

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA/Wagner-Peyser
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 19-11

TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: 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 Allotments; and Workforce Information Grants to States Allotments for PY 2012.

1. Purpose. To provide states and outlying areas with WIA Title I Adult, Dislocated Worker and Youth Activities program allotments for PY 2012; final allotments for PY 2012 for the Wagner-Peyser Employment Service (ES) Program, as required by section 6(b)(5) of the Wagner-Peyser Act, as amended; and the Workforce Information Grants to States allotments for PY 2012.

2. References.

- Department of Labor Appropriations Act, 2012, Title I of Division F of the Consolidated Appropriation Act, 2012, Public Law (P.L.) 112-74, signed December 23, 2011
- Titles III and V of Division F of the Consolidated Appropriation Act, 2012, P. L. 112-74
- Training and Employment Guidance Letter (TEGL) 26-10 (May 10, 2011)
- Workforce Investment Act of 1998, (29 United States Code (U.S.C) 2801 et seq.), Public Law 105-220, as amended
- Wagner-Peyser Act, as amended (29 U.S.C. 49 et seq.)
- WIA Final Rule, 20 Code of Federal Regulations parts 660-671
- Planning Guidance for the Strategic State Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act [(73 FR 72853) (Dec. 1, 2008)] (OMB No. 1205-0398)

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3. **Background.** The funds for the allotments announced in this TEGL are part of the funds appropriated in the Department of Labor Appropriations Act, 2012, Title I of Division F of the Consolidated Appropriations Act, 2012, P.L. 112-74, signed into law December 23, 2011 (from this point forward, referred to as “the Act”). Section 527 of Title V of Division F of the Consolidated Appropriations Act, 2012, incorporated a mandatory across the board (ATB) rescission of 0.189 percent impacting the PY 2012 funding for the programs covered by this TEGL. For the Adult and Dislocated Worker programs, the 0.189 percent rescission only impacts the “base” funds that states receive on July 1, 2012.

The Act also states:

- A local board may still transfer up to 30 percent of funds between the Adult and Dislocated Worker funding streams if approved by the Governor.
- A local board may still award contracts for “class-size training,” that is, a local board may still award a contract to an institution of higher education or other eligible training provider if the local board determines that it would facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice.
- Notwithstanding section 128(a)(1) of the Workforce Investment Act (WIA), the amount available for the Governor for statewide workforce investment activities shall not exceed 5 percent of the amount allotted to the State from each of the WIA Youth, Adult, and Dislocated Worker, PY 2012 appropriations.
- Salary caps from FY 2010 are maintained (i.e., \$179,700). No funds under the header “Employment and Training Administration” may be used by a recipient or sub-recipient to pay the salary and bonus of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II, and states may establish lower salary caps.

The WIA allotments for states are based on formula provisions defined in WIA (see Attachment A for WIA and Wagner-Peyser formula descriptions).

The WIA allotments for the outlying areas (e.g., American Samoa, Guam, Northern Marianas, Palau, and the Virgin Islands) are based on a discretionary formula as authorized under WIA Title I. The Marshall Islands and Micronesia no longer receive WIA Title I funding; instead, these areas now receive funding from the Department of Education’s appropriation (See Compact of Free Association Amendments of 2003, P.L. 108-188 (December 17, 2003), codified at 48 U.S.C. 1921d(f)(1)(B)(iii)(the “Compact”). The Compact also specified that the Republic of Palau remained eligible for WIA Title I funding. See 48 U.S.C. 1921d(f)(1)(B)(ix). The Consolidated Appropriations Act, 2012 (in the Department of Education’s General Provisions at Section 306, Title III, Division F, P.L. 112-74) amended the Compact to extend the availability of WIA Title I funding to Palau through FY 2012.

In addition to this TEGL, allotments and descriptions of the allotment formulas will be published in the Federal Register. Comments may be submitted to the Employment and Training Administration (ETA), on the formula used to distribute funds to outlying areas.

