

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION OWI
	CORRESPONDENCE SYMBOL OWI
	DATE March 10, 2011

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 20-10

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: JANE OATES *Jane Oates*
Assistant Secretary

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

1. **Purpose.** To provide adjusted funding levels for Program Year (PY) 2010 allotments for the Dislocated Worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- Department of Labor Appropriations Act, 2010, Division D of Title I of the Consolidated Appropriations Act, 2010, Public Law (PL) 111-117, December 17, 2009 (Fiscal Year (FY) 2010 Appropriations Act)
- Training and Employment Guidance Letter (TEGL) 19-09, "Workforce Investment Act Adult, Dislocated Worker and Youth Activities Program Allotments for PY 2010; Final Wagner-Peyser Act Employment Service Program Allotments for PY 2010; and Workforce Information Grants to States Allotments for PY 2010"
- Workforce Investment Act (Public Law 105-220) Section 132(c); 29 United States Code 2862(c)
- Secretary's Reallotment Procedures, 20 Code of Federal Regulations (CFR) 667.150

3. **Background.** In the FY 2010 Appropriations Act, Congress appropriated WIA PY 2010 funds in two portions: 1) funds available for obligation July 1, 2010 (i.e. PY 2010 "base" funds), and 2) funds available for obligation October 1, 2010 (i.e. FY 2011 "advance" funds). Together, these two portions comprise the complete PY 2010 WIA allotment. TEGL 19-09 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). Under this section of WIA, the Secretary is required 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 2009).

RESCISSIONS None	EXPIRATION DATE Continuing
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The procedures the Secretary uses for recapture and reallocation of funds are described in the WIA regulations at 20 CFR 667.150. We will not recapture any PY 2010 funds for Adult and Youth programs because there are not any cases where PY 2009 unobligated funds exceed the statutory requirements of 20 percent of state allotted funds. For the Dislocated Worker program, however, there were two states that had unobligated PY 2009 funds in excess of 20 percent. Therefore, a total of \$408,982 will be recaptured from PY 2010 funding from these two states and reallocated to the remaining states, as required by WIA Section 132(c).

4. **Notice of Obligation Adjustment.** Notices of Obligation and Deobligation for the states will be issued to reflect the recapture and reallocation of these funds. The adjustment of funds will be made to the FY 2011 advance portion of the PY 2010 allotments, which were issued in October 2010. Attached are tables displaying the net changes to PY 2010 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 to be used.

For any state from which funds are being recaptured, WIA 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 of this TEG, the recapture/reallocation will apply to the FY 2011 advance portion of the PY 2010 allotment. Therefore, for reporting purposes, the recapture/reallocation amount must be reflected (decrease or increase) in the "Total Federal Funds Authorized" Line of any affected FY 2011 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. An explanation of the adjustment should be included in the remarks section of the adjusted reports.

6. **Action Requested.** This guidance letter should be distributed to the appropriate WIA staff.
7. **Inquiries.** Questions regarding the revised allotments should be directed to the appropriate Regional Office.
8. **Attachment.**
 - A. WIA Dislocated Worker Activities, PY 2010 Reallocation to States
 - B. WIA Dislocated Worker Activities, PY 2010 Revised Allotments with Reallocation
 - C. Dislocated Worker State Formula, PY 2010 Reallocation Methodology

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
Workforce Investment Act Dislocated Worker Activities
Program Year (PY) 2010 Reallotment to States

