

**Dislocated Worker (DW) State Formula
Program Year (PY) 2016 Reallotment Methodology**

Reallotment Summary:

This year the Employment and Training Administration (ETA) analyzed Dislocated Worker ETA 9130 financial reports from the June 30, 2016 reporting period for funds provided to states in PY 2015, to determine if any state had unobligated funds in excess of 20 percent of their PY 2015 allotment amount. If so, ETA will recapture that amount from PY 2016 funds and reallot the recaptured funds among eligible states.

Source Data: ETA 9130 financial reports
Programs: State Dislocated Worker
Statewide Rapid Response
Local Dislocated Worker
Period: June 30, 2016
Years covered: PY 2015 and fiscal year (FY) 2016

Reallotment Calculation Process:

(1) *Determine each state's unobligated balance:* ETA computes the state's total amount of PY 2015 state obligations (including FY 2016 funds) for the DW program. State obligations are the sum of DW statewide activities obligations, Statewide Rapid Response obligations, and 100 percent of what the state authorizes for DW local activities (which includes program and administrative funds). To determine the unobligated balance for the DW program, ETA subtracts the total DW obligations amount from the state's total PY 2015 DW allotment (Note: for this process, ETA adds DW funds transferred to the Navajo Nation back to Arizona, New Mexico, and Utah local DW authorized amounts).

(2) *Excluding state administrative costs:* Section 683.135 of the regulations provides that the recapture calculations exclude the reserve for state administration which is part of the DW statewide activities. States do not report data on state administrative amounts authorized and obligated on the ETA 9130 financial reports.

- a) In the preliminary calculation, to determine states potentially liable for recapture, ETA estimates the DW portion of the state administrative amount authorized by calculating the five percent maximum amount for state DW administrative costs using the DW state allotment amounts (excluding any recapture/reallotment that occurred).
- b) ETA treats 100 percent of the state's estimated amount authorized for administration as obligated, although the 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 which are not regularly reported on the PY 2015 and FY 2016 statewide activities reports. The additional

information requested includes the amount of statewide activities funds the state authorized and obligated for state administration as of June 30, 2016. If a state provides actual state DW administrative costs, authorized and obligated, in the comments section of revised ETA 9130 reports, this data replaces the estimates.

- a) Based on the requested actual data submitted by potentially liable states on revised reports, ETA reduces the DW total allotment for these states by the amount states indicate they authorized for state administrative costs.
- b) Likewise, ETA reduces the DW total obligations for these states by the portion actually obligated for state administration.

(4) *Recapture calculation:* States (including those adjusted by actual state administrative data) with *unobligated balances* exceeding 20 percent of the combined PY 2015 DW *allotment amount* (which includes the PY 2015 “base” funding and FY 2016 “advance” funding amounts) will have their PY 2016 DW funding (from the FY 2017 “advance” portion) reduced (recaptured) by the amount of the excess.

(5) *Reallotment calculation:* 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 2015 (including the PY 2015 “base” and FY 2016 “advance” amounts) DW allotments of eligible states) in their PY 2016 DW funding (in the FY 2017 “advance” portion).