4. State WIA Youth Activities Funds: Title I--Chapter 4--Youth Activities.

A. State Allotments. The appropriated level for PY 2012 for WIA Youth Activities totals \$824,353,022, which includes \$12,365,295 for Native Americans, \$809,926,844 for states, and \$2,060,883 for outlying areas. These amounts include the ATB 0.189 percent rescission. Attachment B contains a breakdown of the WIA Youth Activities program allotments by state for PY 2012 and provides a comparison of these allotments to PY 2011. Please note that the Department of Labor (the Department) will provide the Native American Youth allotments in a separate TEGL.

The three data factors required by WIA for the PY 2012 Youth Activities state formula allotments are:

1. The number of unemployed for Areas of Substantial Unemployment (ASUs) averages for the 12-month period, July 2010 through June 2011, as prepared by the states since PY 2006 using special 2000 Census data based on households, obtained under contract with the Census Bureau and provided to states by the Bureau of Labor Statistics (BLS);
2. The number of excess unemployed individuals or the ASU excess (depending on which is higher) averages for the same 12-month period as used for ASU unemployed data; and,
3. The number of economically disadvantaged youth (age 16 to 21, excluding college students and military) from special 2000 Census tabulations.

Since the total amount available for states in PY 2012 is below the required \$1 billion threshold specified in WIA section 127(b)(1)(C)(iv)(IV), which was also the case in PY 2011, the WIA additional minimum provisions are not applicable. Instead, as required by WIA, the Job Training Partnership Act (JTPA) section 262(a)(3) (as amended by section 701 of the Job Training Reform Amendments of 1992) minimums of 90 percent hold-harmless of the prior year allotment percentage and 0.25 percent state minimum floor apply. WIA also requires the application of a 130 percent stop-gain of the prior year allotment percentage.

B. PY 2012 Funding WIA Agreement/Notice of Obligations (NOOs). Upon execution of the PY 2012 WIA Annual Funding Agreement, Youth program funds will be available for use by states.

- C. Within-State Allocations. States must distribute WIA Youth Activities funds among local workforce investment areas (subject to reservation of the 5 percent limitation for statewide workforce investment activities as discussed in the Background Section of this TEGl) in accordance with the provisions of WIA section 128 and the approved WIA/Wagner-Peyser Act State Plan. For purposes of identifying ASUs for the within-state Youth Activities allocation formula, as done since PY 2006, states should continue to use the special 2000 Census data based on households which were obtained under contract with the Census Bureau and provided to states in October 2006 by BLS. States must use such data for this purpose until further notice. For purposes of developing the number of economically disadvantaged Youth Activities for the statutory formula, states should continue to use the special 2000 Census data provided to them for the within-state youth allocations beginning in PY 2004.

It should be noted that the most current Census, conducted in 2010, did not include the long form survey which ETA would have used to update the economically disadvantaged data from the 2000 Census. Instead, ETA will continue to work with the Census Bureau over the next year to use data from the American Community Survey (ACS). ETA will alert states when data from the ACS are available for use in within-state allocation formulas; however, updated data will not be available for use with PY 2012 funding.

- D. Transfers of Funds. Local workforce investment areas lack the authority to transfer funds to or from the Youth Activities program.
- E. Reallotment of Funds. The Secretary of Labor reallots Youth Activities program formula funds, as provided for by WIA Section 127(c), based on completed PY financial reports submitted by the states. Reallotment of funds among states under WIA will occur during PY 2012 based on state obligations made during PY 2011 (20 CFR §667.150).

5. State Adult Employment and Training Activities Funds: Title I--Chapter 5--Adult and Dislocated Worker Employment and Training Activities.

- A. State Allotments. The total appropriated funds for PY 2012 for Adult Activities are \$770,810,637 of which \$768,883,610 is for states and \$1,927,027 is for outlying areas. These amounts include the ATB 0.189 percent rescission. Attachment C shows the PY 2012 Adult Activities allotments and a comparison to PY 2011 allotments by state.

