

<b>EMPLOYMENT AND TRAINING ADMINISTRATION          ADVISORY SYSTEM          U.S. DEPARTMENT OF LABOR          Washington, D.C. 20210</b>	CLASSIFICATION
	CORRESPONDENCE SYMBOL OWI
	DATE April 15, 2009

**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 14-08, CHANGE 1**

**TO: STATE WORKFORCE AGENCIES  
 STATE WORKFORCE ADMINISTRATORS  
 STATE WORKFORCE LIAISONS  
 STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS  
 STATE LABOR COMMISSIONERS**

**FROM: DOUGLAS F. SMALL** *Douglas F. Small*  
 Deputy Assistant Secretary

**SUBJECT:** Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009, Change 1

1. **Purpose.** TEGL 14-08, Change 1 has five purposes:
- To clarify the period of the American Recovery and Reinvestment Act (the Recovery Act) funding availability at the local level for the Workforce Investment Act (WIA) Adult, Dislocated Worker, and Youth programs;
  - To address recapture and reallocation of unobligated local WIA Recovery Act funds;
  - To change the funds transfer limit between Recovery Act Adult and Dislocated Worker programs from 20 to 30 percent;
  - To encourage local areas to serve migrant and farmworker youth with Recovery Act youth formula funds; and
  - To announce the location of frequently asked questions and answers on the Employment and Training Administration Web site.

2. **References.**
- Workforce Investment Act of 1998, as amended (29 U.S.C. 2801 et seq.)
  - WIA Regulations, 20 CFR parts 652 and 660-671
  - The American Recovery and Reinvestment Act of 2009 (P.L. 111-5)
  - TEGL No. 14-08, "Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009"
  - FY 2009 Omnibus Appropriations Act (P.L. 111-8)

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3. **Period of availability of funds at the local level.** TEGL 14-08 stated that local areas have until the end of PY 2010 (June 30, 2011) to expend WIA Youth Recovery Act funds (p. 25). The Employment and Training Administration (ETA) has received several inquiries as to whether the same period of availability for expenditure applies to other WIA Recovery Act programs. This same expenditure period for local areas also applies to the WIA Adult and Dislocated Worker Recovery Act funds.
4. **Recapture and reallocation of unobligated funds.** For normal WIA formula allotments, ETA recaptures and reallocates excess unobligated funds among states, and Governors may recapture and reallocate excess unobligated funds among local areas in the state at the end of each program year, per WIA Section 127 (a), 128(c) and 133(b). Because Recovery Act WIA funds are only available for three months in PY 2008, ETA has determined that moving funds so soon afterward defeats the purpose of the Act. Thus, ETA has determined not to apply a reallocation to Recovery Act funds for PY 2008. For similar reasons, ETA has determined that it is imprudent to permit Governors to recapture and reallocate Recovery Act funds at the end of PY 2008 as well. Governors may recapture and reallocate Recovery Act funds that are eligible for recapture and reallocation in accordance with 20 CFR 667.160 at the end of PY 2009. The WIA recapture and reallocation requirements, including the calculations relating to the percentage of funds that have been obligated, are to be applied to Recovery Act WIA formula funds separately from the application of these requirements to the PY 2009 regular WIA formula funds.
5. **Change in fund transfer limit between Adult and Dislocated Worker formulas.** WIA Section 133(b)(4) provides the authority for local workforce areas, with approval of the Governor, to transfer up to 20 percent of the Adult Activities funds to Dislocated Worker Activities, and up to 20 percent of Dislocated Worker Activities funds to Adult Activities. TEGL 14-08 provided that the 20 percent limit of WIA sec 133(b)(4) applied to Recovery Act funds. Subsequently, the FY 2009 Omnibus Appropriations Act raised the transfer limits between Adult and Dislocated Worker funds to 30 percent, which is applicable for the life of the funds. Because Recovery Act funds are supplemental FY 2009 funds, the 30 percent transfer limit also applies to these funds. Per TEGL 14-08, waivers of the funds transfer limit between Adult and Dislocated Worker programs above 30 percent do not apply to Recovery Act funds.
6. **Serving migrant and farmworker youth with summer employment opportunities.** As part of ETA's strategic vision for service delivery under WIA (TEGL 28-05), ETA encouraged states and local areas to focus youth services on those youth most in need, including migrant youth. Migrant and farmworker youth are often disconnected from both education and the workforce, and could significantly benefit by participating in summer youth employment opportunities. ETA strongly encourages state and local areas to work with workforce system grantees serving farmworkers and their dependents to outreach to and enroll farmworker youth in summer employment opportunities.
7. **Recovery Act implementation: questions and answers.** Questions and answers related to the implementation of WIA and Wagner-Peyser formula programs under the Recovery Act will be posted at <http://www.doleta.gov/recovery/>. Additional questions and answers will be posted to this Web site as they become available.
8. **Inquiries.** Questions regarding this guidance should be directed to the appropriate ETA Regional Office.