

<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> WIOA - DW
	<b>CORRESPONDENCE SYMBOL</b> OWI
	<b>DATE</b> March 17, 2023

**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 11-22**

**TO:** STATE WORKFORCE AGENCIES  
STATE WORKFORCE LIAISONS

**FROM:** BRENT PARTON /s/  
Acting Assistant Secretary

**SUBJECT:** Reallotment of Workforce Innovation and Opportunity Act (WIOA) Title I Formula-Allotted Funds for Dislocated Worker (DW) Activities for Program Year (PY) 2022

1. **Purpose.** To provide adjusted funding levels for PY 2022 allotments for the DW program under WIOA Title I Section 132(c) on recapture and reallotment.
2. **Action Requested.** States do not need to take action to receive the reallotted funds but should reflect these funds in financial reports as described below.
3. **Summary and Background.**
  - a. Summary – This document provides grantees with notification and guidance associated with recapture and reallotment of DW funding from PY 2022 allotments.
  - b. Background – WIOA Sections 127(c) and 132(c) require the Secretary of Labor (Secretary) to conduct reallotment 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) 19-20 announced the DW allotment levels for PY 2021, alerted states to the recapture and reallotment of funds provisions, and notified states that any recapture/reallotment of funds based on obligation of PY 2021 DW funding would impact PY 2022 DW allotments.

In the Fiscal Year (FY) 2022 Consolidated Appropriations Act, Congress appropriated DW PY 2022 funds in two portions: 1) funds available for obligation July 1, 2022 (i.e., PY 2022 “base” funds), and 2) funds available for obligation October 1, 2022 (i.e., FY 2023 “advance” funds). Together, these two portions make up the total PY 2022 WIOA funding. TEGL 09-21 announced the DW allotment levels for PY 2022.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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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 2022 funds for the Adult and Youth programs because there are no states where PY 2021 unobligated funds exceed 20 percent of the allotment for that program year for those programs. For the DW program, however, Ohio and Puerto Rico had unobligated PY 2021 funds in excess of 20 percent of their allotments. Therefore, ETA will recapture a total of \$4,957,289 from PY 2022 funding from Ohio and Puerto Rico 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 2023 advance portion of the PY 2022 allotments, which ETA issued in October 2022. The attached tables display the changes to PY 2022 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 mentioned in Section 4.b of this TEGL, the recapture/reallotment adjustments will be made to the FY 2023 advance portion of the PY 2022 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 2023 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.

As part of ETA’s transition away from legacy systems, the new Payment Management System (PMS) Financial Reporting System will go live for ETA grant recipients’ submission of the quarterly ETA 9130 financial reports on April 3, 2023. PMS is operated by the U.S. Department of Health and Human Services, which will conduct training for ETA grant recipients on the use of the new reporting system. Additional guidance and information on the access and use of the PMS Financial Reporting System for the submission of future ETA 9130 quarterly financial reports is provided in Training and Employment Notice (TEN) No. 16-22. The PMS Financial Reporting System training sessions will be recorded and available for future reference.

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

6. **References.**

- Consolidated Appropriations Act, 2022 (Public Law 117-103) (FY 2022 Appropriations Act);
- WIOA Section 132(c), P.L. 113-128, 29 U.S.C. 3172(c);
- WIOA Regulations at 20 CFR 683.135;
- TEGL 09-21, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2022; PY 2022 Allotments for the Wagner-Peyser Act Employment Service (ES) Program; and PY 2022 Allotments of Workforce Information Grants to States*, <https://www.dol.gov/agencies/eta/advisories/training-and-employment-guidance-letter-no-09-21>; and
- TEGL 19-20, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2021; PY 2021 Allotments for the Wagner-Peyser Act Employment Service (ES) Program; and PY 2021 Allotments of Workforce Information Grants to States*, <https://www.dol.gov/agencies/eta/advisories/training-and-employment-guidance-letter-no-19-20>.

7. **Attachments.**

- Attachment I - WIOA Dislocated Worker Activities, PY 2022 Reallotment to States
- Attachment II - WIOA Dislocated Worker Activities, PY 2022 Revised Allotments with Reallotment – PY/FY Split