

<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> OWI
	<b>CORRESPONDENCE SYMBOL</b> OWI
	<b>DATE</b> April 2, 2013

**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 22-12**

**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) 2012 allotments for the Dislocated Worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- Consolidated Appropriations Act, 2012, Division F, Title I and Title V, P.L. 112-74 (Fiscal Year (FY) 2012 Appropriations Act);
- Training and Employment Guidance Letter (TEGL) 19-11, *Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2012; Final PY 2012 Allotments for the Wagner-Peyser Act Employment Service Program; and Workforce Information Grants to States Allotments for PY 2012;*
- Workforce Investment Act Section 132(c), P.L. 105-220, 29 U.S.C. 2862(c); and
- Secretary’s Reallotment Procedures, 20 CFR 667.150.

3. **Background.** In the FY 2012 Appropriations Act, Congress appropriated WIA PY 2012 funds in two portions: 1) funds available for obligation July 1, 2012 (i.e., PY 2012 “base” funds), and 2) funds available for obligation October 1, 2012 (i.e., FY 2013 “advance” funds). Together, these two portions make up the complete PY 2012 WIA allotment. TEGL 19-11 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 of Labor (Secretary) is required to conduct reallotment of excess unobligated WIA Adult, Youth, and Dislocated Worker formula funds. We determine the amount available for recapture based on state financial reports submitted at the end of the prior program year (i.e., PY 2011).

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> 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 2012 funds for Adult and Youth programs because no cases exist where PY 2011 unobligated funds exceed the statutory requirements of 20 percent of state allotted funds. For the Dislocated Worker program, however, one state had unobligated PY 2011 funds in excess of 20 percent. Therefore, we will recapture \$69,038 from PY 2012 funding from this one state and issue a reallocation to the remaining states, as required by WIA Section 132(c).

4. **Notice of Obligation Adjustment**. We will issue Notices of Obligation and Deobligation for the states reflecting the recapture and reallocation of these funds. We will make adjustment of funds to the FY 2013 advance portion of the PY 2012 allotments, issued in October 2012. Attached are tables displaying the net changes to PY 2012 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 reallocation funds among local areas, so states have flexibility to determine the methodology they would like to use.

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 TEG, the recapture/reallocation will apply to the FY 2013 advance portion of the PY 2012 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 2013 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. The remarks section of the adjusted reports may include an explanation of the adjustment.

6. **Action Requested**. Please distribute this guidance letter to the appropriate WIA staff.
7. **Inquiries**. Please direct questions regarding the revised allotments to the appropriate regional office.
8. **Attachment**.
  - A. WIA Dislocated Worker Activities, PY 2012 Reallocation to States
  - B. WIA Dislocated Worker Activities, PY 2012 Revised Allotments with Reallocation
  - C. Dislocated Worker State Formula, PY 2012 Reallocation Methodology