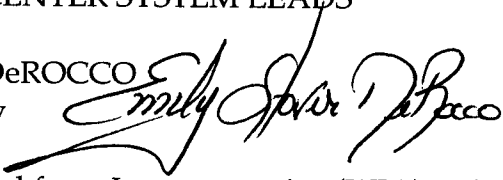


EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION OWI
	CORRESPONDENCE SYMBOL OWI
	DATE March 30, 2006

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 22-05

TO: ALL STATE WORKFORCE AGENCIES
 ALL ONE-STOP CENTER SYSTEM LEADS

FROM: EMILY STOVER DeROCCO
 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) 2005 allotments for the dislocated worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- A. TEGL 23-04
- B. Workforce Investment Act (Public Law 105-220) Section 132(c); 29 USC 2862(c)
- C. 20 CFR 667.150

3. **Background.** On March 25, 2005, TEGL 23-04 provided states and outlying areas with WIA Title I Adult, Dislocated Worker, and Youth Activities allotments for PY 2005 and alerted states on the reallotment of funds as required under WIA Section 132(c). Under this section of WIA, the Secretary is required to conduct reallotment of excess unobligated WIA Adult and Dislocated Worker formula funds based on state financial reports submitted at the end of the prior program year. The procedures the Secretary uses for recapture and reallotment of funds are described in the WIA regulations at 20 CFR 667.150. We will not recapture any PY 2005 funds for Adult and Youth programs because in no case do PY 2004 unobligated funds exceed the statutory requirement of 20 percent of state allotted funds. For the Dislocated Worker program, a total of \$239,605 will be recaptured in PY 2005 from two states and reallotted to the remaining states, as required by WIA Section 132(c).

RESCISSIONS	EXPIRATION DATE Continuing
-------------	----------------------------

4. **Notice of Obligation (NOO) 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 Fiscal Year (FY) 2006 advance portion of the PY 2005 allotments which were issued in October 2005. Attached are tables displaying the net changes to PY 2005 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 making funds available between the state and local areas.

For reporting purposes, the recapture/reallocation amount must be reflected (decrease or increase) in the "Total Federal Funds Authorized" line of any affected FY 2006 WIA Financial Status Reports (Statewide Activities, Statewide Rapid Response, Local Dislocated Worker Program Activities, and Local Administration) 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 sections of the adjusted reports.

6. **Action.** 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. **Attachments.**
 - A. WIA Dislocated Worker Activities, PY 2005 Reallocation to States
 - B. WIA Dislocated Worker Activities, PY 2005 Revised Allotments with Reallocation
 - C. Dislocated Worker State Formula PY 2005 Reallocation Methodology.

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
WIA Dislocated Worker Activities
PY 2005 Reallotment to States

