

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION OWI
	CORRESPONDENCE SYMBOL OWI
	DATE May 7, 2014

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 24-13

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: PORTIA WU 
Assistant Secretary

SUBJECT: Reallotment of Workforce Investment Act (WIA) Title I Formula-Allotted Funds for Dislocated Worker Activities for Program Year (PY 2013)

1. **Purpose.** To provide adjusted funding levels for PY 2013 allotments for the Dislocated Worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- Full-Year Continuing Appropriations Act, 2013, Title I of Division F and Division G of the Consolidated and Further Continuing Appropriations Act, 2013, Public Law (Pub.L.) 113-6 (Fiscal Year (FY) 2013 Appropriations Act);
- Training and Employment Guidance Letter (TEGL) 25-12, *Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2013; Final PY 2013 Allotments for the Wagner-Peyser Act Employment Service Program; and Workforce Information Grants to States Allotments for PY 2013;*
- 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 2013 Appropriations Act, Congress appropriated WIA PY 2013 funds in two portions: 1) funds available for obligation July 1, 2013 (i.e., PY 2013 “base” funds), and 2) funds available for obligation October 1, 2013 (i.e., FY 2014 “advance” funds). Together, these two portions make up the complete PY 2013 WIA allotment. TEGL 25-12 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). This section of WIA requires the Secretary of Labor (Secretary) to conduct reallotment of excess unobligated WIA Adult, Youth, and Dislocated Worker formula funds based on state financial reports submitted at the end of the prior program year (i.e., PY 2012).

WIA regulations at 20 CFR 667.150 describe the procedures the Secretary uses for recapture and reallotment of funds. We will not recapture any PY 2013 funds for Adult and Youth programs because there are no cases where PY 2012 unobligated funds exceed the statutory requirements of 20 percent of state allotted funds. For the Dislocated Worker program,

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however, one state had unobligated PY 2012 funds in excess of 20 percent. Therefore, ETA will recapture a total of \$56,422 from PY 2013 funding from this one state and reallocate those funds to the remaining eligible states, as required by WIA Section 132(c).

4. **Notice of Obligation Adjustment.** ETA will issue Notices of Obligation for the states to reflect the recapture and reallocation of these funds. The adjustment of funds will be made to the FY 2014 advance portion of the PY 2013 allotments, which ETA issued in October 2013. The attached tables display the net changes to PY 2013 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 recaptured funds among states and local areas, so states have flexibility to determine the methodology used.

For any state subject to recapture of funds, WIA Section 132(c)(5) requires the Governor to prescribe equitable procedures for reacquiring funds from the state and local areas.

As mentioned above, the recapture/reallocation for PY2012 will be applied to the FY 2014 advance portion of the PY 2013 allotment. Therefore, for reporting purposes, states should reflect the recapture/reallocation amount (decrease or increase) in the "Total Federal Funds Authorized" line of any affected FY 2014 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 state should include an explanation of the adjustment in the remarks section of the adjusted reports.

6. **Action Requested.** 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 2013 Reallocation to States
 - B. WIA Dislocated Worker Activities, PY/FY 2013 Revised Allotments with Reallocation
 - C. Dislocated Worker State Formula, PY 2013 Reallocation Methodology

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
WIA Dislocated Worker Activities
PY 2013 Reallocation to States

