



**MO Div. of Workforce Development  
DWD Issuance 12-2012**

**Issued: January 3, 2013  
Effective: January 3, 2013**

**Subject: New Transfer Amount Allowable between WIA Adult and Dislocated Worker Programs' Funding Streams**

1. Purpose: To provide information regarding the new maximum transfer amount allowable for the local Workforce Investment Board (WIB) to transfer funds between their Workforce Investment Act (WIA) Adult and Dislocated Worker programs' formula allocations.
2. Background: In WIA Section 133(b)(4), authority is given to the WIB for the transfer of funds between the Adult and Dislocated Worker programs, with the Governor's approval, of up to 20 percent of these programs' annual allocations. Congress increased this limit to 30 percent with the 2003 appropriation, which has been in effect since. The U.S. Department of Labor allows states to request waivers to increase this transfer amount, and the state of Missouri has done this in previous years, with the last waiver ending on June 30, 2012.
3. Substance: Beginning July 1, 2012, the maximum amount of Adult program and Dislocated Worker program funds that can be transferred per annual allocation (includes both the Program Year (PY) and Fiscal Year (FY) allocations) will revert back to the 30 percent limit. A transfer request must be submitted through the local plan modification process [reference DWD Issuance 06-2005].

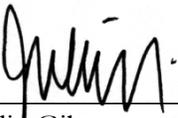
NOTE: Transfers from administrative funds to program funds within the same program's funding stream (i.e., Adult Fiscal Year administrative funds to Adult Fiscal Year program funds) do not require a plan modification.

Before submitting a transfer request, the WIB should analyze the changing economic conditions in their region in order to identify a need for additional funding flexibility. If such a demand exists, the WIB can submit a local plan modification to the DWD, with the attached Planning Budget Summary form completed, and the following information:

- The percent and dollar amount of the region's Adult or Dislocated Worker formula funds to be transferred between the two allocations.
- The justification for this transfer between the Adult and Dislocated Worker programs must be explained in the request, described in the local plan modification, and must, at a minimum, include the following information:
  - 1) General purpose or reason for the transfer between Adult and Dislocated Worker programs;
  - 2) An explanation of the need for the transfer between Adult and Dislocated Worker programs (example: an increase in the number of welfare recipients in the area and/or a decrease in the number of plant closings and mass layoffs);
  - 3) Detailed information on current funding expenditures and obligations for both programs. The region must also provide information on how the transfer will affect the program from which the funds are being transferred.
  - 4) Narrative explanation of how the transferred funds will be used (example: increased staffing at the One-Stop in the local areas, tuition assistance for Dislocated Workers, etc.); and
  - 5) If Dislocated Worker program funds are being transferred to the Adult program, justification that clearly demonstrates there have been no significant plant closings or mass layoffs in the area in recent months.
- The Governor will not approve modifications to the local plan at the end of the PY for transferring funds to avoid either under-obligation or under-expenditure penalties, or reallocation of funds.
- Transfer requests will be accepted throughout the PY; however, they will not be accepted between June 1<sup>st</sup> and June 30<sup>th</sup> of each PY due to closeout processes.
- Fund transfers between the Adult and Dislocated Worker programs are based on the local Workforce Investment Regions' original, reallocated, or re-allotted formula allocation for a PY.
- Please note that regions are still expected to continue operating Adult and Dislocated Worker programs, and are also expected to meet their agreed upon performance numbers, regardless of the funding transfer.
- Once approved, DWD will monitor the affected region for positive performance outcomes from these programs.

**Given current economic conditions, and based upon the increase in dislocations across the State in recent years, the Division of Workforce Development believes it will be very difficult for any region within the State to make a convincing justification for transferring Dislocated Worker program funds to the Adult program. This does not mean to imply a lesser concern for the economically disadvantaged adult population, only that compelling data is not available at this time to support such a transfer.**

4. Action: This information should be distributed to appropriate staff.
5. Contact: If you have questions, DWD staff contacts regarding this issuance are:
  - Randy Cottrell at (573) 526-8242 for the Dislocated Worker program;
  - Melissa Woltkamp at (573)526-8241 for the Adult program; and
  - Nancy Able at (573)751-2085 for fiscal questions.
6. References: Training and Employment Guidance Letter No. 19-11, March 16, 2012; WIA Section 133(b)(4); WIA Regulations 20 CFR 667.140.
7. Rescission: None.
8. Attachment: Planning Budget Summary for Adult and Dislocated Worker funding transfers.



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