

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA - DW
	CORRESPONDENCE SYMBOL OWI
	DATE February 18, 2022

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 7-21

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: ANGELA HANKS /s/
Acting Assistant Secretary

SUBJECT: Reallocation of Workforce Innovation and Opportunity Act (WIOA) Title I Formula-Allotted Funds for Dislocated Worker (DW) Activities for Program Year (PY 2021)

1. **Purpose.** To provide adjusted funding levels for PY 2021 allotments for the DW program under WIOA Title I Section 132(c) on recapture and reallocation.
2. **Action Requested.** States do not need to take action to receive the reallocated funds but should reflect these funds in financial reports as described below.
3. **Summary and Background.**
 - a. Summary – This document provides grantees with notification and guidance associated with recapture and reallocation of Dislocated Worker funding from PY 2021 allotments.
 - b. Background - WIOA Sections 127(c) and 132(c) require the Secretary of Labor (Secretary) to conduct reallocation of excess unobligated WIOA Adult, Youth, and DW formula funds based on ETA 9130 financial reports submitted at the end of the prior program year. TEGL 16-19, announcing the DW allotment levels for PY 2020, alerted states to the recapture and reallocation of funds provisions, and notified states that any recapture/reallocation of funds based on obligation of PY 2020 DW funding would impact PY 2021 DW allotments.

In the FY 2021 Appropriations Act, Congress appropriated DW PY 2021 funds in two portions: 1) funds available for obligation July 1, 2021 (i.e., PY 2021 “base” funds), and 2) funds available for obligation October 1, 2021 (i.e., FY 2022 “advance” funds). Together, these two portions make up the total PY 2021 WIOA funding. TEGL 19-20 announced the DW allotment levels for PY 2021.

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4. Recapture and Reallotment.

- a. Recapture and Reallotment Requirement. The WIOA regulations at 20 CFR 683.135 describe the procedures the Secretary uses for recapture and reallotment of funds. ETA will not recapture any PY 2021 funds for the Adult and Youth programs because there are no states where PY 2020 unobligated funds exceed 20 percent of the allotment for that program year for those programs. For the Dislocated Worker program, however, Oklahoma had unobligated PY 2020 funds in excess of 20 percent of their allotments. Therefore, ETA will recapture a total of \$89,236 from PY 2021 funding from Oklahoma and reallot those funds to the remaining eligible states, as required by WIOA Section 132(c).
- b. Notice of Award (NOA) Adjustment. ETA will issue NOAs for the states to reflect the recapture and reallotment of these funds. ETA will make adjustments of funds to the FY 2022 advance portion of the PY 2021 allotments, which ETA issued in October 2021. The attached tables display the changes to PY 2021 formula allotments and a description of the reallotment methodology.
- c. Procedures and Reporting. WIOA statutory language and WIOA regulatory language are silent on how states must distribute reallotted funds, so states have flexibility to determine the methodology used.

For any state subject to recapture of funds, WIOA Section 132(c)(5) requires the Governor to prescribe equitable procedures for reacquiring funds across local areas and the state.

As mentioned in Section 4.b of this TEGL, ETA will make recapture/reallotment adjustments to the FY 2022 advance portion of the PY 2021 allotment. Therefore, for reporting purposes, states must reflect the recapture/reallotment amount (decrease or increase) in the “Total Federal Funds Authorized” line of any affected FY 2022 ETA 9130 financial 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. The state must include an explanation of the adjustment in the remarks section of the adjusted reports.

5. **Inquiries.** Please direct questions regarding the revised allotments to the appropriate regional office.

6. References.

- Consolidated Appropriations Act, 2021, Public Law (Pub.L.) 116-260 (Fiscal Year (FY) 2021 Appropriations Act);
- Workforce Innovation and Opportunity Act Section 132(c), P.L. 113-128, 29 U.S.C. 3172(c);
- WIOA Regulations at 20 CFR 683.135

- Training and Employment Guidance Letter (TEGL) 19-20, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2021; PY 2021 Allotments for the Wagner-Peyser Act Employment Service (ES) Program; and PY 2021 Allotments of Workforce Information Grants to States*; and
- TEGL 16-19, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2020; PY 2020 Allotments for the Wagner-Peyser Act Employment Service (ES) Program and the Allotments of Workforce Information Grants to States for PY 2020*.

7. Attachments.

- Attachment I - WIOA Dislocated Worker Activities, PY 2021 Reallotment to States
- Attachment II - WIOA Dislocated Worker Activities, PY 2021 Revised Allotments with Reallotment – PY/FY Split