

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA/Wagner-Peyser
	CORRESPONDENCE SYMBOL OWI
	DATE April 21, 2023

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 15-22

TO: STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS

FROM: BRENT PARTON /s/
Acting Assistant Secretary

SUBJECT: Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2023; PY 2023 Allotments for the Wagner-Peyser Act Employment Service (ES) Program; and PY 2023 Allotments of Workforce Information Grants to States

1. **Purpose.** To provide information to states and outlying areas on WIOA Title I Adult, Dislocated Worker and Youth Activities program allotments for PY 2023; final PY 2023 allotments for the Wagner-Peyser Act ES Program, as required by section 6(b)(5) of the Wagner-Peyser Act, as amended; and the allotments of Workforce Information Grants to States for PY 2023.
2. **Action Requested.** States must follow the requirements in this guidance to obtain the federal funds needed to manage their programs.
3. **Summary and Background.**
 - a. Summary - This document provides grantees with guidance and information including:
 - How to obtain the federal funds covered by the TEGL and financial reporting requirements;
 - The potential for reallocation of PY 2023 funds based on unobligated balances of PY 2022 funds in excess of 20 percent of their allotment at the end of PY 2022 (6/30/23);
 - Requirements when calculating sub-state allocations to local areas and updated Disadvantaged Youth and Adult data for use in PY 2023 and future WIOA Youth and Adult within-state allocation formulas;
 - Funds set aside for evaluations and program integrity;
 - Salary caps at the Executive Level II;
 - Waivers of the competition requirement for outlying areas and updated 2020 Census data used in the outlying area allotments; and
 - New authority for outlying areas to submit an application for a single consolidated grant for Adult, Dislocated Worker and Youth funds.

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- b. Background - On December 29, 2022, the *Consolidated Appropriations Act, 2023*, Pub. L. 117-328, was signed into law (from this point forward, referred to as “the Act”). The Act makes PY 2023 Youth Activities funds available for obligation on April 1, 2023, and funds the WIOA Adult and Dislocated Worker programs in two separate appropriations. The first appropriations for the Adult and Dislocated Worker programs become available for obligation on July 1, 2023; this portion is commonly referred to as “base” funds. The second appropriations for the Adult and Dislocated Worker programs become available for obligation on October 1, 2023; this portion is commonly referred to as “advance” funds because they are provided in the appropriations act passed during the fiscal year immediately before the fiscal year when the funds are available. For example, funds for PY 2023 that will be made available on October 1, 2023, were appropriated during FY 2023, but not made available until FY 2024, and are called the FY 2024 “advance” funds. See Attachment A for details.

The Act, Division H, Title I, secs. 106(b) and 107, allows the Secretary of Labor (Secretary) to set aside up to 0.5 percent of each discretionary appropriation for activities related to program integrity and 0.75 percent of most operating funds for evaluations. For 2023, as authorized by the Act, the Department has set aside \$10,408,000 of the Training and Employment Services (TES) and \$2,556,500 of the State Unemployment Insurance and Employment Services Operations (SUIESO) appropriations impacted in this TEGL for these activities. ETA reserved these funds from the WIOA Adult, Youth, Dislocated Worker, Wagner-Peyser Act Employment Service, and Workforce Information Grant to States program budgets. Any funds not utilized for these reserve activities will be provided to the states.

ETA applied the reductions for evaluations and program integrity from the WIOA Adult and Dislocated Worker programs only to the FY 2024 “advance” funding levels; “base” funding is disseminated at the full amount appropriated in the Act.

The Act also specifies that the Secretary may reserve no more than 10 percent of the Dislocated Worker National Reserve funds to provide technical assistance and carry out additional activities related to the transition to WIOA. Additionally, salary caps are imposed under the Act, Division H, Title I, sec. 105. The funds provided to grantees in these allotments must not be used by a recipient or sub-recipient to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. The rates of basic pay for the Executive Schedule are found at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>. States also may establish lower salary caps. See TEGL No. 5-06, “Implementing the Salary and Bonus Limitations in Public Law 109-234.”

WIOA allotments for states are based on formula provisions contained in WIOA (see Attachment B for WIOA and Wagner-Peyser Act formula descriptions). The Act waives the competition requirement regarding funding to outlying areas (i.e., American Samoa, Guam, Commonwealth of the Northern Mariana Islands, the Republic of Palau, and the United States Virgin Islands). For PY 2023, outlying area grant amounts are based on the administrative formula determined by the Secretary that was used under the Workforce

Investment Act. Note, ETA used updated 2020 Census data to calculate the Adult, Youth, and Workforce Information Grants outlying area allotments. The 2020 Island Areas Censuses (IAC) operation was impacted by the COVID-19 pandemic. While the enumeration was successful, the COVID-19 pandemic impacted the quality of the detailed social, economic, and housing characteristic data for American Samoa, Guam, and the U.S. Virgin Islands. Guidance is available at <https://www2.census.gov/programs-surveys/decennial/2020/technical-documentation/island-areas-tech-docs/2020-iac-guidance.pdf>. Palau's data was obtained from the 2021 Statistical Yearbook of the Republic of Palau available at <https://www.palau.gov.pw/wp-content/uploads/2022/07/2021-Statistical-Yearbook.pdf>.

