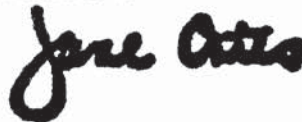


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|---|-------------------------------------|
| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION OWI |
| | CORRESPONDENCE SYMBOL OWI |
| | DATE April 24, 2012 |

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 25-11

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: 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) 2011 allotments for the Dislocated Worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- Full-Year Continuing Appropriations Act, 2011, Division B, Title I and Title VIII, P.L. 112-10 (Fiscal Year (FY) 2011 Appropriations Act);
- Training and Employment Guidance Letter (TEGL) 26-10, *Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2011; Final PY 2011 Allotments for the Wagner-Peyser Act Employment Service Program; and Workforce Information Grants to States Allotments for PY 2011;*
- Workforce Investment Act Section 132(c), P.L. 105-220, 29 U.S.C. 2862(c); and
- Secretary's Reallotment Procedures, 20 CFR 667.150.

3. **Background.** In the FY 2011 Appropriations Act, Congress appropriated WIA PY 2011 funds in two portions: 1) funds available for obligation July 1, 2011 (i.e., PY 2011 "base" funds), and 2) funds available for obligation October 1, 2011 (i.e., FY 2012 "advance" funds). Together, these two portions comprise the complete PY 2011 WIA allotment. TEGL 26-10 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 of Labor (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 2010).

| | |
|----------------------------|--------------------------------------|
| RESCISSIONS None | EXPIRATION DATE Continuing |
|----------------------------|--------------------------------------|

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 2011 funds for Adult and Youth programs because there are not any cases where PY 2010 unobligated funds exceed the statutory requirements of 20 percent of state allotted funds. For the Dislocated Worker program, however, there was one state that had unobligated PY 2010 funds in excess of 20 percent. Therefore, a total of \$251,529 will be recaptured from PY 2011 funding from this one state 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 2012 advance portion of the PY 2011 allotments, which were issued in October 2011. Attached are tables displaying the net changes to PY 2011 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 TEGLE, the recapture/reallocation will apply to the FY 2012 advance portion of the PY 2011 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 2012 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 2011 Reallocation to States
 - B. WIA Dislocated Worker Activities, PY 2011 Revised Allotments with Reallocation
 - C. Dislocated Worker State Formula, PY 2011 Reallocation Methodology

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
WIA Dislocated Worker Activities
PY 2011 Reallotment to States