	Excess Unobligated PY 2009 Funds for Recapture in PY 2010	PY 2009 Dislocated Worker Allotments for Eligible States	PY 2010 Reallotment Amount for Eligible States	Total PY 2010 Allotments	Total Adjustment to PY 2010 (Recapture/ Reallotment)	Revised Total PY 2010 Allotments
Alabama	0	12,621,558	4,508	17,669,335	4,508	17,673,843
Alaska	0	3,392,665	1,212	2,187,095	1,212	2,188,307
Arizona *	0	16,648,405	5,947	22,788,184	5,947	22,794,131
Arkansas	0	7,192,470	2,569	6,867,051	2,569	6,869,620
California	0	212,284,647	75,829	192,413,016	75,829	192,488,845
Colorado	0	13,837,694	4,943	14,509,305	4,943	14,514,248
Connecticut	0	14,238,672	5,086	11,850,579	5,086	11,855,665
Delaware	0	1,950,897	697	2,778,921	697	2,779,618
District of Columbia	0	3,628,361	1,296	2,990,511	1,296	2,991,807
Florida	0	77,059,075	27,526	83,019,633	27,526	83,047,159
Georgia	0	41,902,519	14,968	40,912,792	14,968	40,927,760
Hawaii	0	2,067,480	739	3,268,124	739	3,268,863
Idaho	0	2,709,982	968	4,536,856	968	4,537,824
Illinois	0	65,561,923	23,419	54,673,396	23,419	54,696,815
Indiana	0	25,076,767	8,958	27,257,656	8,958	27,266,614
Iowa	0	4,999,095	1,786	5,888,367	1,786	5,890,153
Kansas	0	4,978,239	1,778	6,855,442	1,778	6,857,220
Kentucky	0	17,901,696	6,395	18,089,024	6,395	18,095,419
Louisiana	0	8,857,065	3,164	9,812,674	3,164	9,815,838
Maine	0	4,373,817	1,562	4,578,544	1,562	4,580,106
Maryland	0	10,767,103	3,846	15,543,289	3,846	15,547,135
Massachusetts	0	20,303,163	7,252	22,706,846	7,252	22,714,098
Michigan	0	75,050,239	26,808	64,544,036	26,808	64,570,844
Minnesota	0	20,054,286	7,163	18,020,939	7,163	18,028,102
Mississippi	0	13,594,096	4,856	9,867,047	4,856	9,871,903
Missouri	0	24,710,779	8,827	22,223,344	8,827	22,232,171
Montana	0	1,679,893	600	2,174,950	600	2,175,550
Nebraska	0	2,478,758	885	2,428,300	885	2,429,185
Nevada	0	13,691,153	4,891	14,124,712	4,891	14,129,603
New Hampshire	0	2,393,494	855	3,181,956	855	3,182,811
New Jersey	280,451	0	0	33,365,324	(280,451)	33,084,873
New Mexico *	0	2,832,500	1,012	4,093,214	1,012	4,094,226
New York	0	63,490,356	22,679	65,534,311	22,679	65,556,990
North Carolina	0	42,493,181	15,179	44,039,515	15,179	44,054,694
North Dakota	0	876,713	313	690,086	313	690,399
Ohio	0	55,974,110	19,994	51,610,221	19,994	51,630,215
Oklahoma	0	5,762,276	2,058	6,905,534	2,058	6,907,592
Oregon	0	16,418,257	5,865	20,167,658	5,865	20,173,523
Pennsylvania	0	40,639,918	14,517	39,561,993	14,517	39,576,510
Puerto Rico	0	28,244,122	10,089	17,054,847	10,089	17,064,936
Rhode Island	128,531	0	0	6,227,600	(128,531)	6,099,069
South Carolina	0	23,633,802	8,442	23,089,893	8,442	23,098,335
South Dakota	0	912,475	326	1,000,388	326	1,000,714
Tennessee	0	27,141,982	9,695	26,930,077	9,695	26,939,772
Texas	0	51,436,825	18,374	61,378,563	18,374	61,396,937
Utah*	0	3,383,375	1,209	4,625,970	1,209	4,627,179
Vermont	0	1,673,255	598	1,787,950	598	1,788,548
Virginia	0	13,503,287	4,823	18,472,220	4,823	18,477,043
Washington	0	21,181,897	7,566	24,271,171	7,566	24,278,737
West Virginia	0	3,424,387	1,223	4,551,211	1,223	4,552,434
Wisconsin	0	15,363,236	5,488	19,934,322	5,488	19,939,810
Wyoming	0	558,477	199	786,008	199	786,207
STATE TOTAL	\$408,982	\$1,144,950,422	\$408,982	\$1,183,840,000	\$0	\$1,183,840,000

* Includes Navajo Nation

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
Workforce Investment Act Dislocated Worker Activities
Program Year (PY) 2010 Revised Allotments with Reallocation

