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Daryl E. Bassett
Director

DEPARTMENT OF WORKFORCE SERVICES
ISSUANCE NUMBER PY 16-18

Daryl E. Bassett, Director

April 26, 2017

To: Local Workforce Development Area Administrators/Service Providers

Subject: Federal Re-allotment of Workforce Innovation and Opportunity Act (WIOA) Title I Formula-Allotted Funds for Dislocated Worker Activities

1. **Purpose:** To provide local workforce development areas (LWDAs) with adjusted funding levels for PY 2016 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 WIOA Title I Section 132(c). The adjustment will be made to the FY 2017 advance portion of your PY 2016 allocations, which were issued in October of 2016.
2. **General Information:** In the FY 2016 Appropriations Act, Congress appropriated WIOA PY 2016 funds in two portions: 1) funds available for obligation July 1, 2016 (i.e., PY 2016 "base" funds), and 2) funds available for obligation October 1, 2016 (i.e., FY 2017 "advance" funds). Together, these two portions make up the total PY 2016 WIOA funding. TEGL No.17-15 announced WIOA allotments based on this appropriation and alerted states to the recapture and re-allotment of funds' provisions, as required under WIOA Section 132(c). This section of WIOA requires the Secretary of Labor (Secretary) to conduct re-allotment of excess unobligated WIOA Adult, Youth, and Dislocated Worker formula funds based on the ETA 9130 financial reports submitted by states at the end of the prior program year (i.e., PY 2015).

WIOA regulations at 20 CFR 683.135 describe the procedures the Secretary uses for recapture and re-allotment of funds. The Employment and Training Administration (ETA) will not recapture any PY 2016 funds for Adult and Youth programs because there are no states where PY 2015 unobligated funds exceed 20 percent of the allotment for that program year, for those programs. However, for the Dislocated Worker program, one state had unobligated PY 2015 funds in excess of 20 percent of its allotment. Therefore, ETA will recapture a total of \$805,082 from PY 2016 funding from this one state and reallocate those funds to the remaining eligible states, as required by WIOA Section 132(c). Arkansas' portion of this re-allotment is \$6,505.00.

Although neither WIOA statutory language nor WIOA 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 2016 allotment and subsequent allocation to LWDAs, with one exception. Funds that may have been reserved for rapid response activities (25% of \$6,505.00 = \$1,626.00) will be included in the amount being made available for allocation to our local workforce development areas. (See attachment.)

3. **Action Required:** Each local area will receive a unilateral modification to its FY 2017 (October) dislocated worker subgrant award adding the additional funds. Upon receipt of the unilateral modification, local areas will be required to submit a revised dislocated worker subgrant award Funding Allocation Modification form.

4. **Inquiries:** Please contact Mike Kennedy (501) 682-3142 or mike.kennedy@arkansas.gov
5. **Attachment:** Arkansas' PY 2016 Federal Dislocated Worker Program Re-allotment Distribution
6. **Expiration Date:** June 30, 2018