| | Excess Unobligated PY 2010 Funds for Recapture in PY 2011 | PY 2010 * Dislocated Worker Allotments for Eligible States | PY 2011 Reallotment Amount for Eligible States | Total PY 2011 Allotments | Total Adjustment to PY 2011 (Recapture/ Reallotment) | Revised Total PY 2011 Allotments |
|----------------------|--|--|---|--------------------------------|---|---|
| Alabama | 0 | 17,648,171 | 3,770 | 16,103,978 | 3,770 | 16,107,748 |
| Alaska | 0 | 2,185,129 | 467 | 1,801,832 | 467 | 1,802,299 |
| Arizona ** | 0 | 22,761,022 | 4,862 | 21,958,487 | 4,862 | 21,963,349 |
| Arkansas | 0 | 6,859,643 | 1,465 | 6,525,077 | 1,465 | 6,526,542 |
| California | 0 | 192,209,289 | 41,056 | 170,043,518 | 41,056 | 170,084,574 |
| Colorado | 0 | 14,493,167 | 3,096 | 13,947,918 | 3,096 | 13,951,014 |
| Connecticut | 0 | 11,838,447 | 2,529 | 12,099,340 | 2,529 | 12,101,869 |
| Delaware | 0 | 2,775,581 | 593 | 2,523,025 | 593 | 2,523,618 |
| District of Columbia | 0 | 2,987,462 | 638 | 2,588,817 | 638 | 2,589,455 |
| Florida | 0 | 82,926,540 | 17,713 | 81,146,334 | 17,713 | 81,164,047 |
| Georgia | 0 | 40,868,318 | 8,730 | 35,448,102 | 8,730 | 35,456,832 |
| Hawaii | 0 | 3,264,115 | 697 | 2,535,324 | 697 | 2,536,021 |
| Idaho | 0 | 4,531,232 | 968 | 4,234,037 | 968 | 4,235,005 |
| Illinois | 0 | 54,617,380 | 11,666 | 52,311,422 | 11,666 | 52,323,088 |
| Indiana | 0 | 27,227,011 | 5,816 | 22,936,088 | 5,816 | 22,941,904 |
| Iowa | 0 | 5,881,598 | 1,256 | 6,212,899 | 1,256 | 6,214,155 |
| Kansas | 0 | 6,847,260 | 1,463 | 5,771,477 | 1,463 | 5,772,940 |
| Kentucky | 0 | 18,069,138 | 3,860 | 14,962,447 | 3,860 | 14,966,307 |
| Louisiana | 0 | 9,801,581 | 2,094 | 8,755,097 | 2,094 | 8,757,191 |
| Maine | 251,529 | 0 | 0 | 3,593,738 | (251,529) | 3,342,209 |
| Maryland | 0 | 15,524,552 | 3,316 | 14,280,338 | 3,316 | 14,283,654 |
| Massachusetts | 0 | 22,681,107 | 4,845 | 21,033,198 | 4,845 | 21,038,043 |
| Michigan | 0 | 64,477,068 | 13,773 | 51,206,873 | 13,773 | 51,220,646 |
| Minnesota | 0 | 18,001,919 | 3,845 | 12,869,603 | 3,845 | 12,873,448 |
| Mississippi | 0 | 9,857,567 | 2,106 | 10,134,604 | 2,106 | 10,136,710 |
| Missouri | 0 | 22,199,883 | 4,742 | 19,157,714 | 4,742 | 19,162,456 |
| Montana | 0 | 2,172,390 | 464 | 2,044,172 | 464 | 2,044,636 |
| Nebraska | 0 | 2,425,657 | 518 | 2,056,541 | 518 | 2,057,059 |
| Nevada | 0 | 14,109,081 | 3,014 | 14,310,158 | 3,014 | 14,313,172 |
| New Hampshire | 0 | 3,178,188 | 679 | 2,760,460 | 679 | 2,761,139 |
| New Jersey | 0 | 33,036,397 | 7,057 | 32,201,066 | 7,057 | 32,208,123 |
| New Mexico ** | 0 | 4,088,279 | 873 | 5,171,897 | 873 | 5,172,770 |
| New York | 0 | 65,461,775 | 13,983 | 55,804,488 | 13,983 | 55,818,471 |
| North Carolina | 0 | 43,990,709 | 9,397 | 35,042,869 | 9,397 | 35,052,266 |
| North Dakota | 0 | 689,396 | 147 | 499,156 | 147 | 499,303 |
| Ohio | 0 | 51,555,231 | 11,012 | 44,012,508 | 11,012 | 44,023,520 |
| Oklahoma | 0 | 6,897,559 | 1,473 | 6,906,804 | 1,473 | 6,908,277 |
| Oregon | 0 | 20,144,221 | 4,303 | 15,054,272 | 4,303 | 15,058,575 |
| Pennsylvania | 0 | 39,519,031 | 8,441 | 37,914,512 | 8,441 | 37,922,953 |
| Puerto Rico | 0 | 17,040,157 | 3,640 | 13,675,088 | 3,640 | 13,678,728 |
| Rhode Island | 0 | 6,090,021 | 1,301 | 5,096,307 | 1,301 | 5,097,608 |
| South Carolina | 0 | 23,064,788 | 4,927 | 19,157,131 | 4,927 | 19,162,058 |
| South Dakota | 0 | 999,261 | 213 | 839,629 | 213 | 839,842 |
| Tennessee | 0 | 26,900,645 | 5,746 | 22,094,179 | 5,746 | 22,099,925 |
| Texas | 0 | 61,307,760 | 13,096 | 61,926,140 | 13,096 | 61,939,236 |
| Utah ** | 0 | 4,620,458 | 987 | 6,053,827 | 987 | 6,054,814 |
| Vermont | 0 | 1,785,950 | 381 | 1,242,041 | 381 | 1,242,422 |
| Virginia | 0 | 18,450,205 | 3,941 | 18,453,304 | 3,941 | 18,457,245 |
| Washington | 0 | 24,243,473 | 5,178 | 22,238,858 | 5,178 | 22,244,036 |
| West Virginia | 0 | 4,545,822 | 971 | 4,552,003 | 971 | 4,552,974 |
| Wisconsin | 0 | 19,910,847 | 4,253 | 17,319,011 | 4,253 | 17,323,264 |
| Wyoming | 0 | 785,065 | 168 | 1,199,212 | 168 | 1,199,380 |
| STATE TOTAL | \$251,529 | \$1,177,546,546 | \$251,529 | \$1,061,806,920 | \$0 | \$1,061,806,920 |