	Excess Unobligated PY 2004 Funds for Recapture in PY 2005	PY 2004 Dislocated Worker Allotments* for Eligible States	PY 2005 Reallotment Amount for Eligible States	Total PY 2005 Allotments	Total Adjustment to PY 2005 (Recapture/ Reallotment)	Revised Total PY 2005 Allotments
Alabama	0	15,823,610	3,340	18,300,995	3,340	18,304,335
Alaska	0	4,029,608	851	4,502,548	851	4,503,399
Arizona **	0	19,681,992	4,155	15,130,307	4,155	15,134,462
Arkansas	0	7,925,549	1,673	10,597,841	1,673	10,599,514
California	0	181,421,334	38,296	182,835,332	38,296	182,873,628
Colorado	0	17,286,433	3,649	17,818,464	3,649	17,822,113
Connecticut	0	8,965,540	1,893	11,067,112	1,893	11,069,005
Delaware	0	1,435,006	303	1,615,691	303	1,615,994
District of Columbia	0	3,274,168	691	4,117,569	691	4,118,260
Florida	0	53,676,965	11,331	40,851,017	11,331	40,862,348
Georgia	0	23,800,461	5,024	20,072,811	5,024	20,077,835
Hawaii	0	2,228,367	470	2,158,542	470	2,159,012
Idaho	0	4,507,976	952	3,398,915	952	3,399,867
Illinois	0	64,699,204	13,657	66,920,949	13,657	66,934,606
Indiana	0	17,457,657	3,685	20,716,584	3,685	20,720,269
Iowa	0	5,643,966	1,191	5,851,685	1,191	5,852,876
Kansas	0	7,201,568	1,520	7,651,181	1,520	7,652,701
Kentucky	0	14,351,102	3,029	15,174,784	3,029	15,177,813
Louisiana	0	17,932,921	3,785	18,229,091	3,785	18,232,876
Maine	0	2,730,919	576	3,233,868	576	3,234,444
Maryland	0	11,756,464	2,482	11,411,244	2,482	11,413,726
Massachusetts	0	25,196,177	5,319	25,629,346	5,319	25,634,665
Michigan	0	50,119,136	10,580	62,582,469	10,580	62,593,049
Minnesota	0	11,184,578	2,361	13,235,164	2,361	13,237,525
Mississippi	0	13,644,951	2,880	11,210,085	2,880	11,212,965
Missouri	0	19,248,752	4,063	19,937,612	4,063	19,941,675
Montana	0	1,612,171	340	1,920,594	340	1,920,934
Nebraska	0	2,834,983	598	3,283,747	598	3,284,345
Nevada	0	6,939,847	1,465	4,725,377	1,465	4,726,842
New Hampshire	0	2,863,937	605	2,801,408	605	2,802,013
New Jersey	0	35,835,102	7,564	31,288,708	7,564	31,296,272
New Mexico **	23,676	0	0	7,395,867	(23,676)	7,372,191
New York	0	88,300,491	18,639	95,415,077	18,639	95,433,716
North Carolina	0	40,602,414	8,571	35,655,022	8,571	35,663,593
North Dakota	0	1,109,503	234	1,012,281	234	1,012,515
Ohio	0	45,302,923	9,563	53,062,694	9,563	53,072,257
Oklahoma	0	8,928,301	1,885	9,667,175	1,885	9,669,060
Oregon	0	23,699,023	5,003	25,222,100	5,003	25,227,103
Pennsylvania	0	47,887,302	10,109	44,740,544	10,109	44,750,653
Puerto Rico	215,929	0	0	31,498,277	(215,929)	31,282,348
Rhode Island	0	3,428,956	724	3,954,620	724	3,955,344
South Carolina	0	17,959,739	3,791	23,006,992	3,791	23,010,783
South Dakota	0	990,602	209	1,158,688	209	1,158,897
Tennessee	0	15,619,959	3,297	18,722,605	3,297	18,725,902
Texas	0	99,468,242	20,997	102,134,470	20,997	102,155,467
Utah	0	7,681,918	1,622	5,903,570	1,622	5,905,192
Vermont	0	1,030,630	218	1,229,990	218	1,230,208
Virginia	0	13,059,814	2,757	13,034,020	2,757	13,036,777
Washington	0	36,823,803	7,773	35,786,962	7,773	35,794,735
West Virginia	0	6,814,187	1,438	6,216,292	1,438	6,217,730
Wisconsin	0	20,162,681	4,256	19,310,036	4,256	19,314,292
Wyoming	0	905,340	191	865,294	191	865,485
STATE TOTAL	\$239,605	\$1,135,086,272	\$239,605	\$1,193,263,616	\$0	\$1,193,263,616

* Including rescissions and prior year recapture/reallotment amounts

** Includes Navajo Nation

U.S. DEPARTMENT OF LABOR
 Employment and Training Administration
 WIA Dislocated Worker Activities
 PY 2005 Revised Allotments with Reallocation

