

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION OWI
	CORRESPONDENCE SYMBOL OWI
	DATE May 7, 2014

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 24-13

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: Reallotment of Workforce Investment Act (WIA) Title I Formula-Allotted Funds for Dislocated Worker Activities for Program Year (PY 2013)

1. **Purpose.** To provide adjusted funding levels for PY 2013 allotments for the Dislocated Worker program under WIA Title I Section 132(c) on recapture and reallotment.
2. **References.**
 - Full-Year Continuing Appropriations Act, 2013, Title I of Division F and Division G of the Consolidated and Further Continuing Appropriations Act, 2013, Public Law (Pub.L.) 113-6 (Fiscal Year (FY) 2013 Appropriations Act);
 - Training and Employment Guidance Letter (TEGL) 25-12, *Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2013; Final PY 2013 Allotments for the Wagner-Peyser Act Employment Service Program; and Workforce Information Grants to States Allotments for PY 2013;*
 - 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 2013 Appropriations Act, Congress appropriated WIA PY 2013 funds in two portions: 1) funds available for obligation July 1, 2013 (i.e., PY 2013 “base” funds), and 2) funds available for obligation October 1, 2013 (i.e., FY 2014 “advance” funds). Together, these two portions make up the complete PY 2013 WIA allotment. TEGL 25-12 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). This section of WIA requires the Secretary of Labor (Secretary) 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 2012).

WIA regulations at 20 CFR 667.150 describe the procedures the Secretary uses for recapture and reallotment of funds. We will not recapture any PY 2013 funds for Adult and Youth programs because there are no cases where PY 2012 unobligated funds exceed the statutory requirements of 20 percent of state allotted funds. For the Dislocated Worker program,

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however, one state had unobligated PY 2012 funds in excess of 20 percent. Therefore, ETA will recapture a total of \$56,422 from PY 2013 funding from this one state and reallocate those funds to the remaining eligible states, as required by WIA Section 132(c).

4. **Notice of Obligation Adjustment.** ETA will issue Notices of Obligation for the states to reflect the recapture and reallocation of these funds. The adjustment of funds will be made to the FY 2014 advance portion of the PY 2013 allotments, which ETA issued in October 2013. The attached tables display the net changes to PY 2013 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 used.

For any state subject to recapture of funds, WIA Section 132(c)(5) requires the Governor to prescribe equitable procedures for reacquiring funds from the state and local areas.

As mentioned above, the recapture/reallocation for PY2012 will be applied to the FY 2014 advance portion of the PY 2013 allotment. Therefore, for reporting purposes, states should reflect the recapture/reallocation amount (decrease or increase) in the "Total Federal Funds Authorized" line of any affected FY 2014 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 state should include an explanation of the adjustment in the remarks section of the adjusted reports.

6. **Action Requested.** 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 2013 Reallocation to States
 - B. WIA Dislocated Worker Activities, PY/FY 2013 Revised Allotments with Reallocation
 - C. Dislocated Worker State Formula, PY 2013 Reallocation Methodology