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
WIA Dislocated Worker Activities
PY 2011 Revised Allotments with Realotment

| | Total | | | Available 7/1/11 | | | Available 10/1/11 | | |
|----------------------|---------------|---------------------------|---------------|------------------|---------------------------|-------------|-------------------|---------------------------|-------------|
| | Original | Recapture/ Reallotment | Revised | Original | Recapture/ Reallotment | Revised | Original | Recapture/ Reallotment | Revised |
| Alabama | 16,103,978 | 3,770 | 16,107,748 | 3,085,372 | - | 3,085,372 | 13,018,606 | 3,770 | 13,022,376 |
| Alaska | 1,801,832 | 467 | 1,802,299 | 345,214 | - | 345,214 | 1,456,618 | 467 | 1,457,085 |
| Arizona * | 21,958,487 | 4,862 | 21,963,349 | 4,207,042 | - | 4,207,042 | 17,751,445 | 4,862 | 17,756,307 |
| Arkansas | 6,525,077 | 1,465 | 6,526,542 | 1,250,144 | - | 1,250,144 | 5,274,933 | 1,465 | 5,276,398 |
| California | 170,043,518 | 41,056 | 170,084,574 | 32,578,755 | - | 32,578,755 | 137,464,763 | 41,056 | 137,505,819 |
| Colorado | 13,947,918 | 3,096 | 13,951,014 | 2,672,291 | - | 2,672,291 | 11,275,627 | 3,096 | 11,278,723 |
| Connecticut | 12,099,340 | 2,529 | 12,101,869 | 2,318,121 | - | 2,318,121 | 9,781,219 | 2,529 | 9,783,748 |
| Delaware | 2,523,025 | 593 | 2,523,618 | 483,388 | - | 483,388 | 2,039,637 | 593 | 2,040,230 |
| District of Columbia | 2,588,817 | 638 | 2,589,455 | 495,993 | - | 495,993 | 2,092,824 | 638 | 2,093,462 |
| Florida | 81,146,334 | 17,713 | 81,164,047 | 15,546,882 | - | 15,546,882 | 65,599,452 | 17,713 | 65,617,165 |
| Georgia | 35,448,102 | 8,730 | 35,456,832 | 6,791,526 | - | 6,791,526 | 28,656,576 | 8,730 | 28,665,306 |
| Hawaii | 2,535,324 | 697 | 2,536,021 | 485,744 | - | 485,744 | 2,049,580 | 697 | 2,050,277 |
| Idaho | 4,234,037 | 968 | 4,235,005 | 811,202 | - | 811,202 | 3,422,835 | 968 | 3,423,803 |
| Illinois | 52,311,422 | 11,666 | 52,323,088 | 10,022,382 | - | 10,022,382 | 42,289,040 | 11,666 | 42,300,706 |
| Indiana | 22,936,088 | 5,816 | 22,941,904 | 4,394,341 | - | 4,394,341 | 18,541,747 | 5,816 | 18,547,563 |
| Iowa | 6,212,899 | 1,256 | 6,214,155 | 1,190,334 | - | 1,190,334 | 5,022,565 | 1,256 | 5,023,821 |
| Kansas | 5,771,477 | 1,463 | 5,772,940 | 1,105,761 | - | 1,105,761 | 4,665,716 | 1,463 | 4,667,179 |
| Kentucky | 14,962,447 | 3,860 | 14,966,307 | 2,866,666 | - | 2,866,666 | 12,095,781 | 3,860 | 12,099,641 |
| Louisiana | 8,755,097 | 2,094 | 8,757,191 | 1,677,395 | - | 1,677,395 | 7,077,702 | 2,094 | 7,079,796 |
| Maine | 3,593,738 | (251,529) | 3,342,209 | 688,527 | - | 688,527 | 2,905,211 | (251,529) | 2,653,682 |
| Maryland | 14,280,338 | 3,316 | 14,283,654 | 2,735,980 | - | 2,735,980 | 11,544,358 | 3,316 | 11,547,674 |
| Massachusetts | 21,033,198 | 4,845 | 21,038,043 | 4,029,765 | - | 4,029,765 | 17,003,433 | 4,845 | 17,008,278 |
| Michigan | 51,206,873 | 13,773 | 51,220,646 | 9,810,760 | - | 9,810,760 | 41,396,113 | 13,773 | 41,409,886 |
| Minnesota | 12,869,603 | 3,845 | 12,873,448 | 2,465,696 | - | 2,465,696 | 10,403,907 | 3,845 | 10,407,752 |