	Total			Available 7/1/10			Available 10/1/10		
	Original	Recapture/ Reallocation	Revised	Original	Recapture/ Reallocation	Revised	Original	Recapture/ Reallocation	Revised
Alabama	17,669,335	4,508	17,673,843	4,833,455	-	4,833,455	12,835,880	4,508	12,840,388
Alaska	2,187,095	1,212	2,188,307	598,281	-	598,281	1,588,814	1,212	1,590,026
Arizona *	22,788,184	5,947	22,794,131	6,233,719	-	6,233,719	16,554,465	5,947	16,560,412
Arkansas	6,867,051	2,569	6,869,620	1,878,485	-	1,878,485	4,988,566	2,569	4,991,135
California	192,413,016	75,829	192,488,845	52,634,673	-	52,634,673	139,778,343	75,829	139,854,172
Colorado	14,509,305	4,943	14,514,248	3,969,027	-	3,969,027	10,540,278	4,943	10,545,221
Connecticut	11,850,579	5,086	11,855,665	3,241,732	-	3,241,732	8,608,847	5,086	8,613,933
Delaware	2,778,921	697	2,779,618	760,175	-	760,175	2,018,746	697	2,019,443
District of Columbia	2,990,511	1,296	2,991,807	818,056	-	818,056	2,172,455	1,296	2,173,751
Florida	83,019,633	27,526	83,047,159	22,710,060	-	22,710,060	60,309,573	27,526	60,337,099
Georgia	40,912,792	14,968	40,927,760	11,191,714	-	11,191,714	29,721,078	14,968	29,736,046
Hawaii	3,268,124	739	3,268,863	893,997	-	893,997	2,374,127	739	2,374,866
Idaho	4,536,856	968	4,537,824	1,241,059	-	1,241,059	3,295,797	968	3,296,765
Illinois	54,673,396	23,419	54,696,815	14,955,934	-	14,955,934	39,717,462	23,419	39,740,881
Indiana	27,257,656	8,958	27,266,614	7,456,345	-	7,456,345	19,801,311	8,958	19,810,269
Iowa	5,888,367	1,786	5,890,153	1,610,766	-	1,610,766	4,277,601	1,786	4,279,387
Kansas	6,855,442	1,778	6,857,220	1,875,309	-	1,875,309	4,980,133	1,778	4,981,911
Kentucky	18,089,024	6,395	18,095,419	4,948,261	-	4,948,261	13,140,763	6,395	13,147,158
Louisiana	9,812,674	3,164	9,815,838	2,684,262	-	2,684,262	7,128,412	3,164	7,131,576
Maine	4,578,544	1,562	4,580,106	1,252,463	-	1,252,463	3,326,081	1,562	3,327,643
Maryland	15,543,289	3,846	15,547,135	4,251,874	-	4,251,874	11,291,415	3,846	11,295,261
Massachusetts	22,706,846	7,252	22,714,098	6,211,469	-	6,211,469	16,495,377	7,252	16,502,629
Michigan	64,544,036	26,808	64,570,844	17,656,052	-	17,656,052	46,887,984	26,808	46,914,792
Minnesota	18,020,939	7,163	18,028,102	4,929,636	-	4,929,636	13,091,303	7,163	13,098,466
Mississippi	9,867,047	4,856	9,871,903	2,699,135	-	2,699,135	7,167,912	4,856	7,172,768
Missouri	22,223,344	8,827	22,232,171	6,079,206	-	6,079,206	16,144,138	8,827	16,152,965
Montana	2,174,950	600	2,175,550	594,959	-	594,959	1,579,991	600	1,580,591
Nebraska	2,428,300	885	2,429,185	664,263	-	664,263	1,764,037	885	1,764,922
Nevada	14,124,712	4,891	14,129,603	3,863,822	-	3,863,822	10,260,890	4,891	10,265,781
New Hampshire	3,181,956	855	3,182,811	870,426	-	870,426	2,311,530	855	2,312,385
New Jersey	33,365,324	(280,451)	33,084,873	9,127,100	-	9,127,100	24,238,224	(280,451)	23,957,773
New Mexico *	4,093,214	1,012	4,094,226	1,119,701	-	1,119,701	2,973,513	1,012	2,974,525
New York	65,534,311	22,679	65,556,990	17,926,942	-	17,926,942	47,607,369	22,679	47,630,048
North Carolina	44,039,515	15,179	44,054,694	12,047,030	-	12,047,030	31,992,485	15,179	32,007,664
North Dakota	690,086	313	690,399	188,773	-	188,773	501,313	313	501,626
Ohio	51,610,221	19,994	51,630,215	14,118,001	-	14,118,001	37,492,220	19,994	37,512,214
Oklahoma	6,905,534	2,058	6,907,592	1,889,012	-	1,889,012	5,016,522	2,058	5,018,580
Oregon	20,167,658	5,865	20,173,523	5,516,873	-	5,516,873	14,650,785	5,865	14,656,650
Pennsylvania	39,561,993	14,517	39,576,510	10,822,202	-	10,822,202	28,739,791	14,517	28,754,308
Puerto Rico	17,054,847	10,089	17,064,936	4,665,362	-	4,665,362	12,389,485	10,089	12,399,574
Rhode Island	6,227,600	(128,531)	6,099,069	1,703,563	-	1,703,563	4,524,037	(128,531)	4,395,506
South Carolina	23,089,893	8,442	23,098,335	6,316,251	-	6,316,251	16,773,642	8,442	16,782,084
South Dakota	1,000,388	326	1,000,714	273,657	-	273,657	726,731	326	727,057
Tennessee	26,930,077	9,695	26,939,772	7,366,735	-	7,366,735	19,563,342	9,695	19,573,037
Texas	61,378,563	18,374	61,396,937	16,790,135	-	16,790,135	44,588,428	18,374	44,606,802
Utah*	4,625,970	1,209	4,627,179	1,265,436	-	1,265,436	3,360,534	1,209	3,361,743
Vermont	1,787,950	598	1,788,548	489,095	-	489,095	1,298,855	598	1,299,453
Virginia	18,472,220	4,823	18,477,043	5,053,085	-	5,053,085	13,419,135	4,823	13,423,958
Washington	24,271,171	7,566	24,278,737	6,639,390	-	6,639,390	17,631,781	7,566	17,639,347
West Virginia	4,551,211	1,223	4,552,434	1,244,986	-	1,244,986	3,306,225	1,223	3,307,448
Wisconsin	19,934,322	5,488	19,939,810	5,453,043	-	5,453,043	14,481,279	5,488	14,486,767
Wyoming	786,008	199	786,207	215,013	-	215,013	570,995	199	571,194
STATE TOTAL	1,183,840,000	-	1,183,840,000	323,840,000	-	323,840,000	860,000,000	-	860,000,000

