

TRAINING AND EMPLOYMENT NOTICE

No. 8-13, Change 1

TO: STATE GOVERNORS
STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE UNEMPLOYMENT INSURANCE DIRECTORS
STATE LABOR COMMISSIONERS
STATE LABOR MARKET INFORMATION DIRECTORS
STATE RAPID RESPONSE COORDINATORS
NATIONAL ASSOCIATION OF STATE AND TERRITORIAL APPRENTICESHIP DIRECTORS
COMPREHENSIVE AMERICAN JOB CENTER OFFICE MANAGERS
AFFILIATE AMERICAN JOB CENTER MANAGERS
ALL EMPLOYMENT AND TRAINING ADMINISTRATION GRANTEES

FROM: ERIC M. SELEZNOW /s/
Acting Assistant Secretary

SUBJECT: Impact of a Temporary Suspension of Federal Government Services on Department of Labor's Employment and Training Administration (ETA) Funded Programs and Activities – Change No. 1

- 1. Purpose.** To provide ETA funding recipients with additional information about permissible uses of funds made available through the Fiscal Year (FY) 2013 appropriations process. Since States have not yet received their full Program Year (PY) 2013 allotments due to the current Federal government shutdown, this guidance is intended to answer questions about the use of these funds (once received) for WIA activities provided on or after October 1, 2013.
- 2. Background.** The FY 2013 Federal budget expired at 11:59 PM on September 30, 2013. As of that date, States had received only the initial or base funding for PY 2013. The remaining PY 2013 funds, called "advance appropriations" became available for obligation on October 1 for States to administer the Workforce Investment Act (WIA) Adult and Dislocated Worker formula programs for the remainder of PY 2013, but due to the Federal government shutdown ETA was unable to distribute these funds to the States. ETA plans to begin the process of distributing the October 1 allotment this week.
- 3. Questions and Answers.** Please see the following questions and answers.

Q. 1. Once the Department allots the FY 2014 advance portion of the PY 2013 WIA adult and dislocated worker formula grant (normally allotted on October 1) (hereafter "the October

allotment”), may States or local workforce areas use those funds to cover expenses that have been incurred by grantees before their receipt of the allotment?

A. It is generally permissible to incur WIA costs for activities occurring before the October allotment is made. October allotment funds, whenever received, may be used to cover the costs of allowable WIA adult and dislocated worker activities that were provided on or after October 1, 2013; however, the funds may not be used for activities provided before that date. As with all WIA funds, activities funded with October allotment funds must meet the requirements of WIA, applicable regulations, DOL guidance, the OMB cost principles, and the terms of the award.

Q. 2. May States or local workforce areas use non-Federal funds to operate WIA services and then repay those funds with WIA funds when the October allotment is received?

A. As discussed in the answer to Q. 1, it is generally permissible to use the October allotment to cover otherwise allowable costs for WIA activities that were incurred on or after October 1, 2013. States or local areas should ensure that efforts to cover ongoing costs from other funding sources are consistent with the authority for the funds being used and that accounting adjustments for those funds are appropriate.

Q. 3. Just to be clear, if my County, (State or City) advanced my local workforce area funds to operate WIA services in my one stop center during the shutdown, may I repay those funds with WIA funds - back to October 1st - once the October allotment is received?

A. Yes. As discussed in the answer to Q. 1, it is generally permissible to use the October allotment to cover otherwise allowable costs for WIA activities that were incurred on or after October 1, 2013. Local workforce areas should ensure that efforts to cover ongoing costs from other funding sources are consistent with the authority for the funds being used and that accounting adjustments for those funds are appropriate.

4. **Action Requested.** Please provide this guidance to appropriate staff.

5. **Inquiries.** Questions may be directed to the Employment and Training Administration at (202) 693-2700 prior to resumption of government operations; after that date, questions may be directed to the appropriate Regional Office.