

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION OWI
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 20-10

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: JANE OATES /s/
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) 2010 allotments for the Dislocated Worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- Department of Labor Appropriations Act, 2010, Division D of Title I of the Consolidated Appropriations Act, 2010, Public Law (PL) 111-117, December 17, 2009 (Fiscal Year (FY) 2010 Appropriations Act)
- Training and Employment Guidance Letter (TEGL) 19-09, “Workforce Investment Act Adult, Dislocated Worker and Youth Activities Program Allotments for PY 2010; Final Wagner-Peyser Act Employment Service Program Allotments for PY 2010; and Workforce Information Grants to States Allotments for PY 2010”
- Workforce Investment Act (Public Law 105-220) Section 132(c); 29 United States Code 2862(c)
- Secretary’s Reallotment Procedures, 20 Code of Federal Regulations (CFR) 667.150

3. **Background.** In the FY 2010 Appropriations Act, Congress appropriated WIA PY 2010 funds in two portions: 1) funds available for obligation July 1, 2010 (i.e. PY 2010 “base” funds), and 2) funds available for obligation October 1, 2010 (i.e. FY 2011 “advance” funds). Together, these two portions comprise the complete PY 2010 WIA allotment. TEGL 19-09 announced WIA allotments based on this appropriation and alerted states to the recapture and reallotment of funds’ provisions, as required under WIA Section 132(c). Under this section of WIA, the Secretary is required to conduct reallotment of excess unobligated WIA Adult, Youth, and Dislocated Worker formula funds based on state financial reports submitted at the end of the prior program year (i.e. PY 2009).

RESCISSIONS None	EXPIRATION DATE Continuing
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The procedures the Secretary uses for recapture and reallocation of funds are described in the WIA regulations at 20 CFR 667.150. We will not recapture any PY 2010 funds for Adult and Youth programs because there are not any cases where PY 2009 unobligated funds exceed the statutory requirements of 20 percent of state allotted funds. For the Dislocated Worker program, however, there were two states that had unobligated PY 2009 funds in excess of 20 percent. Therefore, a total of \$408,982 will be recaptured from PY 2010 funding from these two states and reallocated to the remaining states, as required by WIA Section 132(c).

4. **Notice of Obligation 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 FY 2011 advance portion of the PY 2010 allotments, which were issued in October 2010. Attached are tables displaying the net changes to PY 2010 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 reacquiring funds from the state and local areas.

As mentioned in Section 4 of this TEGL, the recapture/reallocation will apply to the FY 2011 advance portion of the PY 2010 allotment. Therefore, for reporting purposes, the recapture/reallocation amount must be reflected (decrease or increase) in the "Total Federal Funds Authorized" Line of any affected FY 2011 WIA 9130 Financial Status Reports (State Dislocated Worker Activities, Statewide Rapid Response, Local Dislocated Worker Activities) 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 section of the adjusted reports.

6. **Action Requested.** 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. **Attachment.**
 - A. WIA Dislocated Worker Activities, PY 2010 Reallocation to States
 - B. WIA Dislocated Worker Activities, PY 2010 Revised Allotments with Reallocation
 - C. Dislocated Worker State Formula, PY 2010 Reallocation Methodology