	Excess Unobligated PY 2012 Funds to be Recaptured in PY 2013	Eligible States' PY 2012 * Dislocated Worker Allotments	PY 2013 Reallocation Amount for Eligible States	Total PY 2013 Allotments	Recapture/ Reallocation Adjustment to PY 2013 Allotments	Revised Total PY 2013 Allotments
Alabama	0	15,470,929	868	12,455,814	868	12,456,682
Alaska	0	1,617,454	91	1,702,318	91	1,702,409
Arizona **	0	21,501,357	1,206	18,333,183	1,206	18,334,389
Arkansas	0	7,022,636	394	6,881,074	394	6,881,468
California	0	167,290,806	9,386	162,982,853	9,386	162,992,239
Colorado	0	16,139,023	906	15,672,487	906	15,673,393
Connecticut	0	12,426,602	697	11,913,095	697	11,913,792
Delaware	0	2,364,307	133	2,136,390	133	2,136,523
District of Columbia	56,422	0	0	2,733,764	(56,422)	2,677,342
Florida	0	77,493,519	4,348	67,109,375	4,348	67,113,723
Georgia	0	36,621,852	2,055	33,902,103	2,055	33,904,158
Hawaii	0	2,544,269	143	2,658,487	143	2,658,630
Idaho	0	4,848,932	272	4,113,487	272	4,113,759
Illinois	0	45,178,269	2,535	47,415,147	2,535	47,417,682
Indiana	0	19,765,678	1,109	19,210,950	1,109	19,212,059
Iowa	0	5,396,616	303	4,479,610	303	4,479,913
Kansas	0	6,269,506	352	5,244,331	352	5,244,683
Kentucky	0	14,427,521	809	12,670,474	809	12,671,283
Louisiana	0	10,053,591	564	10,343,401	564	10,343,965
Maine	0	3,412,078	191	3,558,306	191	3,558,497
Maryland	0	13,447,267	754	14,160,334	754	14,161,088
Massachusetts	0	18,124,524	1,017	14,686,948	1,017	14,687,965
Michigan	0	37,953,582	2,129	31,831,964	2,129	31,834,093
Minnesota	0	12,017,269	674	9,577,081	674	9,577,755
Mississippi	0	10,347,906	581	9,722,013	581	9,722,594
Missouri	0	19,340,590	1,085	14,872,573	1,085	14,873,658
Montana	0	2,228,587	125	1,820,084	125	1,820,209
Nebraska	0	1,769,179	99	1,779,828	99	1,779,927
Nevada	0	14,405,631	808	13,990,600	808	13,991,408
New Hampshire	0	2,024,043	114	2,192,012	114	2,192,126
New Jersey	0	30,893,743	1,733	34,280,662	1,733	34,282,395
New Mexico **	0	4,691,957	263	4,387,085	263	4,387,348
New York	0	53,044,468	2,976	64,292,997	2,976	64,295,973
North Carolina	0	33,777,825	1,895	36,354,385	1,895	36,356,280
North Dakota	0	491,619	28	466,156	28	466,184
Ohio	0	37,413,569	2,099	29,848,097	2,099	29,850,196
Oklahoma	0	5,818,631	326	5,230,860	326	5,231,186
Oregon	0	14,180,338	796	12,544,754	796	12,545,550
Pennsylvania	0	33,631,354	1,887	35,257,512	1,887	35,259,399
Puerto Rico	0	13,793,419	774	13,657,789	774	13,658,563
Rhode Island	0	4,729,729	265	5,071,296	265	5,071,561
South Carolina	0	17,249,177	968	15,453,121	968	15,454,089
South Dakota	0	914,670	51	717,751	51	717,802
Tennessee	0	21,003,845	1,178	18,116,992	1,178	18,118,170
Texas	0	65,049,307	3,650	58,272,349	3,650	58,275,999
Utah **	0	6,236,709	350	4,299,449	350	4,299,799
Vermont	0	1,060,432	59	864,140	59	864,199
Virginia	0	16,431,137	922	15,640,645	922	15,641,567
Washington	0	22,717,337	1,275	21,476,440	1,275	21,477,715
West Virginia	0	4,805,853	270	3,992,664	270	3,992,934
Wisconsin	0	15,287,864	858	14,349,020	858	14,349,878
Wyoming	0	909,452	51	867,129	51	867,180
STATE TOTAL	\$56,422	\$1,005,635,958	\$56,422	\$955,591,379	\$0	\$955,591,379

* PY 2012 allotment amounts include prior year recapture/reallocation amounts and are used to determine the reallocation amount eligible states receive of the recaptured amount.

** Includes Navajo Nation

1/7/2014

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
WIA Dislocated Worker Activities
PY 2013 Revised Allotments with Reallotment - PY/FY Split

