescission calculation purposes, for Arizona and New Mexico, which do not report data for the Navajo Nation (a local area), the FSR data for the Navajo Nation for all WIA formula programs, as used by DOL for the calculation of those states' rescission amounts, will be provided to those states for use in this calculation.

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2. Data Category Levels Compiled for Each Local Area

   a) By program
- Adults, sum of:
  - Local adult program activities, as reported
  - Portion of local administration for the program
- Dislocated Workers, sum of:
  - Local dislocated worker program activities, as reported
  - Portion of local administration for the program
- Youth, sum of:
  - Local youth program activities, as reported
  - Portion of local administration for the program

   b) For each program
- Total funds available during PY 2006
- Total unexpended balances carried into PY 2007

3. Steps for Compiling the Data Using the Excel Template Files

DOL has developed three Excel template files to be used by the states in compiling this financial data for their local areas, so that all states are using a uniform methodology, consistent with DOL methodology, to obtain the categories needed. Two of the templates are used to develop the data category breakouts described above within each fund year source and a third template will provide the summary of all fund years' data. These Excel files are to be used as follows:

   a) Compiling the financial data for each fund year source
Two types of templates are provided:
- *1a Local Area WIA 063007 CARRYIN FUNDS CALCS Template.xls* for carry-in fund years (PY 2004, FY 2005, PY 2005, FY 2006) and,
- *1b Local Area WIA 063007 NEW FUNDS CALCS Template.xl*s for new fund year sources (PY 2006, FY 2007).

Each template provides for entry of data as of the 6/30/07 reporting period in the rows for each local area. The Carryin Funds template also contains rows for entry of data for each local area as of the 6/30/06 reporting period, located below the rows designated for the 6/30/07 period. In both templates, the first group of columns is used for entry of actual local area data for the respective periods. The remaining columns contain formulas which use the actual data entered to calculate the categories needed.

The instructions below should be followed carefully, because accurate results of the formula calculations in the files depend on the correct structure and sequence of the local area data.

   1) Use the appropriate template to create a separate copy of the file for each fund year source, depending on whether it is a carry-in fund year source or new fund year source. Replace the generic local area names with actual names in both the 6/30/07 and 6/30/06 period row sections. Tip: Copy and paste the local area names from the 6/30/07 rows to the 6/30/06 rows. Local area names in the 6/30/06 period rows <u>should correlate with and be in the same order</u> as local area names in the 6/30/07 period rows. Do not change the reporting period

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labels or the order of the rows. If desired, rows not needed for actual area names may be deleted, but make sure that both 6/30 period row sections in the Carryin Funds fund years files result in the same number of local area rows in each section Tip: Make the first carryin year file, complete with actual local area names, then use that file to make copies for the other three carryin years; do the same for the new year files, i.e., put local area names in the first file, then make a copy of that file for the second year file. There should be a total of six files, each one representing a fund year source that was available during PY 2006.

2) Enter the FSR data as of the 6/30/06 and 6/30/07 periods for all local areas in columns (coded yellow) C through L of the appropriate Excel file template format and enter state allocations (including local area administration amounts) by program to local areas in columns N through P. The headings for columns C through L display the corresponding source lines of the FSR for the data. If a local area did not submit a 6/30 period report for a fund year source because a final report had been submitted to the state in a prior period, then that final report data should be used.   All local areas should have data for all fund years representing the status as of the respective 6/30 periods needed for this exercise. Note that the net transfers data for a program is the net of transfers in and out reported on the FSR. Extracts of the FSR's submitted by states to DOL for each fund year are available online at http://www.doleta.gov/budget/qtrlyspend.cfm to assist in verifying totals of the data for all local areas; however these extracts will not reflect any allowable adjustments made by states as described in paragraph 1 above.

Once data is entered, the Excel file has formulas which calculate the various breakouts needed for the next steps. The formulas calculate the following for each fund year source:

o   <u>Actual local administration amounts for each program.</u> Authorized amounts are determined by subtracting the local program reported authorized amount for the report period from the state allocation (including local administration) to the local area as of the report period. (The sum of these local administration amounts by program should equal the total local administration authorized amount reported for the period, to reconcile reports with state allocations to local areas – see column color-coded orange.) (NOTE: if the state calculates the local administration amount for each program before giving it to the local areas, then those amounts should be entered in the local administration columns by program, replacing the Excel formulas). The formulas then prorate the reported local administrative expenditures data among the programs based on the local administrative authorized amounts determined as described above.

o   <u>Unexpended funds available during PY 2006</u>: For the prior (carry-in) fund year sources (PY 2004, FY 2005, PY 2005, FY 2006), unexpended funds carried into PY 2006 is calculated by subtracting the cumulative expenditures as of 6/30/06 from the final authorized amounts as of 6/30/07. For the new fund year sources (PY 2006 and FY 2007), total authorized as of 6/30/07 is used. Total availability for the Adults and Dislocated Workers programs includes net transfers for each program, consistent with DOL treatment of transfers for purposes of availability.

o   <u>Expenditures during PY 2006:</u> For the carry-in fund year sources, expenditures are calculated by subtracting the cumulative expenditures as of 6/30/06 from the cumulative expenditures as of 6/30/07. For the new fund year sources, PY 2006 and FY 2007, total cumulative expenditures as of 6/30/07 are used.

