

**Dislocated Worker (DW) State Formula
Program Year (PY) 2012 Reallotment Methodology**

Reallotment Summary:

This year the Employment and Training Administration (ETA) analyzed State Workforce Investment Act (WIA) Dislocated Worker 9130 financial reports from the June 30, 2012 reporting period for PY 2011, to determine if any state had unobligated funds in excess of 20 percent of their PY 2011 allotment amount. If so, we will recapture that amount from PY 2012 funds and reallot among eligible states.

Source Data: State WIA 9130 financial status reports
Programs: State Dislocated Worker
 State Rapid Response
 Local Dislocated Worker (includes local administration)
Period: June 30, 2012
Years covered: PY 2011 and FY 2012

Reallotment Calculation Process:

- (1) *Determine the unobligated balance:* ETA computes the state's total amount of PY 2011 state obligations (including Fiscal Year (FY) 2012 funds) for the DW program. State obligations are the sum of DW statewide activities obligations, Rapid Response obligations, and 100 percent of local DW program funds (which includes funds for local administration). The state's total unobligated balance for the DW program is the 2011 DW allotment (minus the total DW obligations) amount, adjusted for recapture/reallotment and statutory formula-based rescissions, if applicable. This year a rescission was appropriate to all states, recapture for Maine was applicable, but reallotment for all other states was not applicable. (Note: for reallotment purposes, DW allotted funds transferred to the Navajo Nation are added back to Arizona, New Mexico, and Utah local DW authorized amounts).
- (2) *Exclude state administrative costs:* Section 667.150 of the regulations provides that the recapture calculations exclude the reserve for state administration which is part of the DW statewide activities. Data on state administrative amounts authorized and obligated are not reported on WIA 9130 financial reports. In the preliminary calculation to determine states potentially liable for recapture, the DW portion of the state administrative amount authorized is estimated by calculating the five percent maximum amount for state DW administrative costs using the DW state allotment amounts (adjusted for recapture/reallotment and statutory formula-based rescissions). For the DW portion of the state administrative amount obligated, 100 percent of the estimated authorized amount is treated as obligated, although this estimate of state administration obligations is limited by reported statewide activities obligations overall.
- (3) *Follow-up with states potentially liable for recapture:* ETA requests that those states potentially liable for recapture provide additional data on state administrative amounts that are not regularly reported on the PY 2011 and FY 2012 statewide activities reports. The

amount of statewide activities funds that were authorized and obligated for state administration as of June 30, 2012 is the requested additional information. If a state provides actual state DW administrative costs, authorized and obligated, in the comments section of revised 9130 reports, this data replaces the estimates. Based on the requested additional actual data submitted by potentially liable states on revised reports, the DW total allotment for these states is reduced by the DW portion of the state administrative amount authorized. Likewise, the DW portion of the obligated state administrative funding reduces the DW total obligations for these states.

- (4) *Reduce excess funds:* States (including those adjusted by actual state administrative data) with *unobligated balances* exceeding 20 percent of the combined PY 2011/FY 2012 DW *allotment amount* (adjusted for recapture/reallotment and statutory formula-based rescissions) will have their PY 2012 DW funding (from the FY 2013 portion) reduced (recaptured) by the amount of the excess.
- (5) *Allot recapture among remaining states:* Finally, states with unobligated balances which do *not* exceed 20 percent (eligible states) will receive a share of the total recaptured amount (based on their share of the total PY 2011/FY 2012 DW allotments of eligible states) in their PY 2012 DW funding (the FY 2013 portion).