

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 /s/
 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 Reallocation of Funds.** WIOA regulations at 20 CFR 683.135 describe the procedures the Secretary uses for recapture and reallocation 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 reallocate 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 reallocation 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 reallocation methodology.
6. **Procedures and Reporting.** WIOA and its implementing regulations do not provide specific requirements by which states must distribute reallocated 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 TEGL, the recapture/reallocation adjustments will be made to the FY 2017 advance portion of the PY 2016 allotment. Therefore, for reporting purposes, states must reflect the recapture/reallocation 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 Reallocation to States
 - B. WIOA Dislocated Worker Activities, PY 2016 Revised Allotments with Reallocation – PY/FY Split
 - C. Dislocated Worker State Formula, PY 2016 Reallocation Methodology