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b) Combining all fund year sources

This is done by using the summary Excel template file
(*2 Local Area WIA 63007 SUMbyPgm Template.xls*). This file contains ten worksheets and summarizes the following for each program:
- total funds available during PY 2006,
- total expenditures during PY 2006
- total unexpended balance at the end of PY 2006, and
- unexpended carryout balance to PY 2007. The unexpended carryout balance to PY 2007 is unexpended balances as of 6/30/07 remaining from fund year sources PY 2005, FY 2006, PY 2006, and FY 2007, and available for spending in PY 2007.

1) Make a separate copy of the Excel template file. In all worksheets in the file, replace the generic local area names with actual names matching the local area names used in the fund year files created as described above. Tip: copy and paste the local area names from a fund year file to all worksheets. If desired, delete rows not needed for actual local area names, making sure all worksheets have the same number of rows for local areas. Do not make any other changes to the file, as there is extensive use of formulas linking and calculating data across worksheets.

2) From columns coded purple in each fund year source file described in subparagraph a) above, copy and paste to the summary Excel file, in the appropriate worksheet (yellow worksheet tabs) for each category of data, the <u>values (not formulas)</u> calculated for the following categories:

- o   calculated carry-in (cols AR-AT for carryin fund year sources),
- o   state allocations (cols N-P for new fund year sources),
- o   transfers (cols F & K for new fund year sources), and
- o   calculated expenditures (cols AV-AX for carryin fund year sources and AI-AK for new fund year sources)

The summary file contains worksheets (pink worksheet tables) with summary tables for each program which use formulas linked to various worksheets in the file to combine the data. From these summary tables, the data is obtained to be used in the following rescission calculations.

III. Rescission Calculations

Congress specified that within each state the rescission must be applied to statewide and local areas proportionately to the extent to which unexpended balances for those activities contributed to the amount to be rescinded in the state. Congress specified that the rescission be calculated in two steps:

- Step 1: calculation of rescission amount applicable to unexpended carryout balances exceeding 30 percent of total funds available during PY 2006, and
- Step 2: calculation of remaining rescission amount based on unexpended carryout balances remaining after calculation of Step 1.

To ensure compliance with this requirement, DOL has developed instructions for rescission calculations for states to use in determining their local area rescission amounts as described below. In addition, DOL has

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prepared an Excel template file (*3 Local Area WIA RESC CALCS Template.xls*) to be used by states. This template file incorporates this methodology to make it easier for states to calculate the amounts, and to ensure that all states are using a uniform methodology. The file contains a separate sheet for each program and calculates the rescission amount for each local area using the financial data summarized as described above.

Using the Excel template file

1) Make a separate copy of the rescission calculation Excel template file. Replace the generic local area names with actual names by copying and pasting the local area names from a fund year file; if desired, delete unneeded rows.
2) From the summary tables (pink worksheet tabs) in the summary file described in paragraph 3b) above, copy for each program, for all local areas, total availability and unexpended carryout balances to PY 2007 and paste the <u>values (not formulas)</u> to the local area rows in the appropriate columns (coded yellow) in the rescission calculation file.

The formulas in the rescission calculation file perform the following rescission calculations for each local area:

- **Step 1:** Unexpended carryout balances for each local area in excess of 30 percent of total available funds at each level during PY 2006 are calculated. This is done by multiplying the total available funds during PY 2006 for the local area by 30 percent, and, if the unexpended carryout balance is greater, calculating the amount of unexpended balance exceeding the 30 percent threshold. If a state has no Step 1 excess rescission amount for a program at all, then no excess unexpended balances are assigned to any local areas, and all local area unexpended balances will be used only in Step 2 calculations. However, if there is a Step 1 excess rescission amount for the state for a program, then that Step 1 amount is distributed proportionately among the local areas based on their share of all areas summed excess unexpended balances. The proportionate methodology is used because not all local areas may have excess unexpended balances, and, if so, the sum of those that do will not equal the total local excess calculated by DOL.
- **Step 2:** Each local area receives a share of the state's Step 2 rescission amount for the program in proportion to each local area's share of all areas summed remaining unexpended balances (remaining balance means after reducing its unexpended carryout balance by any unexpended balance in excess of 30 percent of total availability, as used in Step 1, if applicable).
- **Total**: Each local area's total for each program is the sum of the two steps, and the total of all local areas amounts for each step in the calculation is equal to the respective step calculation for the total local activities as provided by DOL.