

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA-DW
	CORRESPONDENCE SYMBOL OWI
	DATE March 16, 2017

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 24-16

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: BYRON ZUIDEMA
Deputy Assistant Secretary

SUBJECT: Reallotment of Workforce Innovation and Opportunity Act (WIOA) Title I Formula-Allotted Funds for Dislocated Worker Activities for Program Year (PY 2016)

1. **Purpose.** To provide adjusted funding levels for PY 2016 allotments for the Dislocated Worker program under WIOA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- Consolidated Appropriations Act, 2016, Public Law (Pub.L.) 114-113 (Fiscal Year (FY) 2016 Appropriations Act);
- Training and Employment Guidance Letter (TEGL) No. 17-15, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2016; Final PY 2016 Allotments for the Wagner-Peyser Act Employment Service (ES) Program Allotments; and Workforce Information Grants to States Allotments for PY 2016;*
- Workforce Innovation and Opportunity Act Section 132(c), P.L. 113-128, 29 U.S.C. 3172(c); and
- Secretary's Reallotment Procedures, 20 CFR 683.135.

3. **Background.** In the FY 2016 Appropriations Act, Congress appropriated WIOA PY 2016 funds in two portions: 1) funds available for obligation July 1, 2016 (i.e., PY 2016 "base" funds), and 2) funds available for obligation October 1, 2016 (i.e., FY 2017 "advance" funds). Together, these two portions make up the total PY 2016 WIOA funding. TEGL No. 17-15 announced WIOA allotments based on this appropriation and alerted states to the recapture and reallotment of funds' provisions, as required under WIOA Section 132(c). This section of WIOA requires the Secretary of Labor (Secretary) to conduct reallotment of excess unobligated WIOA Adult, Youth, and Dislocated Worker formula funds based on the ETA 9130 financial reports submitted by states at the end of the prior program year (i.e., PY 2015).

RESCISSIONS None	EXPIRATION DATE Continuing
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4. **Procedures for Recapture and Reallotment of Funds.** WIOA regulations at 20 CFR 683.135 describe the procedures the Secretary uses for recapture and reallotment of funds. The Employment and Training Administration (ETA) will not recapture any PY 2016 funds for Adult and Youth programs because there are no states where PY 2015 unobligated funds exceed 20 percent of the allotment for that program year, for those programs. However, for the Dislocated Worker program, Kentucky had unobligated PY 2015 funds in excess of 20 percent of its allotment. Therefore, ETA will recapture a total of \$805,082 from PY 2016 funding from Kentucky and reallot those funds to the remaining eligible states, as required by WIOA Section 132(c).
5. **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 2017 advance portion of the PY 2016 allotments, which ETA issued in October 2016. The attached tables display the changes to PY 2016 formula allotments and a description of the reallotment methodology.
6. **Procedures and Reporting.** WIOA and its implementing regulations do not provide specific requirements by which states must distribute realloted funds, so states have flexibility to determine the methodology used.

For any state that is 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 5 of this TEG, the recapture/reallotment adjustments will be made to the FY 2017 advance portion of the PY 2016 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 2017 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.

7. **Action Requested.** Distribute this guidance letter to the appropriate WIOA staff.
8. **Inquiries.** Please direct questions regarding the revised allotments to the appropriate regional office.
9. **Attachment.**
 - A. WIOA Dislocated Worker Activities, PY 2016 Reallotment to States
 - B. WIOA Dislocated Worker Activities, PY 2016 Revised Allotments with Reallotment – PY/FY Split
 - C. Dislocated Worker State Formula, PY 2016 Reallotment Methodology

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
WIOA Dislocated Worker Activities
PY 2016 Reallotment to States

