

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	<b>CLASSIFICATION</b> WIA/Wagner-Peyser/SCEOA
	<b>CORRESPONDENCE SYMBOL</b> OWI
	<b>DATE</b> May 3, 2011

**ADVISORY:**      **TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 23-10**

**TO:**                ALL STATE WORKFORCE AGENCIES  
 ALL STATE WORKFORCE LIAISONS

**FROM:**            JANE OATES /s/  
 Assistant Secretary

**SUBJECT:**        Fiscal Year 2011 Appropriations for Department of Labor (DOL),  
 Employment and Training Administration, Training and Employment  
 Services and Rescission to Program Year (PY) 2010 Funds for Workforce  
 Investment Act (WIA) Adult and Dislocated Worker Programs

1. **Purpose.** This Training and Employment Guidance Letter has two purposes:

- A. To provide states and local areas with an overview of the Fiscal Year (FY) 2011 appropriations (P.L. 112-10) for the following DOL-managed employment and training services: WIA Adult, Dislocated Worker, and Youth formula funds, Employment Service Grants to States, the Workforce Innovation Fund, Dislocated Worker National Reserve funds, YouthBuild, the Indian and Native American Program, the Migrant and Seasonal Farmworker Program, the Career Pathways Innovation Fund, the Green Jobs Innovation Fund, the Reintegration of Ex-Offenders, and the Community Service Employment for Older Americans (CSEOA) program, also known as the Senior Community Service Employment Program (SCSEP).
- B. To provide guidance on and the amount of FY 2011 Adult and Dislocated Worker Program formula funds for PY 2010 to be rescinded for each state as required by Public Law (P.L.) 112-10, Full-Year Continuing Appropriations Act, 2011.

2. **References.**

- Workforce Investment Act of 1998 (WIA), (29 U.S.C 2801 et seq.)
- Full-Year Continuing Appropriations Act, 2011, (P.L. 112-10, Division B, Title 1, Sec. 1119) and Title VIII.
- FY 2010 DOL Appropriations Act (Consolidated Appropriations Act, 2010, P.L. 111-117)
- Training and Employment Guidance Letter (TEGL) 19-09 (March 30, 2010)

3. **FY 2011 Budget Overview.** The Full-Year Continuing Appropriations Act of 2011 (the Act), enacted April 15, 2011, made available \$4.7 billion for DOL-managed employment and

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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training services. In accordance with P.L. 112-10, this TEGL provides an overview of funding for the following DOL-funded employment and training services: WIA Adult, Dislocated Worker, and Youth formula funds, Employment Service Grants to States, the Workforce Innovation Fund, Dislocated Worker National Reserve funds, YouthBuild, the Indian and Native American Program, the Migrant and Seasonal Farmworker Program, the Career Pathways Innovation Fund, the Green Jobs Innovation Fund, the Reintegration of Ex-Offenders, and the CSEOA program.

A forthcoming TEGL will announce the state allotments (including the 0.2 percent rescission) for PY 2011 for the WIA programs, Wagner-Peyser Employment Service, and Workforce Information Grants. That TEGL will also notify the states about the reduction in statewide activities reserve funding for WIA Youth, Adults and Dislocated Workers in PY 2011.

The Act appropriates \$124,750,000 for a Workforce Innovation Fund. These funds are available to the Secretary until September 30, 2012 to carry out projects that demonstrate innovative strategies or replicate effective evidence-based strategies that align and strengthen the workforce investment system in order to improve program delivery and education and employment outcomes for program beneficiaries.

The Act provides no funding for the Career Pathways Innovation Fund or the Green Jobs Innovation Fund. Furthermore, the Act rescinds the funding for the PY 2010 Career Pathways Innovation Fund. Individual letters have been sent to all who submitted a timely application in response to the Career Pathways Innovation Fund Solicitation for Grant Applications.

The Act also requires the Secretary to make a reduction of 0.2 percent to all FY 2011 discretionary programs. This includes the WIA Adult and Dislocated Worker program formula allotted funds for FY 2011 appropriated in the 2010 DOL Appropriation Act announced in TEGL 19-09. The federal government made these funds available to states and territories October 1, 2010. The rescission calls for a reduction of \$1,424,000 from the initial October, 2010 allotment of \$712,000,000 for Adult activities and a reduction of \$2,120,000 from the initial October, 2010 allotment of \$1,060,000,000 for Dislocated Worker activities. Attachments I and II reflect the distribution of the rescission to FY 2011 advance funds.

Section 1104 of the Act states that unless otherwise specified, the requirements, conditions, limitations and authorities in the FY 2010 DOL Appropriations Act (Consolidated Appropriations Act, 2010, P.L. 111-117) continue to be in effect for FY 2011. For instance, with FY 2011 funds:

- A local board may still transfer up to 30 percent of funds between the Adult and Dislocated Worker funding streams if approved by the Governor.
- A local board may still award contracts for “class-size training,” that is, a local board may still award a contract to an institute of higher education or other eligible training provider if the local board determines that it would facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice.
- Salary caps from FY 2010 are maintained. No funds appropriated under the heading “Employment and Training Administration” may be used by a recipient or subrecipient to pay the salary and bonus of an individual, either as direct costs or

indirect costs, at a rate in excess of Executive Level II, and states may establish lower salary caps.

