

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA - DW
	CORRESPONDENCE SYMBOL OWI
	DATE March 31, 2021

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 15-20

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: SUZAN G. LEVINE /s/
Principal Deputy Assistant Secretary

SUBJECT: Reallocation of Workforce Innovation and Opportunity Act (WIOA) Title I Formula-Allotted Funds for Dislocated Worker (DW) Activities for Program Year (PY) 2020

1. **Purpose.** To provide adjusted funding levels for PY 2020 allotments for the DW program under WIOA Title I Section 132(c) on recapture and reallocation.
2. **Action Requested.** Distribute this guidance letter to the appropriate WIOA staff.
3. **Summary and Background.**
 - a. Summary – This document provides grantees with notification and guidance associated with recapture and reallocation of DW funding from PY 2020 allotments.
 - b. Background – WIOA Sections 127(c) and 132(c) require the Secretary of Labor (Secretary) to conduct reallocation of excess unobligated WIOA Adult, Youth, and DW formula funds based on ETA 9130 financial reports submitted at the end of the prior program year. Training and Employment Guidance Letter (TEGL) No. 16-18, announcing the DW allotment levels for PY 2019, alerted states to the recapture and reallocation of funds provisions, and notified states that any recapture/reallocation of funds based on obligation of PY 2019 DW funding would impact PY 2020 DW allotments.

In the FY 2020 Appropriations Act, Congress appropriated DW PY 2020 funds in two portions: 1) funds available for obligation July 1, 2020 (i.e., PY 2020 “base” funds), and 2) funds available for obligation October 1, 2020 (i.e., FY 2021 “advance” funds). Together, these two portions make up the total PY 2020 WIOA funding. TEGL No. 16-19 announced the DW allotment levels for PY 2020.

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4. Recapture and Reallotment.

- a. Recapture and Reallotment Requirement. The WIOA regulations at 20 CFR 683.135 describes the procedures the Secretary uses for recapture and reallotment of funds. ETA will not recapture any PY 2020 funds for the Adult and Youth programs because there is no state where PY 2019 unobligated funds exceeds 20 percent of the allotment for that program year for those programs. However, for the DW program, Kentucky, Nevada, Puerto Rico, and West Virginia had unobligated PY 2019 funds in excess of 20 percent of their allotments. Therefore, ETA will recapture a total of \$4,993,277 from PY 2020 funding from Kentucky, Nevada, Puerto Rico, and West Virginia and reallot those funds to the remaining eligible states, as required by WIOA Section 132(c).
- b. Notice of Award (NOA) Adjustment. ETA will issue NOAs for the states to reflect the recapture and reallotment of these funds. The adjustment of funds will be made to the FY 2021 advance portion of the PY 2020 allotments, which ETA issued in October 2020. The attached tables display the changes to PY 2020 formula allotments and a description of the reallotment methodology.
- c. Procedures and Reporting. Neither WIOA statutory language nor WIOA regulatory language provides specific requirements by which states must distribute reallotted funds, so states have flexibility to determine the methodology used. For any state subject to recapture of funds, WIOA Section 132(c)(5) requires the Governor to prescribe equitable procedures for reacquiring funds from the state and local areas.

As described above, the recapture/reallotment adjustments will be made to the FY 2021 advance portion of the PY 2020 allotment. Therefore, for reporting purposes, states must reflect the recapture/reallotment amount (decrease or increase) in the “Total Federal Funds Authorized” line of any affected FY 2021 ETA 9130 financial 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 state must include an explanation of the adjustment in the remarks section of the adjusted reports.

5. **Inquiries.** Please direct questions regarding the revised allotments to the appropriate regional office.

6. References.

- Further Consolidated Appropriations Act, 2020, Public Law (P.L.) 116-94 FY 2020 Appropriations Act);
- WIOA, Section 132(c), P.L. 113-128, 29 U.S.C. 3172(c);
- WIOA Regulations at 20 CFR 683.135;
- TEGL No. 16-19, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2020; PY 2020 Allotments for the Wagner-Peyser Act Employment Service (ES)*

- Program and the Allotments of Workforce Information Grants to States for PY 2020;*
and
- *TEGL No. 16-18, Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2019; Final PY 2019 Allotments for the Wagner-Peyser Act Employment Service (ES) Program Allotments; and the Allotments of Workforce Information Grants to States for PY 2019.*

7. Attachments.

- Attachment I - WIOA Dislocated Worker Activities, PY 2020 Reallotment to States
- Attachment II - WIOA Dislocated Worker Activities, PY 2020 Revised Allotments with Reallotment – PY/FY Split