

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION OWI
	CORRESPONDENCE SYMBOL OWI
	DATE April 2, 2013

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 22-12

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: JANE OATES *Jane Oates*
Assistant Secretary

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

1. **Purpose.** To provide adjusted funding levels for Program Year (PY) 2012 allotments for the Dislocated Worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- Consolidated Appropriations Act, 2012, Division F, Title I and Title V, P.L. 112-74 (Fiscal Year (FY) 2012 Appropriations Act);
- Training and Employment Guidance Letter (TEGL) 19-11, *Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2012; Final PY 2012 Allotments for the Wagner-Peyser Act Employment Service Program; and Workforce Information Grants to States Allotments for PY 2012;*
- 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 2012 Appropriations Act, Congress appropriated WIA PY 2012 funds in two portions: 1) funds available for obligation July 1, 2012 (i.e., PY 2012 "base" funds), and 2) funds available for obligation October 1, 2012 (i.e., FY 2013 "advance" funds). Together, these two portions make up the complete PY 2012 WIA allotment. TEGL 19-11 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). Under this section of WIA, the Secretary of Labor (Secretary) is required to conduct reallotment of excess unobligated WIA Adult, Youth, and Dislocated Worker formula funds. We determine the amount available for recapture based on state financial reports submitted at the end of the prior program year (i.e., PY 2011).

RESCISSIONS None	EXPIRATION DATE Continuing
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The procedures the Secretary uses for recapture and reallocation of funds are described in the WIA regulations at 20 CFR 667.150. We will not recapture any PY 2012 funds for Adult and Youth programs because no cases exist where PY 2011 unobligated funds exceed the statutory requirements of 20 percent of state allotted funds. For the Dislocated Worker program, however, one state had unobligated PY 2011 funds in excess of 20 percent. Therefore, we will recapture \$69,038 from PY 2012 funding from this one state and issue a reallocation to the remaining states, as required by WIA Section 132(c).

4. **Notice of Obligation Adjustment.** We will issue Notices of Obligation and Deobligation for the states reflecting the recapture and reallocation of these funds. We will make adjustment of funds to the FY 2013 advance portion of the PY 2012 allotments, issued in October 2012. Attached are tables displaying the net changes to PY 2012 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 reallocation funds among local areas, so states have flexibility to determine the methodology they would like to use.

For any state from which funds are being recaptured, WIA 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 of this TEG, the recapture/reallocation will apply to the FY 2013 advance portion of the PY 2012 allotment. Therefore, for reporting purposes, the recapture/reallocation amount must be reflected (decrease or increase) in the "Total Federal Funds Authorized" line of any affected FY 2013 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 remarks section of the adjusted reports may include an explanation of the adjustment.

6. **Action Requested.** Please 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 2012 Reallocation to States
 - B. WIA Dislocated Worker Activities, PY 2012 Revised Allotments with Reallocation
 - C. Dislocated Worker State Formula, PY 2012 Reallocation Methodology

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
WIA Dislocated Worker Activities
PY 2012 Reallotment to States