The three formula data factors for the Adult Activities program are the same as those used for the Youth Activities formula, except the Department used data for the number of economically disadvantaged adults (age 22 to 72, excluding college students and military). Since the total amount available for the Adult

Activities program for states in PY 2012 is below the required \$960 million threshold specified in WIA section 132(b)(1)(B)(iv)(IV), as was also the case in PY 2011, the WIA additional minimum provisions are not applicable. Instead, as required by WIA, the JTPA section 262(a)(3) (as amended by section 701 of the Job Training Reform Amendments of 1992) minimums of 90 percent hold-harmless of the prior year allotment percentage and 0.25 percent state minimum floor apply. Also, like the Youth program, the Department used the provision applying the 130 percent stop-gain of the prior year allotment percentage.

B. PY 2012 Funding WIA Agreement/NOOs. For PY 2012, Congress appropriated funds for this program in two portions: \$58,810,637 available for obligation on July 1, 2012 (PY 2012) (including 0.189 percent rescission), and \$712,000,000 available for obligation on October 1, 2012 (FY 2013). The Department prorated allotments to states and outlying areas based on these total amounts and will issue two NOOs: one for July 1, 2012, under the PY 2012 WIA grant agreement, and the other for October 1, 2012, also under the PY 2012 WIA grant agreement (see Attachment D).

C. Within-State Allocations. States must distribute WIA Adult Activities funds for PY 2012 allotments among local workforce investment areas (subject to reservation of the 5 percent limitation for statewide workforce investment activities) in accordance with the provisions in WIA section 133 and the approved WIA/Wagner Peysner Act State Plan.

Similar to the Youth Activities program, for purposes of identifying ASUs for the within-state Adult Activities allocation formula, states must use the special 2000 Census data provided to them by BLS in October 2006 until further notice. For purposes of developing the number of economically disadvantaged adults for the statutory formula, states should continue to use the special 2000 Census data provided to them for the within-state Adult Activities allocations beginning in PY 2004.

It should be noted that the most current Census, conducted in 2010, did not include the long form survey which ETA would have used to update the economically disadvantaged data from the 2000 Census. Instead, ETA will continue to work with the Census Bureau over the next year to use data from the ACS. ETA will alert states when data from the ACS are available for use in within-state allocation formulas; however, updated data will not be available for use with PY 2012 funding.

D. Transfers of Funds. WIA section 133(b)(4) provides the authority for local workforce investment areas, with approval of the Governor, to transfer up to 20 percent of the Adult Activities funds to Dislocated Worker Activities, and up to 20 percent of Dislocated Worker Activities funds to Adult Activities. The Department of Labor Appropriations Act, 2012, provided that notwithstanding

section 133(b)(4), up to 30 percent of these funds could be transferred between programs, which is applicable for the life of the funds.

E. Reallotment of Funds. Reallotment of Adult Activities program formula funds, as provided for by WIA section 132(c), is based on completed PY financial reports submitted by the states. Reallotment of funds among states under WIA will occur during PY 2012 based on state obligations of PY 2011 funds made during PY 2011 (20 CFR §667.150).

6. State Dislocated Worker Employment and Training Funds: Title I--Chapter 5-Adult and Dislocated Worker Employment and Training Activities.

Appropriated funds for PY 2012 for the Dislocated Worker Activities program total \$1,232,217,892, with \$1,008,151,464 for states, \$3,080,545 for outlying areas, and \$220,985,883 for the National Reserve. These amounts include the 0.189 percent rescission.

A. State Allotments. Attachment E shows the PY 2012 Dislocated Worker Activities fund allotments by state and a comparison to PY 2011.

The three data factors required in WIA for the PY 2012 Dislocated Worker state formula allotments are:

1. The number of unemployed, averaged for the 12-month period, October 2010 through September 2011;
2. The number of excess unemployed, averaged for the 12-month period, October 2010 through September 2011; and
3. The number of long-term unemployed, averaged for the 12-month period, October 2010 through September 2011.

