

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA/Adult and Dislocated Worker Program
	CORRESPONDENCE SYMBOL OWI
	DATE June 13, 2006

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 35-05

TO: ALL STATE WORKFORCE AGENCIES
 ALL STATE WORKFORCE LIAISONS

FROM: EMILY STOVER DeROCCO
 Assistant Secretary 

SUBJECT: Revision to Program Year 2005 Funds for Workforce Investment Act (WIA) Adult and Dislocated Worker Program.

1. **Purpose.** To provide guidance on the rescission of Fiscal Year (FY) 2006 formula funds for the WIA Adult and Dislocated Worker Programs for Program Year (PY) 2005 as required by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, Public Law (P.L.) 109-148, December 30, 2005.
2. **References.** Please refer to the following citations:
 - a. Training and Employment Guidance Letter (TEGL) No. 25-05; and
 - b. Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, (P.L. 109-148), Division B, Title III, Chapter 8 (December 30, 2005).
3. **Background.** In TEGL No. 25-05, the Employment and Training Administration (ETA) announced the FY 2006 rescission for the WIA Adult and Dislocated Worker programs as a result of Public Law 109-148. The law requires the Secretary to make a reduction of 1.00 percent to all FY 2006 discretionary funds allotted for FY 2006 (available beginning October 1, 2005) in the FY 2005 Department of Labor appropriation.

RESCISSIONS	EXPIRATION DATE June 13, 2007
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The rescission calls for a reduction of \$7,120,000 from the initial allotment of \$712,000,000 for Adult activities and a reduction of \$9,350,000 from the initial allotment of \$935,000,000 for Dislocated Worker formula and National Reserve activities (excludes Community-Based Job Training Grants in the Dislocated Worker National Reserve) for which there was a separate rescission of all funds totaling \$125,000,000.

TEGL No. 25-05, which posted information on Program Year 2006 allotments, advised states of the rescission of FY 2006 funds and provided the amount of FY 2006 funds to be rescinded for each state for the WIA Adult and Dislocated Worker programs.

4. **Within State Allocations of Adult Allotments.** The distribution of the state allotments, as reduced by the rescinded funds, must follow the statutory requirements at WIA Section 133. States have flexibility provided by WIA to apply the rescission to funds available for statewide activities and/or to local areas as long as the amounts remaining after rescission conform to the following provisions:
 - a. A minimum of 85 percent of each state's revised WIA Adult program allotment will be allocated to local areas activities; and
 - b. A maximum of 15 percent of each state's revised WIA Adult program allotment may be used for statewide activities as authorized under WIA.

WIA Adult program rescission amounts taken from statewide activities cannot exceed the total amount originally reserved for statewide activities from the WIA Adult program for FY 2006.

5. **Within State Allocations of Dislocated Worker Allotments.** The distribution of the state allotments, as reduced by rescinded funds, must follow the statutory requirements at WIA Section 133. States have flexibility provided by WIA to apply the rescission to funds available for statewide activities, rapid response activities, and/or to local area activities as long as the amounts remaining after rescission conform to the following provisions:
 - a. A minimum of 60 percent of each state's revised WIA Dislocated Worker program allotment will be allocated to local areas;
 - b. A maximum of 15 percent of each state's revised WIA Dislocated Worker program allotment may be used for statewide activities as authorized under

- c. A maximum of 25 percent of each state's revised WIA Dislocated Worker program allotment may be used for statewide rapid response activities as authorized under WIA.

WIA Dislocated Worker program rescission amounts taken from statewide activities cannot exceed the total amount originally reserved for this category from the Dislocated Worker program for FY 2006.

6. **Notice of Obligation (NOO)**. A NOO to deobligate the rescission amounts for the WIA Adult and Dislocated Worker programs for each state will be issued on or around June 1, 2006. The rescission of funds will be made to the FY 2006 advance portion (October 1 to June 30) of the PY 2005 allotments that were issued in October 2005.
7. **Reporting**. States should reflect reduced total Federal funds authorized on the appropriate line items of ETA form 9076 beginning with the quarter ending June 30, 2006, consistent with the effective date of the NOOs deobligating the funds. States should also report obligations and outlays consistent with the revised authorized funding levels for such quarters.
8. **Action**. States should:
 - a. Review financial reports regarding obligation and expenditure amounts to ensure the accuracy of the reports to be submitted as of the June 30, 2006, reporting period;
 - b. Promptly alert their Regional Office to any significant errors found subsequent to their initial submittal of these financial reports; and
 - c. Provide this guidance to appropriate staff.
9. **Inquiries**. Questions on this TEGl should be addressed to the appropriate Regional Office contact as soon as possible.