

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA - DW
	CORRESPONDENCE SYMBOL OWI
	DATE April 29, 2020

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 19-19

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: JOHN PALLASCH /s/
Assistant Secretary

SUBJECT: Reallocation of Workforce Innovation and Opportunity Act (WIOA) Title I Formula-Allotted Funds for Dislocated Worker (DW) Activities for Program Year (PY 2019)

1. **Purpose.** To provide adjusted funding levels for PY 2019 allotments for the DW program under WIOA Title I Section 132(c) on recapture and reallocation.
2. **Action Requested.** Distribute this guidance letter to the appropriate WIOA staff.
3. **Summary and Background.**
 - a. Summary – This document provides grantees with notification and guidance associated with recapture and reallocation of Dislocated Worker funding from PY 2019 allotments.
 - b. Background - WIOA Sections 127(c) and 132(c) require the Secretary of Labor (Secretary) to conduct reallocation 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. TEGL 16-17, announcing the DW allotment levels for PY 2018, alerted states to the recapture and reallocation of funds provisions, and notified states that any recapture/reallocation of funds based on obligation of PY 2018 DW funding would impact PY 2019 DW allotments.

In the FY 2019 Appropriations Act, Congress appropriated DW PY 2019 funds in two portions: 1) funds available for obligation July 1, 2019 (i.e., PY 2019 “base” funds), and 2) funds available for obligation October 1, 2019 (i.e., FY 2020 “advance” funds). Together, these two portions make up the total PY 2019 WIOA funding. TEGL 16-18 announced the DW allotment levels for PY 2019.

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4. **Recapture and Reallotment.**

- a. **Recapture and Reallotment Requirement.** The WIOA Regulation at 20 CFR 683.135 describes the procedures the Secretary uses for recapture and reallotment of funds. ETA will not recapture any PY 2019 funds for the Adult and Youth programs because there are no states where PY 2018 unobligated funds exceed 20 percent of the allotment for that program year for those programs. For the Dislocated Worker program, however, Puerto Rico had unobligated PY 2018 funds in excess of 20 percent of its allotment. Therefore, ETA will recapture a total of \$2,677,483 from PY 2019 funding from 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 2020 advance portion of the PY 2019 allotments, which ETA issued in October 2019. The attached tables display the changes to PY 2019 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.a of this TEGl, the recapture/reallotment adjustments will be made to the FY 2020 advance portion of the PY 2019 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 2020 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.

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

6. **References.**

- Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019, Public Law (Pub.L.) 115-245 (Fiscal Year (FY) 2019 Appropriations Act);
- Workforce Innovation and Opportunity Act Section 132(c), P.L. 113-128, 29 U.S.C. 3172(c);
- WIOA Regulations at 20 CFR 683.135

- Training and Employment Guidance Letter (TEGL) 16-18, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2019; Final PY 2019 Allotments for the Wagner-Peyser Act Employment Service (ES) Program Allotments; and Workforce Information Grants to States Allotments for PY 2019; and*
- TEGL 16-17, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2018; final allotments for PY 2018 for the Wagner-Peyser ES Program Allotments; and the Allotments of Workforce Information Grants to States for PY 2018.*

7. Attachments.

- Attachment I - WIOA Dislocated Worker Activities, PY 2019 Reallotment to States
- Attachment II - WIOA Dislocated Worker Activities, PY 2019 Revised Allotments with Reallotment – PY/FY Split