Additionally, the Act allows outlying areas to submit a single application according to the requirements established by the Secretary for a consolidated grant for Adult, Youth, and Dislocated Worker funds. Subject to approval of the grant application and other reporting requirements of the Secretary, the Act allows outlying areas receiving a consolidated grant to use those funds interchangeably between Adult, Youth, and Dislocated Worker programs or activities. If an outlying area is interested in consolidating its grants, it should contact the appropriate ETA Regional Office. ETA will separately provide outlying areas additional guidance regarding application and reporting requirements associated with the option to consolidate funds.

WIOA specifically included the Republic of Palau as an outlying area, except during any period for which the Secretary of Labor and the Secretary of Education determine that a Compact of Free Association is in effect and contains provisions for training and education assistance prohibiting the assistance provided under WIOA. No such determinations prohibiting assistance have been made (WIOA sec. 3(45)(B)). WIOA updated the Compact of Free Association Amendments of 2003, Pub. L. 108-188 (December 17, 2003) so that the Republic of Palau remained eligible for WIOA Title I funding. See [48 U.S.C. 1921d\(f\)\(1\)\(B\)\(ix\)](#). The National Defense Authorization Act for Fiscal Year 2018, Pub. L. 115-91 (December 12, 2017), Division A, Title XII, Subtitle F, sec. 1259C(c) authorized WIOA Title I funding to Palau through FY 2024.

In addition to this TEGL, ETA will publish the allotments and descriptions of the allotment formulas in the <https://www.federalregister.gov/>. In this Federal Register notice, ETA will invite comments on the allotment formula for outlying areas.

4. **WIOA PY 2023 Allotments.** Please see Appendices I through VI for guidance and Attachments A through K for formula descriptions and allotment tables.
5. **Inquiries.** Questions regarding these allotments may be directed to the appropriate Regional Office. Information on allotments and planning requirements may also be found on the ETA Web site at <https://www.dol.gov/agencies/eta>.
6. **References.**
 - Consolidated Appropriations Act, 2023 (Pub. L. 117-328);

- The National Defense Authorization Act for Fiscal Year 2018, Pub. L. 115-91 (December 12, 2017), Division A, Title XII, Subtitle F, sec. 1259C(c);
- Balanced Budget and Emergency Deficit Control Act of 1985, as amended (Title II of Pub. L. 99-177);
- Bipartisan Budget Act of 2018 (Pub. L. 115-123);
- Budget Control Act of 2011 (Pub. L. 112-25);
- Data for Persons Defined as Disadvantaged Youth and Adults (2016-2020) <https://www.dol.gov/agencies/eta/budget/formula/disadvantagedyouthadults>;
- Workforce Innovation and Opportunity Act (Pub. L. 113-128);
- Wagner-Peyser Act, as amended (29 U.S.C. 49 et seq.);
- Compact of Free Association Amendments of 2003 (Pub. L. 108-188);
- TEGL No. 5-06, *Implementing the Salary and Bonus Limitations in Public Law 109-234*;
- TEGL No. 20-19, *Revised ETA-9130 Financial Report, Instructions, and Additional Guidance*; and
- *Local Area Unemployment Statistics (LAUS) Technical Memorandum No. S-22-13, Program Year 2023 Areas of Substantial Unemployment under the Workforce Innovation and Opportunity Act, dated August 1, 2022.*

7. **Attachments.**

- Appendix I – WIOA Youth Allotment Activities
- Appendix II – WIOA Adult Allotment Activities
- Appendix III – WIOA Dislocated Worker Allotment Activities
- Appendix IV – Wagner-Peyser Act ES Allotment Activities
- Appendix V – Workforce Information Grants Allotment Activities
- Appendix VI – Submission Requirements and Reporting
- Attachment A - Program Year 2023 Funding
- Attachment B - WIOA and Wagner-Peyser Statutory Formula Descriptions for State Allotments
- Attachment C - WIOA Statutory and Discretionary Formulas for Sub State Allocations
- Attachment D - WIOA Youth Activities State Allotments, PY 2023 vs PY 2022
- Attachment E - WIOA Adult Activities State Allotments, PY 2023 vs PY 2022
- Attachment F - WIOA Adult Activities PY 2023 State Allotments, July 1 and October 1 Funding
- Attachment G - WIOA Dislocated Worker Activities State Allotments, PY 2023 vs PY 2022
- Attachment H - WIOA Dislocated Worker Activities PY 2023 Allotments, July 1 and October 1 Funding
- Attachment I - Employment Service (Wagner-Peyser) Allotments, PY 2023 vs PY 2022
- Attachment J - Workforce Information Grants to State Allotments, PY 2023 vs PY 2022
- Attachment K – WIOA Youth, Adult, and Dislocated Worker Outlying Areas Funding, PY 2023