	Total Allotment			Available 7/1/13			Available 10/1/13		
	Original	Recapture/ Reallotment	Revised	Original	Recapture/ Reallotment	Revised	Original	Recapture/ Reallotment	Revised
Alabama	12,455,814	868	12,456,682	1,156,963	-	1,156,963	11,298,851	868	11,299,719
Alaska	1,702,318	91	1,702,409	177,118	-	177,118	1,525,200	91	1,525,291
Arizona *	18,333,183	1,206	18,334,389	1,751,421	-	1,751,421	16,581,762	1,206	16,582,968
Arkansas	6,881,074	394	6,881,468	697,414	-	697,414	6,183,660	394	6,184,054
California	162,982,853	9,386	162,992,239	16,482,232	-	16,482,232	146,500,621	9,386	146,510,007
Colorado	15,672,487	906	15,673,393	1,582,932	-	1,582,932	14,089,555	906	14,090,461
Connecticut	11,913,095	697	11,913,792	1,197,161	-	1,197,161	10,715,934	697	10,716,631
Delaware	2,136,390	133	2,136,523	209,496	-	209,496	1,926,894	133	1,927,027
District of Columbia	2,733,764	(56,422)	2,677,342	284,922	-	284,922	2,448,842	(56,422)	2,392,420
Florida	67,109,375	4,348	67,113,723	6,457,526	-	6,457,526	60,651,849	4,348	60,656,197
Georgia	33,902,103	2,055	33,904,158	3,358,754	-	3,358,754	30,543,349	2,055	30,545,404
Hawaii	4,479,610	143	2,658,487	275,901	-	275,901	2,382,586	143	2,382,729
Idaho	4,113,487	272	4,113,759	392,031	-	392,031	3,721,456	272	3,721,728
Illinois	47,415,147	2,535	47,417,682	4,928,468	-	4,928,468	42,486,679	2,535	42,489,214
Indiana	19,210,950	1,109	19,212,059	1,940,989	-	1,940,989	17,269,961	1,109	17,271,070
Iowa	4,479,610	303	4,479,913	422,490	-	422,490	4,057,120	303	4,057,423
Kansas	5,244,331	352	5,244,683	496,459	-	496,459	4,747,872	352	4,748,224
Kentucky	12,670,474	809	12,671,283	1,226,982	-	1,226,982	11,443,492	809	11,444,301
Louisiana	10,343,401	564	10,343,965	1,067,541	-	1,067,541	9,275,860	564	9,276,424
Maine	3,558,306	191	3,558,497	369,032	-	369,032	3,189,274	191	3,189,465
Maryland	14,160,334	754	14,161,088	1,473,584	-	1,473,584	12,686,750	754	12,687,504
Massachusetts	14,686,948	1,017	14,687,965	1,368,705	-	1,368,705	13,318,243	1,017	13,319,260
Michigan	31,831,964	2,129	31,834,093	3,017,299	-	3,017,299	28,814,665	2,129	28,816,794
Minnesota	9,577,081	674	9,577,755	884,911	-	884,911	8,692,170	674	8,692,844
Mississippi	9,722,013	581	9,722,594	969,070	-	969,070	8,752,943	581	8,753,524
Missouri	14,872,573	1,085	14,873,658	1,348,265	-	1,348,265	13,524,308	1,085	13,525,393
Montana	1,820,084	125	1,820,209	170,284	-	170,284	1,649,800	125	1,649,925
Nebraska	1,779,828	99	1,779,927	182,198	-	182,198	1,597,630	99	1,597,729
Nevada	13,990,600	808	13,991,408	1,413,120	-	1,413,120	12,577,480	808	12,578,288
New Hampshire	2,192,012	114	2,192,126	230,313	-	230,313	1,961,699	114	1,961,813
New Jersey	34,280,662	1,733	34,282,395	3,630,874	-	3,630,874	30,649,788	1,733	30,651,521
New Mexico *	4,387,085	263	4,387,348	436,439	-	436,439	3,950,646	263	3,950,909
New York	64,292,997	2,976	64,295,973	6,996,846	-	6,996,846	57,296,151	2,976	57,299,127
North Carolina	36,354,385	1,895	36,356,280	3,811,703	-	3,811,703	32,542,682	1,895	32,544,577
North Dakota	466,156	28	466,184	46,639	-	46,639	419,517	28	419,545
Ohio	29,848,097	2,099	29,850,196	2,759,456	-	2,759,456	27,088,641	2,099	27,090,740
Oklahoma	5,230,860	326	5,231,186	511,808	-	511,808	4,719,052	326	4,719,378
Oregon	12,544,754	796	12,545,550	1,218,785	-	1,218,785	11,325,969	796	11,326,765
Pennsylvania	35,257,512	1,887	35,259,399	3,663,344	-	3,663,344	31,594,168	1,887	31,596,055
Puerto Rico	13,657,789	774	13,658,563	1,389,808	-	1,389,808	12,267,981	774	12,268,755
Rhode Island	5,071,296	265	5,071,561	531,035	-	531,035	4,540,261	265	4,540,526
South Carolina	15,453,121	968	15,454,089	1,509,711	-	1,509,711	13,943,410	968	13,944,378
South Dakota	717,751	51	717,802	65,783	-	65,783	651,968	51	652,019
Tennessee	18,116,992	1,178	18,118,170	1,740,095	-	1,740,095	16,376,897	1,178	16,378,075
Texas	58,272,349	3,650	58,275,999	5,692,801	-	5,692,801	52,579,548	3,650	52,583,198
Utah*	4,299,449	350	4,299,799	365,082	-	365,082	3,934,367	350	3,934,717
Vermont	864,140	59	864,199	80,759	-	80,759	783,381	59	783,440
Virginia	15,640,645	922	15,641,567	1,567,306	-	1,567,306	14,073,339	922	14,074,261
Washington	21,476,440	1,275	21,477,715	2,146,144	-	2,146,144	19,330,296	1,275	19,331,571
West Virginia	3,992,664	270	3,992,934	376,719	-	376,719	3,615,945	270	3,616,215
Wisconsin	14,349,020	858	14,349,878	1,429,710	-	1,429,710	12,919,310	858	12,920,168
Wyoming	867,129	51	867,180	86,951	-	86,951	780,178	51	780,229
STATE TOTAL	955,591,379	0	955,591,379	95,591,379	-	95,591,379	860,000,000	0	860,000,000

