

§ 2863. Within State allocations**(a) Reservations for State activities****(1) Statewide workforce investment activities**

The Governor of a State shall make the reservation required under section 2853(a) of this title.

(2) Statewide rapid response activities

The Governor of the State shall reserve not more than 25 percent of the total amount allotted to the State under section 2862(b)(2)(B) of this title for a fiscal year for statewide rapid response activities described in section 2864(a)(2)(A) of this title.

(b) Within State allocation**(1) Methods**

The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall allocate—

(A) the funds that are allotted to the State for adult employment and training activities and statewide workforce investment activities under section 2862(b)(1)(B) of this title and are not reserved under subsection (a)(1) of this section, in accordance with paragraph (2) or (3); and

(B) the funds that are allotted to the State for dislocated worker employment and training activities under section 2862(b)(2)(B) of this title and are not reserved under paragraph (1) or (2) of subsection (a) of this section, in accordance with paragraph (2).

(2) Formula allocations**(A) Adult employment and training activities****(i) Allocation**

In allocating the funds described in paragraph (1)(A) to local areas, a State may allocate—

(I) 33½ percent of the funds on the basis described in section 2862(b)(1)(B)(ii)(I) of this title;

(II) 33½ percent of the funds on the basis described in section 2862(b)(1)(B)(ii)(II) of this title; and

(III) 33½ percent of the funds on the basis described in clauses (ii)(III) and (iii) of section 2862(b)(1)(B) of this title.

(ii) Minimum percentage

Effective at the end of the second full fiscal year after the date on which a local area is designated under section 2831 of this title, the local area shall not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the 2 preceding fiscal years. Amounts necessary for increasing such allocations to local areas to comply with the preceding sentence shall be obtained by ratably reducing the allocations to be made to other local areas under this subparagraph.

(iii) Definition

The term “allocation percentage”, used with respect to fiscal year 2000 or a subsequent fiscal year, means a percentage of

the funds referred to in clause (i), received through an allocation made under this subparagraph, for the fiscal year.

(B) Dislocated worker employment and training activities**(i) Formula**

In allocating the funds described in paragraph (1)(B) to local areas, a State shall allocate the funds based on an allocation formula prescribed by the Governor of the State. Such formula may be amended by the Governor not more than once for each program year. Such formula shall utilize the most appropriate information available to the Governor to distribute amounts to address the State’s worker readjustment assistance needs.

(ii) Information

The information described in clause (i) shall include insured unemployment data, unemployment concentrations, plant closing and mass layoff data, declining industries data, farmer-rancher economic hardship data, and long-term unemployment data.

(C) Application

For purposes of carrying out subparagraph (A)—

(i) references in section 2862(b) of this title to a State shall be deemed to be references to a local area;

(ii) references in section 2862(b) of this title to all States shall be deemed to be references to all local areas in the State involved; and

(iii) except as described in clause (i), references in section 2862(b)(1) of this title to the term “excess number” shall be considered to be references to the term as defined in section 2862(b)(1) of this title.

(3) Adult employment and training discretionary allocations

In lieu of making the allocation described in paragraph (2)(A), in allocating the funds described in paragraph (1)(A) to local areas, a State may distribute—

(A) a portion equal to not less than 70 percent of the funds in accordance with paragraph (2)(A); and

(B) the remaining portion of the funds on the basis of a formula that—

(i) incorporates additional factors (other than the factors described in paragraph (2)(A)) relating to—

(I) excess poverty in urban, rural, and suburban local areas; and

(II) excess unemployment above the State average in urban, rural, and suburban local areas; and

(ii) was developed by the State board and approved by the Secretary as part of the State plan.

(4) Transfer authority

A local board may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area under paragraph (2)(A) or (3), and 20

percent of the funds allocated to the local area under paragraph (2)(B), for a fiscal year between—

(A) adult employment and training activities; and

(B) dislocated worker employment and training activities.

(5) Allocation

(A) In general

The Governor of the State shall allocate the funds described in paragraph (1) to local areas under paragraphs (2) and (3) for the purpose of providing a single system of employment and training activities for adults and dislocated workers in accordance with subsections (d) and (e) of section 2864 of this title.

(B) Additional requirements

(i) Adults

Funds allocated under paragraph (2)(A) or (3) shall be used by a local area to contribute proportionately to the costs of the one-stop delivery system described in section 2864(c) of this title in the local area, and to pay for employment and training activities provided to adults in the local area, consistent with section 2864 of this title.

(ii) Dislocated workers

Funds allocated under paragraph (2)(B) shall be used by a local area to contribute proportionately to the costs of the one-stop delivery system described in section 2864(c) of this title in the local area, and to pay for employment and training activities provided to dislocated workers in the local area, consistent with section 2864 of this title.

(c) Reallocation among local areas

(1) In general

The Governor may, in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under paragraph (2)(A) or (3) of subsection (b) of this section for adult employment and training activities and that are available for reallocation.

(2) Amount

The amount available for reallocation for a program year is equal to the amount by which the unobligated balance of the local area allocation under paragraph (2)(A) or (3) of subsection (b) of this section for such activities, at the end of the program year prior to the program year for which the determination under this paragraph is made exceeds 20 percent of such allocation for the prior program year.

(3) Reallocation

In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(3) of this section for such activities

for the prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(3) of this section for such activities for such prior program year. For purposes of this paragraph, local areas that received allocations under subsection (b)(2)(A) of this section for the prior program year shall be treated as if the local areas received allocations under subsection (b)(3) of this section for such year.

(4) Eligibility

For purposes of this subsection, an eligible local area means a local area that has obligated at least 80 percent of the local area allocation under paragraph (2)(A) or (3) of subsection (b) of this section for such activities, for the program year prior to the program year for which the determination under paragraph (2) is made.

(Pub. L. 105-220, title I, §133, Aug. 7, 1998, 112 Stat. 987.)

§ 2864. Use of funds for employment and training activities

(a) Statewide employment and training activities

(1) In general

Funds reserved by a Governor for a State—

(A) as described in section 2863(a)(2) of this title shall be used to carry out the statewide rapid response activities described in paragraph (2)(A); and

(B) as described in sections 2853(a) and 2863(a)(1) of this title—

(i) shall be used to carry out the statewide employment and training activities described in paragraph (2)(B); and

(ii) may be used to carry out any of the statewide employment and training activities described in paragraph (3),

regardless of whether the funds were allotted to the State under section 2852(b)(1) of this title or under paragraph (1) or (2) of section 2862(b) of this title.

(2) Required statewide employment and training activities

(A) Statewide rapid response activities

A State shall use funds reserved as described in section 2863(a)(2) of this title to carry out statewide rapid response activities, which shall include—

(i) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

(ii) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas.