

Signed at Washington, DC this 14th day of August 1996.

Russell T. Kile,

*Acting Program Manager, Policy and Reemployment Services, Office of Trade Adjustment Assistance.*

[FR Doc. 96-21637 Filed 8-23-96; 8:45 am]

BILLING CODE 4510-30-M

[TA-W-31,742]

**Quantum Corporation, High Capacity Storage Group, Shrewsbury, MA, Including Contract Workers of TAD Technical Services, Framingham, MA, and Including Contract Workers of Select Temporary Services, Inc., Worcester, MA; Amended Certification Regarding Eligibility To Apply for Worker Adjustment Assistance**

In accordance with Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) the Department of Labor issued a Certification of Eligibility to Apply for Worker Adjustment Assistance on April 15, 1996, applicable to all workers of Quantum Corporation, High Capacity Storage Group, Shrewsbury, Massachusetts. The notice was published in the Federal Register on February 28, 1996 (61 FR 18758). The worker certification was amended July 22, 1996, to include leased workers of TAD Technical Services, Shrewsbury, Massachusetts, engaged in the production of computer drives and other computer components for Quantum Corporation, Shrewsbury. The amended notice will soon be published in the Federal Register.

At the request of workers of Select Temporary Services, Inc., Worcester, Massachusetts, the Department reviewed the certification for workers of Quantum Corporation, Shrewsbury, Massachusetts. Based on new findings, the Department is amending the certification to include contract workers from Select Temporary Services, Inc., Worcester, Massachusetts, engaged in the production of computer drives and assemblies for Quantum Corporation.

The intent of the Department's certification is to include all workers at Quantum Corporation, High Capacity Storage Group, Shrewsbury, Massachusetts, including contract workers, adversely affected by imports.

The amended notice applicable to TA-W-31,742 is hereby issued as follows:

All workers of Quantum Corporation, High Capacity Storage Group, Shrewsbury, Massachusetts, and contract workers from TAD Technical Services, Framingham, Massachusetts, and workers of Select Temporary Services, Inc., Worcester, Massachusetts, engaged in the production of

computer drives and other computer components for the Quantum Corporation, who became totally or partially separated from employment on or after December 4, 1994, are eligible to apply for adjustment assistance under Section 223 of the Trade Act of 1974.

Signed at Washington, DC this 13th day of August, 1996.

Russell T. Kile,

*Acting Program Manager, Policy and Reemployment Services, Office of Trade Adjustment Assistance.*

[FR Doc. 96-21640 Filed 8-23-96; 8:45 am]

BILLING CODE 4510-30-M

[TA-W-32,476]

**Vanguard Products Corporation, Berkeley Springs, WV; Notice of Revised Determination on Reconsideration**

On July 23, 1996, the Department issued a Negative Determination Regarding Eligibility to Apply for Worker Adjustment Assistance, applicable to all workers of Vanguard Products Corporation located in Berkeley Springs, West Virginia. The notice was published in the Federal Register on August 6, 1996 (61 FR 40852).

By letter of July 29, 1996, the petitioners requested administrative reconsideration of the Department's findings in this case. The petitioners present evidence that the Department's survey of Vanguard's customers was incomplete.

Investigation findings revealed that sales, production and employment at the subject firm declined. The plant was expected to close in June 1996. It is anticipated that all workers will be separated from employment by August 15, 1996. The workers produce golf bags.

Findings on reconsideration show that a major customer of Vanguard Products Corporation increased its reliance on imports of golf bags while reducing purchases from Vanguard.

Other findings on reconsideration show that the quantity of U.S. imports of golf bags increased 46% percent between 1994 and 1995, and increased by almost 500% during the twelve-month period of April-March 1995-1996 compared to the same twelve-month period a year earlier.

**Conclusion**

After careful review of the additional facts obtained on reconsideration, I conclude that increased imports of articles like or directly competitive with golf bags contributed importantly to the declines in sales or production and to

the total or partial separation of workers of Vanguard Products Corporation, Berkeley Springs, West Virginia. In accordance with the provisions of the Act, I make the following certification:

All workers of Vanguard Products Corporation, Berkeley Springs, West Virginia who became totally or partially separated from employment on or after June 11, 1995 are eligible to apply for adjustment assistance under Section 223 of the Trade Act of 1974.

Signed at Washington, DC this 14th day of August 1996.

Russell T. Kile,

*Acting Program Manager, Policy and Reemployment Services, Office of Trade Adjustment Assistance.*

[FR Doc. 96-21639 Filed 8-23-96; 8:45 am]

BILLING CODE 4510-30-M

**Job Training Partnership Act: Intertitle Transfers of Funds**

**AGENCY:** Employment and Training Administration, Labor.

**ACTION:** Notice.

**SUMMARY:** The Department of Labor is publishing for public information a Training and Employment Guidance Letter on the subject of Job Training Partnership Act (JTPA) Intertitle Transfers of Funds. The purpose of this directive is to provide guidance on intertitle transfers and respond to questions raised on intertitle fund transfer authority.