B. PY 2012 Funding WIA Agreement/NOOs. For PY 2012, Congress appropriated funds for this program in two portions for both formula funds and National Reserve funds. For formula funds, \$148,151,464 is available for obligation on July 1, 2012 (PY 2012) (including the 0.189 percent rescission), and \$860,000,000 is available for obligation on October 1, 2012 (FY 2013). For the National Reserve, which includes funds for the outlying areas, \$24,066,428 is available for obligation on July 1, 2012 (PY 2012) (including the 0.189 percent rescission), and \$200,000,000 is available for obligation on October 1, 2012 (FY 2013). Allotments to states and outlying areas are prorated based on the two amounts for formula funds and National Reserve, respectively. Allotments will be issued in two NOOs: one for July 1, 2012, under the PY 2012 WIA grant agreement, and the other for October 1, 2012, (also under the PY 2012 WIA grant agreement) (see Attachment F).

- C. Within-State Allocations. Dislocated Worker Activities funds for PY 2012 allotments are to be distributed among local workforce investment areas (subject to the governor's reservation of up to 25 percent for statewide rapid response activities and the 5 percent limitation for statewide workforce investment activities as discussed in the Background Section of this TEGL in accordance with the provisions in WIA section 133 and the approved WIA/Wagner-Peyser Act State Plan.
- D. Transfers of Funds. WIA section 133(b)(4) provides the authority for local workforce investment areas, with approval of the Governor, to transfer up to 20 percent of the Adult Activities funds to Dislocated Worker Activities, and up to 20 percent of Dislocated Worker Activities funds to Adult Activities. The Department of Labor Appropriations Act, 2012, provided that notwithstanding section 133(b)(4), up to 30 percent of these funds could be transferred between programs, which is applicable for the life of the funds.
- E. Reallotment of Funds. Reallotment of Dislocated Worker program formula funds, as provided for by WIA section 132(c), is based on completed PY financial reports submitted by the states. Reallotment of funds among states under WIA will occur during PY 2012 based on state obligations made during PY 2011 (20 CFR §667.150).

7. **Wagner-Peyser Employment Service Final Allotments**. The appropriated level for PY 2012 for grants for the Employment Service programs totals \$700,841,900 (including the 0.189 percent rescission). After determining the funding for outlying areas, allotments to states are calculated using the formula set forth at section 6 of the Wagner-Peyser Act (29 U.S.C. 49e). PY 2012 formula allotments are based on each state's share of calendar year 2011 monthly averages of the Civilian Labor Force (CLF) and unemployment. The distribution of Wagner-Peyser Act funds for PY 2012 includes \$699,133,491 for states, as well as \$1,708,409 for outlying areas. Attachment G shows the distribution of PY 2012 ES formula amounts by state compared to PY 2011.

Under section 7(b) of the Wagner-Peyser Act, ten percent of the total sums allotted to each state shall be reserved for use by the governor to provide performance incentives, services for groups with special needs, and for the extra costs of exemplary models for delivering job services.

8. **Workforce Information Grants**. Total funds for PY 2012 are \$31,939,520 (including the 0.189 percent rescission). Funds are distributed to states by administrative formula with \$176,655 for Guam and the Virgin Islands. The remaining funds are distributed to the states with 40 percent distributed equally to all states, and 60 percent distributed based on each state's share of the Civilian Labor Force for the 12

months ending September 2011. The allotment figures are listed in Attachment H. Policy guidance on the use of workforce information grants will be forthcoming.

9. **Submission**. In order to achieve greater efficiencies and as part of ETA's ongoing effort to streamline the mandatory grant award process, all States are required to submit an electronically signed copy of an SF 424, Application for Federal Assistance and the WIA Agreement (Attachment I) through Grants.gov under announcement name: ETA/TEGL/PY 12-01. An electronically submitted SF 424 and WIA Agreement through Grants.gov constitute official signed documents and should reflect the combined funding for all three WIA programs (Dislocated Worker, Adult & Youth). The closing date for receipt of the documents under this TEGL is March 29, 2012. The WIA Youth funds will be awarded in April 2012, and the WIA Dislocated Worker and Adult funds will be awarded in July 2012.