	Total			Available 7/1/05			Available 10/1/05		
	Original	Recapture/ Reallocation	Revised	Original	Recapture/ Reallocation	Revised	Original	Recapture/ Reallocation	Revised
Alabama	18,300,995	3,340	18,304,335	5,295,282	-	5,295,282	13,005,713	3,340	13,009,053
Alaska	4,502,548	851	4,503,399	1,302,785	-	1,302,785	3,199,763	851	3,200,614
Arizona *	15,130,307	4,155	15,134,462	4,377,863	-	4,377,863	10,752,444	4,155	10,756,599
Arkansas	10,597,841	1,673	10,599,514	3,066,421	-	3,066,421	7,531,420	1,673	7,533,093
California	182,835,332	38,296	182,873,628	52,902,299	-	52,902,299	129,933,033	38,296	129,971,329
Colorado	17,818,464	3,649	17,822,113	5,155,665	-	5,155,665	12,666,799	3,649	12,666,448
Connecticut	11,067,112	1,893	11,069,005	3,202,202	-	3,202,202	7,864,910	1,893	7,866,803
Delaware	1,615,691	303	1,615,994	467,490	-	467,490	1,148,201	303	1,148,504
District of Columbia	4,117,569	691	4,118,260	1,191,394	-	1,191,394	2,926,175	691	2,926,866
Florida	40,851,017	11,331	40,862,348	11,819,995	-	11,819,995	29,031,022	11,331	29,042,353
Georgia	20,072,811	5,024	20,077,835	5,807,947	-	5,807,947	14,264,864	5,024	14,269,888
Hawaii	2,158,542	470	2,159,012	624,561	-	624,561	1,533,981	470	1,534,451
Idaho	3,398,915	952	3,399,867	983,456	-	983,456	2,415,459	952	2,416,411
Illinois	66,920,949	13,657	66,934,606	19,363,172	-	19,363,172	47,557,777	13,657	47,571,434
Indiana	20,716,584	3,685	20,720,269	5,994,218	-	5,994,218	14,722,366	3,685	14,726,051
Iowa	5,851,685	1,191	5,852,876	1,693,150	-	1,693,150	4,158,535	1,191	4,159,726
Kansas	7,651,181	1,520	7,652,701	2,213,823	-	2,213,823	5,437,358	1,520	5,438,878
Kentucky	15,174,784	3,029	15,177,813	4,390,732	-	4,390,732	10,784,052	3,029	10,787,081
Louisiana	18,229,091	3,785	18,232,876	5,274,477	-	5,274,477	12,954,614	3,785	12,958,399
Maine	3,233,868	576	3,234,444	935,700	-	935,700	2,298,168	576	2,298,744
Maryland	11,411,244	2,482	11,413,726	3,301,775	-	3,301,775	8,109,469	2,482	8,111,951
Massachusetts	25,629,346	5,319	25,634,665	7,415,697	-	7,415,697	18,213,649	5,319	18,218,968
Michigan	62,582,469	10,580	62,593,049	18,107,859	-	18,107,859	44,474,610	10,580	44,485,190
Minnesota	13,235,164	2,361	13,237,525	3,829,515	-	3,829,515	9,405,649	2,361	9,408,010
Mississippi	11,210,085	2,880	11,212,965	3,243,570	-	3,243,570	7,966,515	2,880	7,969,395
Missouri	19,937,612	4,063	19,941,675	5,768,828	-	5,768,828	14,168,784	4,063	14,172,847
Montana	1,920,594	340	1,920,934	555,712	-	555,712	1,364,882	340	1,365,222
Nebraska	3,283,747	598	3,284,345	950,132	-	950,132	2,333,615	598	2,334,213
Nevada	4,725,377	1,465	4,726,842	1,367,259	-	1,367,259	3,358,118	1,465	3,359,583
New Hampshire	2,801,408	605	2,802,013	810,570	-	810,570	1,990,838	605	1,991,443
New Jersey	31,288,708	7,564	31,296,272	9,053,199	-	9,053,199	22,235,509	7,564	22,243,073
New Mexico *	7,395,867	(23,676)	7,372,191	2,139,949	-	2,139,949	5,255,918	(23,676)	5,232,242
New York	95,415,077	18,639	95,433,716	27,607,776	-	27,607,776	67,807,301	18,639	67,825,940
North Carolina	35,655,022	8,571	35,663,593	10,316,565	-	10,316,565	25,338,457	8,571	25,347,028
North Dakota	1,012,281	234	1,012,515	292,897	-	292,897	719,384	234	719,618
Ohio	53,062,694	9,563	53,072,257	15,353,370	-	15,353,370	37,709,324	9,563	37,718,887
Oklahoma	9,667,175	1,885	9,669,060	2,797,139	-	2,797,139	6,870,036	1,885	6,871,921
Oregon	25,222,100	5,003	25,227,103	7,297,862	-	7,297,862	17,924,238	5,003	17,929,241
Pennsylvania	44,740,544	10,109	44,750,653	12,945,406	-	12,945,406	31,795,138	10,109	31,805,247
Puerto Rico	31,498,277	(215,929)	31,282,348	9,113,836	-	9,113,836	22,384,441	(215,929)	22,168,512
Rhode Island	3,954,620	724	3,955,344	1,144,245	-	1,144,245	2,810,375	724	2,811,099
South Carolina	23,006,992	3,791	23,010,783	6,656,934	-	6,656,934	16,350,058	3,791	16,353,849
South Dakota	1,158,688	209	1,158,897	335,259	-	335,259	823,429	209	823,638
Tennessee	18,722,605	3,297	18,725,902	5,417,273	-	5,417,273	13,305,332	3,297	13,308,629
Texas	102,134,470	20,997	102,155,467	29,551,992	-	29,551,992	72,582,478	20,997	72,603,475
Utah	5,903,570	1,622	5,905,192	1,708,162	-	1,708,162	4,195,408	1,622	4,197,030
Vermont	1,229,990	218	1,230,208	355,890	-	355,890	874,100	218	874,318
Virginia	13,034,020	2,757	13,036,777	3,771,315	-	3,771,315	9,262,705	2,757	9,265,462
Washington	35,786,962	7,773	35,794,735	10,354,741	-	10,354,741	25,432,221	7,773	25,439,994
West Virginia	6,216,292	1,438	6,217,730	1,798,647	-	1,798,647	4,417,645	1,438	4,419,083
Wisconsin	19,310,036	4,256	19,314,292	5,587,242	-	5,587,242	13,722,794	4,256	13,727,050
Wyoming	865,294	191	865,485	250,368	-	250,368	614,926	191	615,117
STATE TOTAL	1,193,263,616	-	1,193,263,616	345,263,616	-	345,263,616	848,000,000	-	848,000,000