	Excess Unobligated PY 2011 Funds for Recapture in PY 2012	PY 2011 * Dislocated Worker Allotments for Eligible States	PY 2012 Reallotment Amount for Eligible States	Total PY 2012 Allotments	Total Adjustment to PY 2012 (Recapture/ Reallotment)	Revised Total PY 2012 Allotments
Alabama	0	16,103,978	1,050	15,469,879	1,050	15,470,929
Alaska	0	1,801,832	117	1,617,337	117	1,617,454
Arizona **	0	21,958,487	1,432	21,499,925	1,432	21,501,357
Arkansas	0	6,525,077	425	7,022,211	425	7,022,636
California	0	170,043,518	11,086	167,279,720	11,086	167,290,806
Colorado	0	13,947,918	909	16,138,114	909	16,139,023
Connecticut	0	12,099,340	789	12,425,813	789	12,426,602
Delaware	0	2,523,025	164	2,364,143	164	2,364,307
District of Columbia	69,038	0	0	2,584,544	(69,038)	2,515,506
Florida	0	81,146,334	5,290	77,488,229	5,290	77,493,519
Georgia	0	35,448,102	2,311	36,619,541	2,311	36,621,852
Hawaii	0	2,535,324	165	2,544,104	165	2,544,269
Idaho	0	4,234,037	276	4,848,656	276	4,848,932
Illinois	0	52,311,422	3,411	45,174,858	3,411	45,178,269
Indiana	0	22,936,088	1,495	19,764,183	1,495	19,765,678
Iowa	0	6,212,899	405	5,396,211	405	5,396,616
Kansas	0	5,771,477	376	6,269,130	376	6,269,506
Kentucky	0	14,962,447	976	14,426,545	976	14,427,521
Louisiana	0	8,755,097	571	10,053,020	571	10,053,591
Maine *	0	3,342,209	218	3,411,860	218	3,412,078
Maryland	0	14,280,338	931	13,446,336	931	13,447,267
Massachusetts	0	21,033,198	1,371	18,123,153	1,371	18,124,524
Michigan	0	51,206,873	3,339	37,950,243	3,339	37,953,582
Minnesota	0	12,869,603	839	12,016,430	839	12,017,269
Mississippi	0	10,134,604	661	10,347,245	661	10,347,906
Missouri	0	19,157,714	1,249	19,339,341	1,249	19,340,590
Montana	0	2,044,172	133	2,228,454	133	2,228,587
Nebraska	0	2,056,541	134	1,769,045	134	1,769,179
Nevada	0	14,310,158	933	14,404,698	933	14,405,631
New Hampshire	0	2,760,460	180	2,023,863	180	2,024,043
New Jersey	0	32,201,066	2,099	30,891,644	2,099	30,893,743
New Mexico **	0	5,171,897	337	4,691,620	337	4,691,957
New York	0	55,804,488	3,638	53,040,830	3,638	53,044,468
North Carolina	0	35,042,869	2,285	33,775,540	2,285	33,777,825
North Dakota	0	499,156	33	491,586	33	491,619
Ohio	0	44,012,508	2,869	37,410,700	2,869	37,413,569
Oklahoma	0	6,906,804	450	5,818,181	450	5,818,631
Oregon	0	15,054,272	981	14,179,357	981	14,180,338
Pennsylvania	0	37,914,512	2,472	33,628,882	2,472	33,631,354
Puerto Rico	0	13,675,088	892	13,792,527	892	13,793,419
Rhode Island	0	5,096,307	332	4,729,397	332	4,729,729
South Carolina	0	19,157,131	1,249	17,247,928	1,249	17,249,177
South Dakota	0	839,629	55	914,615	55	914,670
Tennessee	0	22,094,179	1,440	21,002,405	1,440	21,003,845
Texas	0	61,926,140	4,037	65,045,270	4,037	65,049,307
Utah **	0	6,053,827	395	6,236,314	395	6,236,709
Vermont	0	1,242,041	81	1,060,351	81	1,060,432
Virginia	0	18,453,304	1,203	16,429,934	1,203	16,431,137
Washington	0	22,238,858	1,450	22,715,887	1,450	22,717,337
West Virginia	0	4,552,003	297	4,805,556	297	4,805,853
Wisconsin	0	17,319,011	1,129	15,286,735	1,129	15,287,864
Wyoming	0	1,199,212	78	909,374	78	909,452
STATE TOTAL	\$69,038	\$1,058,966,574	\$69,038	\$1,008,151,464	\$0	\$1,008,151,464

* Including rescissions based on the statutory formula and prior year recapture amount for Maine. No reallotment occurred; therefore, no reallotment amounts are included.

** Includes Navajo Nation

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
WIA Dislocated Worker Activities
PY 2012 Revised Allotments with Reallocation