	Calculating Reallotment Amount			Impact on PY 2016 Allotments		
	Excess Unobligated PY 2015 Funds to be Recaptured from PY 2016 funds	Eligible States' PY 2015 ** Dislocated Worker Allotments	Reallotment Amount for Eligible States (Based on eligible states' share of PY 2015 Allotments)	Total Original PY 2016 Allotments Before Reallotment	Recapture/ Reallotment Adjustment to PY 2016 Allotments	Revised Total PY 2016 Allotments
Alabama	0	15,012,219	12,128	16,427,975	12,128	16,440,103
Alaska	0	2,184,119	1,765	2,854,009	1,765	2,855,774
Arizona **	0	22,511,715	18,187	25,029,051	18,187	25,047,238
Arkansas	0	8,052,059	6,505	7,757,044	6,505	7,763,549
California	0	164,063,131	132,548	169,644,376	132,548	169,776,924
Colorado	0	13,622,336	11,006	12,323,381	11,006	12,334,387
Connecticut	0	13,612,474	10,998	14,353,697	10,998	14,364,695
Delaware	0	2,596,904	2,098	2,349,277	2,098	2,351,375
District of Columbia	0	3,443,627	2,782	4,499,821	2,782	4,502,603
Florida	0	61,786,732	49,918	65,053,785	49,918	65,103,703
Georgia	0	39,981,701	32,301	40,521,426	32,301	40,553,727
Hawaii	0	1,931,277	1,560	1,894,161	1,560	1,895,721
Idaho	0	2,836,879	2,130	2,385,440	2,130	2,387,570
Illinois	0	58,325,151	47,121	52,763,567	47,121	52,810,688
Indiana	0	17,611,408	14,228	17,062,801	14,228	17,077,029
Iowa	0	4,426,239	3,576	4,004,176	3,576	4,007,752
Kansas	0	4,682,959	3,783	4,609,831	3,783	4,613,614
Kentucky	805,082	0	0	14,673,888	(805,082)	13,868,806
Louisiana	0	9,215,660	7,445	12,042,192	7,445	12,049,637
Maine	0	3,592,396	2,902	3,249,844	2,902	3,252,746
Maryland	0	17,549,612	14,178	18,580,386	14,178	18,594,564
Massachusetts	0	21,265,196	17,180	19,237,457	17,180	19,254,637
Michigan	0	40,080,962	32,382	36,259,049	32,382	36,291,431
Minnesota	0	8,332,420	6,732	7,537,884	6,732	7,544,616
Mississippi	0	11,047,184	8,925	11,826,808	8,925	11,835,733
Missouri	0	18,476,297	14,927	17,142,075	14,927	17,157,002
Montana	0	1,699,458	1,373	1,537,406	1,373	1,538,779
Nebraska	0	2,016,308	1,629	1,824,043	1,629	1,825,672
Nevada	0	13,272,377	10,723	14,417,704	10,723	14,428,427
New Hampshire	0	2,355,019	1,903	2,130,457	1,903	2,132,360
New Jersey	0	33,968,534	27,443	38,809,709	27,443	38,837,152
New Mexico **	0	6,691,816	5,406	7,937,300	5,406	7,942,706
New York	0	69,009,253	55,753	62,428,888	55,753	62,484,641
North Carolina	0	31,698,026	25,609	31,022,721	25,609	31,048,330
North Dakota	0	566,170	457	728,444	457	728,901
Ohio	0	33,758,857	27,274	30,539,787	27,274	30,567,061
Oklahoma	0	5,943,501	4,802	5,376,760	4,802	5,381,562
Oregon	0	13,672,401	11,046	14,140,167	11,046	14,151,213
Pennsylvania	0	37,184,902	30,042	36,591,154	30,042	36,621,196
Puerto Rico	0	20,357,210	16,447	25,824,090	16,447	25,840,537
Rhode Island	0	5,533,256	4,470	5,005,633	4,470	5,010,103
South Carolina	0	12,481,973	10,084	16,310,315	10,084	16,320,399
South Dakota	0	856,158	692	1,070,734	692	1,071,426
Tennessee	0	21,507,643	17,376	23,146,617	17,376	23,163,993
Texas	0	55,598,809	44,919	50,297,194	44,919	50,342,113
Utah **	0	2,963,244	2,394	3,143,067	2,394	3,145,461
Vermont	0	806,732	652	890,075	652	890,727
Virginia	0	17,685,631	14,288	16,945,520	14,288	16,959,808
Washington	0	19,533,856	15,782	22,462,284	15,782	22,478,066
West Virginia	0	4,814,588	3,890	6,291,269	3,890	6,295,159
Wisconsin	0	15,763,228	12,735	14,260,128	12,735	14,272,863
Wyoming	0	726,014	588	740,333	588	740,921
STATE TOTAL	\$805,082	\$996,507,621	\$805,082	\$1,017,955,000	\$0	\$1,017,955,000

** Includes Navajo Nation

2/8/2017

** PY 2015 allotment amounts are used to determine the reallotment amount eligible states receive of the recaptured amount.