* Includes funds allocated to the Navajo Nation

Dislocated Worker State Formula PY 2005 Reallotment Methodology

Source data: State WIA 6/30/05 financial status reports
 Statewide Activities (plus State Administrative breakout)
 Rapid Response Activities
 Local Administration
 Local Dislocated Worker Program
 Dislocated Worker program = sum of:
 Estimated Dislocated Worker portion of Statewide Activities (less State Administrative portion)
 Rapid Response Activities
 Estimated Dislocated Worker portion of Local Administration
 Local Dislocated Worker program

Years covered: PY 2004 and FY 2005

Methodology for disaggregating Statewide Activities/Local Admin report data by program:

	Statewide Activities – 15%	Local Administration – 10%
Auth	Fed NOO \$ to State by pgm less est Local Admin Auth by pgm less rptd Local Pgm Auth by pgm less rptd Rapid Response Auth (DW only)	Prorated using reported Local Program Auth by program
Oblig	Prorated using Statewide Auth est by pgm	Considered 100% Obligated

Reallotment calculations:

- (1) Each state's total amount of state obligations of PY 2004 (including FY 2005) funds for the Dislocated Worker (DW) program is calculated. State obligations are considered to be the total of the estimated DW share of statewide activities obligations, Rapid Response obligations, 100% of local DW program authorized, and 100% of estimated DW portion of local admin authorized. The DW total unobligated balance is the DW 2004 allotment amount (adjusted for rescissions) less the calculated total DW obligations. (Navajo Nation funds are added back to the New Mexico and Arizona for reallotment purposes and treated like a local area.)
- (2) Section 667.150 of the regulations provides that the recapture calculations exclude the reserve for state administration. Data on state administrative amounts are not normally available on WIA financial reports. Therefore, additional data on state administrative amounts included in the PY 2004 and FY 2005 Statewide Activities amounts authorized and obligated as of 6/30/05 are requested from those states calculated to be potentially liable for recapture.
- (3) In the preliminary calculation of states potentially liable for recapture, the DW portion of the state administrative amounts authorized and obligated is estimated using the DW relative share of the state allotment amounts for all programs (adjusted for rescissions). If a State provides actual DW portions in revised reports, this data is replaces the estimates. Based on the additional requested data submitted on revised reports, the DW total allotment for these states is reduced by the DW portion of the state administrative amount authorized and the DW total obligations for these states are reduced by the DW portion of the state administrative amounts obligated. These calculations are done separately for PY 2004 and FY 2005.
- (4) States (including those adjusted by State administrative data) with unobligated balances for combined PY 2004/FY 2005 exceeding 20% of the combined PY2004/FY2005 DW allotment (adjusted for rescissions) will have their DW 2005 funding reduced (recaptured) by the amount of the excess.
- (5) As calculated above, states with unobligated balances not exceeding 20% will receive a share of the total recaptured amount based on their share of the total PY 2004/FY2005 DW allotments amount (adjusted for rescissions) for all such states.