



**DEPARTMENT OF WORKFORCE SERVICES
ISSUANCE PY 11-08**

Artee Williams, Director

May 21, 2012

To: Local Workforce Investment Areas/Service Providers

Subject: Federal Re-allotment of Workforce Investment Act (WIA) Title I Formula-Allotted Funds for Dislocated Worker Activities

1. **Purpose:** To provide local workforce investment areas (LWIAs) with adjusted funding levels for PY 2011 allocations for the dislocated worker (DLW) program as a result of the United States Department of Labor's (DOL) recapture and re-allotment of DLW funds under WIA Title I Section 132(c) on recapture and re-allotment. The adjustment will be made to the FY 2012 advance portion of your PY 2011 allocations, which were issued in October of 2011.
2. **General Information:** In the FY 2011 Appropriations Act, Congress appropriated WIA PY 2011 funds in two portions: 1) funds available for obligation July 1, 2010 (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 re-allotment of funds' provisions, as required under WIA Section 132(c). Under this section of WIA, the Secretary of Labor is required to conduct re-allotment 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).

The procedures the Secretary uses for recapture and re-allotment of funds are described in the WIA regulations at 20 CFR 667.150. DOL will not recapture any PY 2011 funds for the 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 re-allotted to the remaining states, as required by WIA Section 132 (c). Arkansas' portion of this re-allotment is \$1,465.

Although neither WIA statutory language nor WIA regulatory language provide specific requirements by which a state must distribute federally recaptured and re-allotted funds, the State of Arkansas will distribute its portion of these funds according to the same methodology, and using the same allocation percentages, as used for our PY 2011 allotment and subsequent allocation to LWIAs.

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3. **Action Required:** Unilateral modifications to your PY 2011 DLW sub-grant awards will be sent to you via regular USPS. Upon receipt, you will be requested to submit revised budget and program summaries to the Arkansas Department of Workforce Services' Office of Financial Management and Administrative Services.
4. **Inquiries:** Mike Kennedy (501) 682-3142 or mike.kennedy@arkansas.gov
5. **Attachments:** Arkansas' PY 2011 Federal Dislocated Worker Program Re-allotment Distribution
6. **Expiration Date:** June 30, 2013.