	Total			Available 7/1/12			Available 10/1/12		
	Original	Recapture/ Reallotment	Revised	Original	Recapture/ Reallotment	Revised	Original	Recapture/ Reallotment	Revised
Alabama	15,469,879	1,050	15,470,929	2,273,354	-	2,273,354	13,196,525	1,050	13,197,575
Alaska	1,617,337	117	1,617,454	237,673	-	237,673	1,379,664	117	1,379,781
Arizona *	21,499,925	1,432	21,501,357	3,159,491	-	3,159,491	18,340,434	1,432	18,341,866
Arkansas	7,022,211	425	7,022,636	1,031,939	-	1,031,939	5,990,272	425	5,990,697
California	167,279,720	11,086	167,290,806	24,582,353	-	24,582,353	142,697,367	11,086	142,708,453
Colorado	16,138,114	909	16,139,023	2,371,554	-	2,371,554	13,766,560	909	13,767,469
Connecticut	12,425,813	789	12,426,602	1,826,018	-	1,826,018	10,599,795	789	10,600,584
Delaware	2,364,143	164	2,364,307	347,419	-	347,419	2,016,724	164	2,016,888
District of Columbia	2,584,544	(69,038)	2,515,506	379,808	-	379,808	2,204,736	(69,038)	2,135,698
Florida	77,488,229	5,290	77,493,519	11,387,173	-	11,387,173	66,101,056	5,290	66,106,346
Georgia	36,619,541	2,311	36,621,852	5,381,373	-	5,381,373	31,238,168	2,311	31,240,479
Hawaii	2,544,104	165	2,544,269	373,865	-	373,865	2,170,239	165	2,170,404
Idaho	4,848,656	276	4,848,932	712,527	-	712,527	4,136,129	276	4,136,405
Illinois	45,174,858	3,411	45,178,269	6,638,607	-	6,638,607	38,536,251	3,411	38,539,662
Indiana	19,764,183	1,495	19,765,678	2,904,417	-	2,904,417	16,859,766	1,495	16,861,261
Iowa	5,396,211	405	5,396,616	792,993	-	792,993	4,603,218	405	4,603,623
Kansas	6,269,130	376	6,269,506	921,271	-	921,271	5,347,859	376	5,348,235
Kentucky	14,426,545	976	14,427,521	2,120,032	-	2,120,032	12,306,513	976	12,307,489
Louisiana	10,053,020	571	10,053,591	1,477,327	-	1,477,327	8,575,693	571	8,576,264
Maine	3,411,860	218	3,412,078	501,385	-	501,385	2,910,475	218	2,910,693
Maryland	13,446,336	931	13,447,267	1,975,987	-	1,975,987	11,470,349	931	11,471,280
Massachusetts	18,123,153	1,371	18,124,524	2,663,262	-	2,663,262	15,459,891	1,371	15,461,262
Michigan	37,950,243	3,339	37,953,582	5,576,924	-	5,576,924	32,373,319	3,339	32,376,658
Minnesota	12,016,430	839	12,017,269	1,765,857	-	1,765,857	10,250,573	839	10,251,412
Mississippi	10,347,245	661	10,347,906	1,520,565	-	1,520,565	8,826,680	661	8,827,341
Missouri	19,339,341	1,249	19,340,590	2,841,985	-	2,841,985	16,497,356	1,249	16,498,605
Montana	2,228,454	133	2,228,587	327,479	-	327,479	1,900,975	133	1,901,108
Nebraska	1,769,045	134	1,769,179	259,967	-	259,967	1,509,278	134	1,509,212
Nevada	14,404,698	933	14,405,631	2,116,822	-	2,116,822	12,287,876	933	12,288,809
New Hampshire	2,023,863	180	2,024,043	297,414	-	297,414	1,726,449	180	1,726,629
New Jersey	30,891,644	2,099	30,893,743	4,539,638	-	4,539,638	26,352,006	2,099	26,354,105
New Mexico *	4,691,620	337	4,691,957	689,450	-	689,450	4,002,170	337	4,002,507
New York	53,040,830	3,638	53,044,468	7,794,540	-	7,794,540	45,246,290	3,638	45,249,928
North Carolina	33,775,540	2,285	33,777,825	4,963,436	-	4,963,436	28,812,104	2,285	28,814,389
North Dakota	491,586	33	491,619	72,240	-	72,240	419,346	33	419,379
Ohio	37,410,700	2,869	37,413,569	5,497,636	-	5,497,636	31,913,064	2,869	31,915,933
Oklahoma	5,818,181	450	5,818,631	855,003	-	855,003	4,963,178	450	4,963,628
Oregon	14,179,357	981	14,180,338	2,083,707	-	2,083,707	12,095,650	981	12,096,631
Pennsylvania	33,628,882	2,472	33,631,354	4,941,885	-	4,941,885	28,686,997	2,472	28,689,469
Puerto Rico	13,792,527	892	13,793,419	2,026,861	-	2,026,861	11,765,666	892	11,766,558
Rhode Island	4,729,397	332	4,729,729	695,002	-	695,002	4,034,395	332	4,034,727
South Carolina	17,247,928	1,249	17,249,177	2,534,645	-	2,534,645	14,713,283	1,249	14,714,532
South Dakota	914,615	55	914,670	134,406	-	134,406	780,209	55	780,264
Tennessee	21,002,405	1,440	21,003,845	3,086,379	-	3,086,379	17,916,026	1,440	17,917,466
Texas	65,045,270	4,037	65,049,307	9,558,635	-	9,558,635	55,486,635	4,037	55,490,672
Utah *	6,236,314	395	6,236,709	916,449	-	916,449	5,319,865	395	5,320,260
Vermont	1,060,351	81	1,060,432	155,822	-	155,822	904,529	81	904,610
Virginia	16,429,934	1,203	16,431,137	2,414,438	-	2,414,438	14,015,496	1,203	14,016,699
Washington	22,715,887	1,450	22,717,337	3,338,181	-	3,338,181	19,377,706	1,450	19,379,156
West Virginia	4,805,556	297	4,805,853	706,194	-	706,194	4,099,362	297	4,099,659
Wisconsin	15,286,735	1,129	15,287,864	2,246,440	-	2,246,440	13,040,295	1,129	13,041,424
Wyoming	909,374	78	909,452	133,636	-	133,636	775,738	78	775,816
STATE TOTAL	1,008,151,464	-	1,008,151,464	148,151,464	-	148,151,464	860,000,000	-	860,000,000

