



Policy-related |  Fiscal |  Performance |  Q&A |  Other

Number: WIN 0125

Date: March 14, 2022

Expiration Date: June 30, 2023

**TO:** Workforce Development System

**FROM:** Gary Kamimura, Policy Manager

**SUBJECT:** Suspension of the requirement on local workforce development boards to obligate at least 80 percent of WIOA Title I-B formula grants in Program Year 2021

**Purpose:**

To communicate temporary suspension of the requirement that local workforce development boards (LWDBs) obligate at least 80 percent of each of their Workforce Innovation and Opportunity Act (WIOA) Title I-B formula grants by the end of Program Year 2021.

**Action Required:**

Local Workforce Development Boards and their contractors must distribute this guidance broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

**Content:**

WIOA Section 132(c) establishes the requirement that states obligate at least 80 percent of each WIOA Title I-B formula grant or face recapture of those funds by the U.S. Department of Labor (DOL).

Consistent with the requirement that DOL imposes on states, it has been the State’s practice, as promulgated through WIOA Title I Policy 5275 (Recapture and Reallotment of WIOA Title I Formula Funds), to hold LWDBs to the same 80 percent obligation standard for their WIOA Title I-B formula grant funds.

Based on continuing data evidence that the COVID-19 pandemic disrupted local area service delivery in Program Year 2021, the State is suspending the requirement on LWDBs to obligate at least 80 percent of their WIOA Title I-B youth, adult, and dislocated worker formula grants in Program Year 2021.

The State will revisit this suspension at a later date to determine whether or not to extend it to Program Year 2022 (April 1, 2022-June 30, 2023 for youth; July 1, 2022-June 30, 2023 for adults and dislocated workers). If the State applies this suspension to local Program Year 2022 formula grants, that action will be communicated through a separate WIN.

**References:**

- WIOA Title I Policy 5275 (Recapture and Reallotment of WIOA Title I Formula Funds)
- Public Law 113-128, Workforce Innovation and Opportunity Act (WIOA) of 2014, Section 132(c)

**Website:**

[Workforce Professionals Center](#)

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**Attachments:**

None.