* Includes funds allocated to the Navajo Nation

**Dislocated Worker State Formula
Program Year (PY) 2010 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 6/30/10 reporting period for PY 2009 to determine if any state had unobligated funds in excess of twenty percent of their PY 2009 allotment amount. If so, that amount will be recaptured from PY 2010 funds and reallotted 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, 2010
Years Covered: PY 2009

Reallotment Calculation Process:

1. Determine the unobligated balance: In order to accomplish this, ETA computes the state's total amount of PY 2009 state obligations (including FY 2010 funds) for the Dislocated Worker (DW) program. State obligations are the sum of DW statewide activities obligations, Rapid Response obligations, and 100 percent of local DW program funds (which includes funds for local administration). The state's total unobligated balance for the DW program is the 2009 DW allotment amount, minus the total DW obligations. (Note: for re-allotment purposes, DW allotted funds transferred to the Navajo Nation are added 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. Data on state administrative amounts authorized and obligated are not reported on WIA 9130 financial reports. In the preliminary calculation to determine states potentially liable for recapture, the DW portion of the state administrative amount authorized is estimated by calculating the five percent maximum amount for state DW administrative costs using the DW state allotment amounts. For the DW portion of the state administrative amount obligated, 100 percent of the estimated authorized amount is treated as obligated.
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 included in the PY 2009 and FY 2010 Statewide Activities amounts (authorized and obligated as of 6/30/10). 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, the DW total allotment for these states is reduced by the DW portion of the state administrative amount authorized. Likewise, the DW total obligations for these states are reduced by the DW portion of the obligated state administrative funding.
4. Those states (including those adjusted by actual state administrative data) with *unobligated balances* exceeding 20 percent of the combined PY2009 DW *allotment amount* will have their PY 2010 DW funding (from the FY 2011 advance portion of PY 2010 DW funding made available in the FY 2010 Appropriations Act) reduced (recaptured) by the amount of the excess.
5. 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 2009 DW allotments of eligible states) in their PY 2010 DW funding (the FY 2011 advance portion of PY 2010 DW funding made available in the FY 2010 Appropriations Act).