States must submit a second SF 424 and the ES Agreement (Attachment J) electronically through <http://www.grants.gov> under announcement name: ETA/TEGL/PY 12-01 no later than June 15, 2012, for the Wagner-Peyser Employment Service Program and the Workforce Information Grants to States Allotments for PY 2012. This SF 424 and ES Agreement constitute official signed documents and should reflect the combined funds for the Wagner-Peyser Employment Service Program and the Workforce Information Grants funds. The Wagner-Peyser Employment Service Program and Workforce Information funds will be awarded in July 2012.

The process can be complicated and time-consuming. States are strongly advised to initiate the process as soon as possible and to plan for time to resolve technical problems if necessary.

States should immediately initiate and complete the "Get Registered" registration steps at http://www.grants.gov/applicants/get_registered.jsp. States should read through the registration process carefully before registering. Time should be factored in for electronic submission in order to avoid unexpected delays that could result in the rejection of the documents. The site also contains registration checklists to help you walk through the process. The Department strongly recommends that States download the "Organization Registration Checklist" at http://www.grants.gov/assets/Organization_Steps_Complete_Registration.pdf and prepare the information requested before beginning the registration process. Reviewing and assembling required information before beginning the registration process will alleviate last minute searches for required information and save time.

The first SF 424 should include the amount for all three funding streams, youth, adult and dislocated worker, and reflect the amount entered in item #18, Estimated Funding. The States must have a D-U-N-S® Number and must register with the Federal Central Contractor Registry (CCR). Include the EIN and DUNS numbers in item #s 8b and 8c, respectively. Item #11 must include the Catalog of Federal

Domestic Assistance Number for all three funding streams, 17.278 – WIA Dislocated Worker, 17.259 - WIA Youth, and 17.258 - WIA Adult. The second SF 424 will include two programs, Employment Service (Wagner-Peyser) and Workforce Information Grants to States allotments for PY 2012 and the combined amount for both programs is to be entered in item #18, Estimated Funding. Also, include the EIN and DUNS numbers in item #s 8b and 8c, respectively. The Catalog of Federal Domestic Assistance Number for the two programs is 17.207.

If States encounter a problem with Grants.gov and do not find an answer in any of the other resources, call 1-800-518-4726 or 606-545-5035 to speak to a Customer Support Representative or email support@grants.gov. The Contact Center is open 24 hours a day, seven days a week. It is closed on federal holidays.

For further information about the submission requirement, please contact Ms. Sharon Carter, Grants Management Specialist, Division of Workforce System Federal Assistance at (202) 693-3323. States should e-mail all submission questions to carter.sharon@dol.gov and must specifically reference ETA-TEGL-PY-12-01, and along with question(s), include a contact name, fax, and phone number.

10. Reporting. For the WIA formula programs, states are required to submit the seven designated WIA quarterly financial status reports covering funds received for each of the programs (including separate reports for each of the fund year periods for the Adult and Dislocated Worker Activities programs -- July 1 funds and October 1 funds). These seven WIA reports provide financial data for statewide Youth, statewide Adult, statewide Dislocated Worker, statewide Rapid Response (Dislocated Worker Activities), local Youth, local Adult, and local Dislocated Worker activities. States are also required to submit the designated financial reports each quarter for the Wagner-Peyser Act funds and the Workforce Information Grant funds.

11. 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 <http://www.doleta.gov>.

12. Attachments.

- A. WIA and Wagner-Peyser Statutory Formula Descriptions
- B. WIA Youth Activities Allotments, PY 2012 vs PY 2011
- C. WIA Adult Activities Allotments, PY 2012 vs PY 2011
- D. WIA Adult Activities Allotments, July 1 and October 1 Funding

- E. WIA Dislocated Worker Activities Allotments,
PY 2012 vs PY 2011
- F. WIA Dislocated Worker Activities Allotments,
July 1 and October 1 Funding
- G. Employment Service (Wagner-Peyser) Allotments,
PY 2012 vs PY 2011
- H. Workforce Information Grants Allotments,
PY 2012 vs PY 2011
- I. WIA Agreement
- J. ES Agreement