4. **FY 2011 Formula Funding Availability.** The Full-Year Continuing Appropriations Act of 2011 makes available the following amount of funds for WIA and Wagner Peyser formula funded employment and training programs for states and territories. These amounts reflect the reduction from the 0.2 percent rescission.

<b>Program*</b>	<b>PY 2011</b>	<b>PY 2010</b>	<b>% Change</b>
WIA Adult Formula	\$770,921,920	\$860,116,000	(10.4%)
WIA Dislocated Worker Formula	\$1,066,651,180	\$1,185,646,334	(10.0%)
WIA Youth Formula	\$825,913,862	\$924,069,000	(10.6%)
Employment Service	\$702,168,848	\$703,576,000	(0.2%)

\* All programs include funding for territories (including Dislocated Worker territory funding from the Dislocated Worker National Reserve).

5. **Federally Administered Programs.** The Full-Year Continuing Appropriations Act of 2011 makes the following funding available for federally-administered employment and training programs (including the 0.2 percent rescission).

<b>Program</b>	<b>PY 2011</b>	<b>PY 2010</b>	<b>% Change</b>
Dislocated Worker National Reserve*	\$220,892,820	\$225,233,666	(1.9%)
YouthBuild	\$79,840,000	\$102,500,000	(22.1%)
Native Americans	\$52,652,484	\$52,758,000	(0.2%)
Migrants and Seasonal Farmworkers	\$84,450,760	\$84,620,000	(0.2%)
Reintegration of Ex-Offenders	\$85,389,878	\$108,493,000	(21.3%)
CSEOA	\$449,100,000	\$600,425,000**	(25.2%)

\* Excludes funding to territories.

\*\* The PY 2010 fund availability for CSEOA does not include the one-time FY 2010 appropriation of an additional \$225 million.

6. **WIA Rescissions of FY 2011 Adult and Dislocated Worker Allotments from funds appropriated in the 2010 Department of Labor Appropriation announced in TEGL 19-09.**

A. **Within State Allocations of Adult Allotments.** The distribution of the PY 2010 state allotments, as reduced by the rescinded funds, must follow the statutory requirements of WIA Section 133. States have flexibility provided by WIA to apply the rescission to funds available for statewide activities and/or to local areas as long as the amounts remaining after the rescission conform with the requirement that:

1. A minimum of 85 percent of each state's revised Adult allotment will be allocated to local area activities; and
2. A maximum of 15 percent of each state's revised Adult allotment may be used for statewide activities as authorized under WIA.

B. Within State Allocations of Dislocated Worker Allotments. The distribution of the PY 2010 state allotments, as reduced by rescinded funds, must follow the statutory requirements of WIA Section 133. States have flexibility provided by WIA to apply the rescission to funds available for statewide activities, rapid response activities, and/or to local area activities as long as the amounts remaining after the rescission conform with the requirement that:

1. A minimum of 60 percent of each state's revised dislocated worker allotment will be allocated to local areas;
2. A maximum of 15 percent of each state's revised dislocated worker allotment may be used for statewide activities as authorized under WIA; and
3. A maximum of 25 percent of each state's revised dislocated worker allotment may be used for statewide rapid response activities as authorized under WIA.

C. Notice of Obligation (NOO). The Department will issue a NOO to deobligate the rescission amounts for the Adult and Dislocated Worker programs for each state on or around May 15, 2011. The rescission of funds will be made to the FY 2011 advance portion (October 1 to June 30) of the PY 2010 allotments that the Department issued in October 2010.

D. Reporting. For the quarter starting March 1, 2011 and consistent with the effective date of the NOO's deobligation of the funds, a State's WIA financial report 9130 must reflect reduced total Federal funds authorized on the appropriate line items of the 9130. States must also report obligations and outlays consistent with the revised authorized funding levels for such quarters.

7. **Action Requested**. States should:

- A. Share general FY 2011 funding availability with appropriate offices and local areas.
- B. Reflect reduced total Federal funds authorized on the appropriate line items of the proper WIA financial report 9130 beginning with the quarter ending June 30, 2011 and report obligations and outlays consistent with the revised authorized funding levels for such quarters.
- C. Provide this guidance to appropriate staff.

8. **Inquiries**. Please direct questions regarding these final PY 2010 allotments to your ETA Regional Administrator.

9. **Attachment(s)**.

- I. WIA Dislocated Worker Activities: 2011 Full-Year Continuing Appropriations Act Rescission to PY 2010 State Allotments
- II. WIA Adult Activities: 2011 Full-Year Continuing Appropriations Act Rescission to PY 2010 State Allotments