



Michael Preston
SECRETARY OF COMMERCE
Charisse Childers, Ph.D.
DIRECTOR,
DIVISION OF WORKFORCE SERVICES

**DIVISION OF WORKFORCE SERVICES
ISSUANCE NUMBER PY 22-07**

November 09, 2022

FROM: Charisse Childers, Ph.D., Director

TO: Local WIOA Administrators, LWDA Fiscal Agents and WIOA title I Service Providers

SUBJECT: WIOA title I-B Recapture/Reallocation Policy and Procedures

I. Purpose: The purpose of this issuance is to rescind the WIA Policy dated 2009. This provides guidance for policy and procedures for the recapture of unspent WIOA title I-B Adult, Dislocated Worker, and Youth funds from local areas and the reallocation of those funds per Workforce Innovation & Opportunity Act. Please reference ADWS Policy WIOA 1-B-5.3.

II. References:

20 CFR 683.110 & 140
WIOA §§ 128(c) & 133(c)
2 CFR 200.71

III. General Information:

For each funding stream under WIOA (Youth, Adult, and Dislocated Worker), funds that are not expended by a local area in the program year and the succeeding program year must be returned to the State. The returned funds are available for expenditure by the State, or they may be reallocated to local areas which had fully expended their allocation of funds for the same program year within the 2-year period [20 CFR 683.100(c)(2)].

ADWS, as the Governor's administrative entity for WIOA title I-B funds, after consultation with the Arkansas Workforce Development Board, may reallocate the funds according to the provisions in WIOA §§ 128(c) & 133(c). The amount that may be recaptured for reallocation from a local area will be based on the amount by which the prior year's unobligated balance of allocated funds exceeds 20% of that year's allocation for the program, less any amount reserved (up to 10%) for the costs of administration. The amount to be recaptured, if any, must be separately determined for each funding stream, and the unobligated balances must be determined based on allocations adjusted for any allowable transfer between funding streams [20 CFR 683.140(a & b)]. (The term "obligation" is defined in 2 CFR 200.71.)

To be eligible to receive reallocated funds under the reallocation procedures, a local area must have obligated at least 80% of the prior program year's allocation, less any amount reserved (up to 10%) for the costs of administration, for Youth, Adult, or Dislocated Worker activities, as separately determined. **Example: If a LWDB has not obligated a minimum of 80% of the previous Program Year (FY-20), then that local would not be eligible for the reallocation of FY-21 funds).** A local area's eligibility to receive a reallocation will be separately determined for each funding stream. **Example: If a LWDB had "only" Youth funds recaptured; that local is still eligible to receive a reallocation of Adult and DLW funds.** *[20 CFR 683.140(b)]*

IV. Action Required: Please provide this information to all appropriate staff.

V. Inquiries: Questions may be submitted to Assistant Director Eddie Thomas at eddie.thomas@arkansas.gov.

VI. Expiration Date: Ongoing