U.S. DEPARTMENT OF LABOR
 Employment and Training Administration
 WIOA Dislocated Worker Activities
 PY 2018 Revised Allotments with Reallocation - PY/FY Split

	Total Allotment			Available 7/1/16			Available 10/1/16		
	Original	Recapture/ Reallocation	Revised	Original	Recapture/ Reallocation	Revised	Original	Recapture/ Reallocation	Revised
Alabama	16,427,975	12,128	16,440,103	2,595,993	-	2,595,993	13,831,982	12,128	13,844,110
Alaska	2,854,009	1,765	2,855,774	450,998	-	450,998	2,403,011	1,765	2,404,776
Arizona *	25,029,051	18,187	25,047,238	3,955,158	-	3,955,158	21,073,893	18,187	21,092,080
Arkansas	7,757,044	6,505	7,763,549	1,225,789	-	1,225,789	6,531,255	6,505	6,537,760
California	169,844,376	132,548	169,776,924	26,807,663	-	26,807,663	142,836,713	132,548	142,969,261
Colorado	12,323,381	11,006	12,334,387	1,947,374	-	1,947,374	10,376,007	11,006	10,387,013
Connecticut	14,353,697	10,998	14,364,695	2,268,210	-	2,268,210	12,085,487	10,998	12,096,485
Delaware	2,349,277	2,098	2,351,375	371,239	-	371,239	1,978,038	2,098	1,980,136
District of Columbia	4,499,821	2,782	4,502,603	711,074	-	711,074	3,788,747	2,782	3,791,529
Florida	65,053,785	49,918	65,103,703	10,279,875	-	10,279,875	54,773,810	49,918	54,823,728
Georgia	40,521,428	32,301	40,553,727	6,403,305	-	6,403,305	34,118,121	32,301	34,150,422
Hawaii	1,894,181	1,580	1,895,721	299,320	-	299,320	1,594,841	1,580	1,596,401
Idaho	2,385,440	2,130	2,387,570	376,954	-	376,954	2,008,486	2,130	2,010,616
Illinois	52,783,587	47,121	52,810,888	8,337,841	-	8,337,841	44,425,726	47,121	44,472,847
Indiana	17,062,801	14,228	17,077,029	2,696,310	-	2,696,310	14,366,491	14,228	14,380,719
Iowa	4,004,176	3,576	4,007,752	632,751	-	632,751	3,371,425	3,576	3,375,001
Kansas	4,809,831	3,783	4,813,614	728,458	-	728,458	3,881,373	3,783	3,885,156
Kentucky	14,873,688	(805,082)	13,888,606	2,318,778	-	2,318,778	12,354,912	(805,082)	11,549,830
Louisiana	12,042,192	7,445	12,049,637	1,902,940	-	1,902,940	10,139,252	7,445	10,146,697
Maine	3,249,844	2,902	3,252,746	513,549	-	513,549	2,736,295	2,902	2,739,197
Maryland	18,580,388	14,178	18,594,564	2,936,123	-	2,936,123	15,644,263	14,178	15,658,441
Massachusetts	19,237,457	17,180	19,254,637	3,039,955	-	3,039,955	16,197,502	17,180	16,214,682
Michigan	36,259,049	32,382	36,291,431	5,729,753	-	5,729,753	30,529,296	32,382	30,561,678
Minnesota	7,537,884	6,732	7,544,616	1,181,157	-	1,181,157	6,346,727	6,732	6,353,459
Mississippi	11,826,808	8,925	11,835,733	1,868,904	-	1,868,904	9,957,904	8,925	9,966,829
Missouri	17,142,075	14,927	17,157,002	2,708,837	-	2,708,837	14,433,238	14,927	14,448,165
Montana	1,537,406	1,373	1,538,779	242,945	-	242,945	1,294,461	1,373	1,295,834
Nebraska	1,824,043	1,629	1,825,672	288,240	-	288,240	1,535,803	1,629	1,537,432
Nevada	14,417,704	10,723	14,428,427	2,278,325	-	2,278,325	12,139,379	10,723	12,150,102
New Hampshire	2,130,457	1,903	2,132,360	338,661	-	338,661	1,793,796	1,903	1,795,699
New Jersey	38,809,709	27,443	38,837,152	6,132,815	-	6,132,815	32,676,894	27,443	32,704,337
New Mexico *	7,937,300	5,406	7,942,706	1,254,274	-	1,254,274	6,683,026	5,406	6,688,432
New York	62,428,888	55,753	62,484,641	9,865,182	-	9,865,182	52,563,706	55,753	52,619,459
North Carolina	31,022,721	25,809	31,048,530	4,902,294	-	4,902,294	26,120,427	25,809	26,146,036
North Dakota	728,444	457	728,901	115,111	-	115,111	613,333	457	613,790
Ohio	30,539,787	27,274	30,567,061	4,825,980	-	4,825,980	25,713,807	27,274	25,741,081
Oklahoma	5,376,780	4,802	5,381,582	849,850	-	849,850	4,527,110	4,802	4,531,912
Oregon	14,140,187	11,046	14,151,213	2,234,467	-	2,234,467	11,905,700	11,046	11,916,746
Pennsylvania	36,591,154	30,042	36,621,196	5,782,233	-	5,782,233	30,808,921	30,042	30,838,963
Puerto Rico	25,824,080	16,447	25,840,527	4,080,792	-	4,080,792	21,743,298	16,447	21,759,745
Rhode Island	5,005,833	4,470	5,010,103	791,004	-	791,004	4,214,829	4,470	4,219,099
South Carolina	16,310,315	10,084	16,320,399	2,577,400	-	2,577,400	13,732,915	10,084	13,742,999
South Dakota	1,070,734	692	1,071,426	169,200	-	169,200	901,534	692	902,226
Tennessee	23,148,817	17,376	23,166,193	3,657,691	-	3,657,691	19,488,926	17,376	19,506,302
Texas	50,297,194	44,919	50,342,113	7,948,098	-	7,948,098	42,349,096	44,919	42,394,015
Utah*	3,143,067	2,394	3,145,461	496,676	-	496,676	2,646,391	2,394	2,648,785
Vermont	890,075	652	890,727	140,652	-	140,652	749,423	652	750,075
Virginia	16,845,520	14,288	16,859,808	2,877,777	-	2,877,777	14,287,743	14,288	14,282,031
Washington	22,462,284	15,782	22,478,066	3,549,551	-	3,549,551	18,912,733	15,782	18,928,515
West Virginia	6,291,269	3,890	6,295,159	994,163	-	994,163	5,297,106	3,890	5,300,996
Wisconsin	14,260,128	12,735	14,272,863	2,253,424	-	2,253,424	12,006,704	12,735	12,019,439
Wyoming	740,333	588	740,921	116,989	-	116,989	623,344	588	623,932
STATE TOTAL	1,017,955,000	-	1,017,955,000	160,860,000	-	160,860,000	857,095,000	-	857,095,000