| Mississippi | 10,134,604 | 2,106 | 10,136,710 | 1,941,696 | - | 1,941,696 | 8,192,908 | 2,106 | 8,195,014 |
| Missouri | 19,157,714 | 4,742 | 19,162,456 | 3,670,440 | - | 3,670,440 | 15,487,274 | 4,742 | 15,492,016 |
| Montana | 2,044,172 | 464 | 2,044,636 | 391,644 | - | 391,644 | 1,652,528 | 464 | 1,652,992 |
| Nebraska | 2,056,541 | 518 | 2,057,059 | 394,014 | - | 394,014 | 1,662,527 | 518 | 1,663,045 |
| Nevada | 14,310,158 | 3,014 | 14,313,172 | 2,741,693 | - | 2,741,693 | 11,568,465 | 3,014 | 11,571,479 |
| New Hampshire | 2,760,460 | 679 | 2,761,139 | 528,879 | - | 528,879 | 2,231,581 | 679 | 2,232,260 |
| New Jersey | 32,201,066 | 7,057 | 32,208,123 | 6,169,425 | - | 6,169,425 | 26,031,641 | 7,057 | 26,038,698 |
| New Mexico * | 5,171,897 | 873 | 5,172,770 | 990,887 | - | 990,887 | 4,181,010 | 873 | 4,181,883 |
| New York | 55,804,488 | 13,983 | 55,818,471 | 10,691,620 | - | 10,691,620 | 45,112,868 | 13,983 | 45,126,851 |
| North Carolina | 35,042,869 | 9,397 | 35,052,266 | 6,713,887 | - | 6,713,887 | 28,328,982 | 9,397 | 28,338,379 |
| North Dakota | 499,156 | 147 | 499,303 | 95,634 | - | 95,634 | 403,522 | 147 | 403,669 |
| Ohio | 44,012,508 | 11,012 | 44,023,520 | 8,432,387 | - | 8,432,387 | 35,580,121 | 11,012 | 35,591,133 |
| Oklahoma | 6,906,804 | 1,473 | 6,908,277 | 1,323,279 | - | 1,323,279 | 5,583,525 | 1,473 | 5,584,998 |
| Oregon | 15,054,272 | 4,303 | 15,058,575 | 2,884,258 | - | 2,884,258 | 12,170,014 | 4,303 | 12,174,317 |
| Pennsylvania | 37,914,512 | 8,441 | 37,922,953 | 7,264,068 | - | 7,264,068 | 30,650,444 | 8,441 | 30,658,885 |
| Puerto Rico | 13,675,088 | 3,640 | 13,678,728 | 2,620,020 | - | 2,620,020 | 11,055,068 | 3,640 | 11,058,708 |
| Rhode Island | 5,096,307 | 1,301 | 5,097,608 | 976,405 | - | 976,405 | 4,119,902 | 1,301 | 4,121,203 |
| South Carolina | 19,157,131 | 4,927 | 19,162,058 | 3,670,328 | - | 3,670,328 | 15,486,803 | 4,927 | 15,491,730 |
| South Dakota | 839,629 | 213 | 839,842 | 160,865 | - | 160,865 | 678,764 | 213 | 678,977 |
| Tennessee | 22,094,179 | 5,746 | 22,099,925 | 4,233,039 | - | 4,233,039 | 17,861,140 | 5,746 | 17,866,886 |
| Texas | 61,926,140 | 13,096 | 61,939,236 | 11,864,472 | - | 11,864,472 | 50,061,668 | 13,096 | 50,074,764 |
| Utah* | 6,053,827 | 987 | 6,054,814 | 1,159,857 | - | 1,159,857 | 4,893,970 | 987 | 4,894,957 |
| Vermont | 1,242,041 | 381 | 1,242,422 | 237,963 | - | 237,963 | 1,004,078 | 381 | 1,004,459 |
| Virginia | 18,453,304 | 3,941 | 18,457,245 | 3,535,481 | - | 3,535,481 | 14,917,823 | 3,941 | 14,921,764 |
| Washington | 22,238,858 | 5,178 | 22,244,036 | 4,260,758 | - | 4,260,758 | 17,978,100 | 5,178 | 17,983,278 |
| West Virginia | 4,552,003 | 971 | 4,552,974 | 872,121 | - | 872,121 | 3,679,882 | 971 | 3,680,853 |
| Wisconsin | 17,319,011 | 4,253 | 17,323,264 | 3,318,161 | - | 3,318,161 | 14,000,850 | 4,253 | 14,005,103 |
| Wyoming | 1,199,212 | 168 | 1,199,380 | 229,758 | - | 229,758 | 969,454 | 168 | 969,622 |
| STATE TOTAL | 1,061,806,920 | (0) | 1,061,806,920 | 203,432,320 | - | 203,432,320 | 858,374,600 | (0) | 858,374,600 |