* Includes funds allocated to the Navajo Nation

01/07/14

**Dislocated Worker (DW) State Formula
Program Year (PY) 2013 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, 2013 reporting period for PY 2012, to determine if any state had unobligated funds in excess of 20 percent of their PY 2012 allotment amount. If so, ETA will recapture that amount from PY 2013 funds and reallot the recaptured funds 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, 2013
Years covered: PY 2012 and fiscal year (FY) 2013

Reallotment Calculation Process:

(1) *Determine each state's unobligated balance:* ETA computes the state's total amount of PY 2012 state obligations (including FY 2013 funds) for the DW program. State obligations are the sum of DW statewide activities obligations, Rapid Response obligations, and 100 percent of what the state authorizes for DW local activities (which includes program and administrative funds). To determine the unobligated balance for the DW program, ETA subtracts the total DW obligations amount from the state's total 2012 DW allotment (adjusted for recapture/reallotment and statutory formula-based rescissions, if applicable). For this year's calculation, PY 2012 allotments were adjusted for recapture/reallotment, but there was no applicable rescission. (Note: for this process, ETA adds DW allotted funds transferred to the Navajo Nation back to Arizona, New Mexico, and Utah local DW authorized amounts).

(2) *Excluding 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. States do not report data on state administrative amounts authorized and obligated on WIA 9130 financial reports. In the preliminary calculation, to determine states potentially liable for recapture, ETA estimates the DW portion of the state administrative amount authorized by calculating the five percent maximum amount for state DW administrative costs using the DW state allotment amounts (excluding any recapture/reallotment that occurred). For the DW portion of the state administrative amount obligated, ETA treats 100 percent of the estimated authorized amount as obligated, although the 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 which are not regularly reported on the PY 2012 and FY 2013 statewide activities reports. The additional information requested includes the amount of statewide activities funds the state authorized and

obligated for state administration as of June 30, 2013. 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, ETA reduces the DW total allotment for these states by the amount states indicate they authorized for state administrative costs. Likewise, ETA reduces the DW total obligations for these states by the portion obligated for state administration.

(4) *Recapture calculation:* States (including those adjusted by actual state administrative data) with *unobligated balances* exceeding 20 percent of the combined PY 2012/FY 2013 DW *allotment amount* (adjusted for recapture/reallotment in PY 2012) will have their PY 2013 DW funding (from the FY 2014 portion) reduced (recaptured) by the amount of the excess.

(5) *Reallotment calculation:* 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 2012/FY 2013 DW allotments of eligible states) in their PY 2013 DW funding (the FY 2014 portion).