* Includes funds allocated to the Navajo Nation

01/26/17

**Dislocated Worker (DW) State Formula
Program Year (PY) 2016 Reallotment Methodology**

Reallotment Summary:

This year the Employment and Training Administration (ETA) analyzed Dislocated Worker ETA 9130 financial reports from the June 30, 2016 reporting period for funds provided to states in PY 2015, to determine if any state had unobligated funds in excess of 20 percent of their PY 2015 allotment amount. If so, ETA will recapture that amount from PY 2016 funds and reallot the recaptured funds among eligible states.

Source Data: ETA 9130 financial reports
Programs: State Dislocated Worker
Statewide Rapid Response
Local Dislocated Worker
Period: June 30, 2016
Years covered: PY 2015 and fiscal year (FY) 2016

Reallotment Calculation Process:

- (1) *Determine each state's unobligated balance:* ETA computes the state's total amount of PY 2015 state obligations (including FY 2016 funds) for the DW program. State obligations are the sum of DW statewide activities obligations, Statewide 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 PY 2015 DW allotment (Note: for this process, ETA adds DW funds transferred to the Navajo Nation back to Arizona, New Mexico, and Utah local DW authorized amounts).
- (2) *Excluding state administrative costs:* Section 683.135 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 the ETA 9130 financial reports.
 - a) 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).
 - b) ETA treats 100 percent of the state's estimated amount authorized for administration 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 2015 and FY 2016 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, 2016. If a state provides actual state DW administrative costs, authorized and obligated, in the comments section of revised ETA 9130 reports, this data replaces the estimates.

- a) Based on the requested 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.
- b) Likewise, ETA reduces the DW total obligations for these states by the portion actually 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 2015 DW *allotment amount* (which includes the PY 2015 “base” funding and FY 2016 “advance” funding amounts) will have their PY 2016 DW funding (from the FY 2017 “advance” 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 2015 (including the PY 2015 “base” and FY 2016 “advance” amounts) DW allotments of eligible states) in their PY 2016 DW funding (in the FY 2017 “advance” portion).