* Includes funds allocated to the Navajo Nation

01/10/13

**Dislocated Worker (DW) State Formula
Program Year (PY) 2012 Reallotment Methodology**

Reallotment Summary:

This year the Employment and Training Administration (ETA) analyzed State Workforce Investment Act (WIA) Dislocated Worker 9130 financial reports from the June 30, 2012 reporting period for PY 2011, to determine if any state had unobligated funds in excess of 20 percent of their PY 2011 allotment amount. If so, we will recapture that amount from PY 2012 funds and reallot among eligible states.

Source Data: State WIA 9130 financial status reports

Programs: State Dislocated Worker
State Rapid Response
Local Dislocated Worker (includes local administration)

Period: June 30, 2012

Years covered: PY 2011 and FY 2012

Reallotment Calculation Process:

- (1) *Determine the unobligated balance:* ETA computes the state's total amount of PY 2011 state obligations (including Fiscal Year (FY) 2012 funds) for the DW program. State obligations are the sum of DW statewide activities obligations, Rapid Response obligations, and 100 percent of local DW program funds (which includes funds for local administration). The state's total unobligated balance for the DW program is the 2011 DW allotment (minus the total DW obligations) amount, adjusted for recapture/reallotment and statutory formula-based rescissions, if applicable. This year a rescission was appropriate to all states, recapture for Maine was applicable, but reallotment for all other states was not applicable. (Note: for reallotment purposes, DW allotted funds transferred to the Navajo Nation are added back to Arizona, New Mexico, and Utah local DW authorized amounts).
- (2) *Exclude state administrative costs:* Section 667.150 of the regulations provides that the recapture calculations exclude the reserve for state administration which is part of the DW statewide activities. Data on state administrative amounts authorized and obligated are not reported on WIA 9130 financial reports. In the preliminary calculation to determine states potentially liable for recapture, the DW portion of the state administrative amount authorized is estimated by calculating the five percent maximum amount for state DW administrative costs using the DW state allotment amounts (adjusted for recapture/reallotment and statutory formula-based rescissions). For the DW portion of the state administrative amount obligated, 100 percent of the estimated authorized amount is treated as obligated, although this estimate of state administration obligations is limited by reported statewide activities obligations overall.
- (3) *Follow-up with states potentially liable for recapture:* ETA requests that those states potentially liable for recapture provide additional data on state administrative amounts that are not regularly reported on the PY 2011 and FY 2012 statewide activities reports. The

amount of statewide activities funds that were authorized and obligated for state administration as of June 30, 2012 is the requested additional information. If a state provides actual state DW administrative costs, authorized and obligated, in the comments section of revised 9130 reports, this data replaces the estimates. Based on the requested additional actual data submitted by potentially liable states on revised reports, the DW total allotment for these states is reduced by the DW portion of the state administrative amount authorized. Likewise, the DW portion of the obligated state administrative funding reduces the DW total obligations for these states.

- (4) *Reduce excess funds:* States (including those adjusted by actual state administrative data) with *unobligated balances* exceeding 20 percent of the combined PY 2011/FY 2012 DW *allotment amount* (adjusted for recapture/reallotment and statutory formula-based rescissions) will have their PY 2012 DW funding (from the FY 2013 portion) reduced (recaptured) by the amount of the excess.
- (5) *Allot recapture among remaining states:* Finally, states with unobligated balances which do *not* exceed 20 percent (eligible states) will receive a share of the total recaptured amount (based on their share of the total PY 2011/FY 2012 DW allotments of eligible states) in their PY 2012 DW funding (the FY 2013 portion).