* Includes funds allocated to the Navajo Nation

03/01/12

**Dislocated Worker (DW) State Formula
Program Year (PY) 2011 Reallocation Methodology**

Reallocation Summary:

This year the Employment and Training Administration (ETA) analyzed State Workforce Investment Act (WIA) Dislocated Worker 9130 financial reports from June 30, 2011 reporting period for PY 2010 to determine if any state had unobligated funds in excess of 20 percent of their PY 2010 allotment amount. If so, that amount will be recaptured from PY 2011 funds and reallocated 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, 2011
Years covered: PY 2010 and FY 2011

Reallocation Calculation Process:

- (1) *Determine the unobligated balance:* In order to accomplish this, ETA computes the state's total amount of PY 2010 state obligations (including Fiscal Year (FY) 2011 funds) for the 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 2010 DW allotment amount (adjusted for recapture/reallocation and statutory formula-based rescissions) minus the total DW obligations. (Note: for reallocation 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 (adjusted for recapture/reallocation and statutory formula-based rescissions). 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 2010 and FY 2011 statewide activities amounts (authorized and obligated as of June 30, 2011). 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 PY 2010/FY 2011 DW *allotment amount* (adjusted for recapture/reallotment and statutory formula-based rescissions) will have their PY 2011 DW funding (from the FY 2012 portion) 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 2010/FY 2011 DW allotments of eligible states) in their PY 2011 DW funding (the FY 2012 portion).