**FOR FURTHER INFORMATION CONTACT:** Mr. James Aaron, Director, Office of Employment Training Programs, Employment and Training Administration, U.S. Department of Labor, Room 4666, 200 Constitution Avenue NW, Washington, DC 20210. Telephone: 202-219-5500 (this is not a toll-free number).

**SUPPLEMENTARY INFORMATION:** Pursuant to the 1996 Omnibus Appropriations Act, the Congress authorized the transfers of Program Year 1996 funds between JTPA titles II-A and III for adults and between title II-B and II-C for youth. In addition the current authorization in JTPA sections 206 and 266 for the transfer of funds between titles II-A and II-C is unaffected. This local flexibility provided to service delivery areas (SDAs) and substate areas (SSAs) in planning and fund transfer requires the approval of the Governor prior to implementation.

A number of significant policy changes are contained in this directive and the attached questions and answers. For ease of reference, they are as follows: a. Notice of Obligations (question 5); b. Reporting Instructions (question 19); c. Recapture/Reallotment

policies under title III (Question 14); d. National Reserve Account application review (question 13); and e. Guidance on inclusions in State transfer systems (question 4).

Signed at Washington, DC, this 31st day of July, 1996.

Timothy M. Barnicle,  
Assistant Secretary of Labor.

U.S. Department of Labor, Employment and Training Administration, Washington, D.C. 20210

Classification: JTPA.  
Correspondence Symbol: TD  
Date: July 31, 1996

Training and Employment Guidance  
Letter No. 7-95

TO: ALL STATE JTPA LIAISONS, ALL  
STATE WORKER ADJUSTMENT  
LIAISONS

FROM: Barbara Ann Farmer,  
Administrator for Regional  
Management

SUBJECT: Job Training Partnership Act  
(JTPA) Intertitle Transfers of Funds

1. *Purpose.* To provide guidance on  
intertitle transfers and respond to  
questions raised on intertitle fund  
transfer authority.

2. *References.*

a. Training and Employment  
Guidance Letter (TEGL) No. 6-95, JTPA  
Titles II-A, II-C, and III Allotments; and  
Wagner-Peyser Final Planning Estimates  
for Program Year (PY) 1996;

b. Emergency Supplemental and  
Rescission Act, 1995, Public Law 104-  
19;

c. Omnibus Consolidated Rescissions  
and Appropriations Act of 1996, Public  
Law 104-134;

d. Job Training Partnership Act,  
Public Law 97-300, as amended;

e. TEGL No. 5-95, Program Guidance  
and Allocations for the Calendar Year  
1996 Summer Youth Employment and  
Training Program;

f. TEGL No. 12-94 and Change 1,  
Changes in Restrictions on Program  
Year 1995 Funds under Title III of the  
JTPA; and

g. TEIN No. 6-93 and Changes 1 and  
2, Instructions for Title II, JTPA  
Quarterly Financial Status Report.

3. *Background.* TEGL 6-95 provided  
to the States the Program Year (PY) 1996  
allotments for titles II-A, II-B, II-C and  
III, pursuant to the Congressional  
appropriations to the Department. In  
that communication, we indicated that  
guidance on intertitle transfers would be  
forwarded separately. Policy concerning  
transfer rules and procedures is  
contained in this TEGL. In addition, in  
order to be responsive to the entire  
employment and training community,  
questions were solicited through the

Employment and Training  
Administration (ETA) Regional offices.  
The answers to the questions received,  
including a reference table summarizing  
potential transfers for all years, are  
contained in an attachment to this  
TEGL.

In the 1996 Omnibus Appropriations  
Act, Congress authorized the transfers of  
PY 1996 funds between JTPA titles II-  
A and III for adults and between title II-  
B and II-C for youth. The current  
authorization in JTPA sections 206, and  
266 for the transfer of funds between  
titles II-A and II-C is unaffected. This  
local flexibility provided to service  
delivery areas (SDAs) and substate areas  
(SSAs) in planning and fund transfer  
requires the approval of the Governor  
prior to implementation.

The goals and objectives of ETA, its  
partners and stakeholders will remain  
unchanged as a result of the  
Congressional appropriations action. We  
are committed to help:

a. Low income adults and youth get  
the skills and training they need, and  
help them find first, new or better jobs;  
and

b. Laid off workers find new jobs that  
pay as close as possible to what they  
used to earn.

4. *Significant Changes.* A number of  
significant policy changes are contained  
in this TEGL and the attached questions  
and answers. For ease of reference, they  
are as follows:

a. Notice of Obligations (Question 5)  
b. Reporting Instructions (Question  
19)

c. Recapture/reallotment policies  
under title III (Question 14);

d. NRA application review (Question  
13); and

e. Guidance on inclusions in State  
transfer systems (Question 4)

5. *Principles.* As the questions being  
raised were considered, it became  
apparent that a series of principles  
evolved which may be of assistance in  
responding to further questions.

a. *Keep it Simple.* The Department  
has attempted to limit potential  
problems by minimizing Federal  
reporting and record keeping  
requirements by combining PY 1996,  
title II-A, II-C and III formula funds  
into a single financial account on the  
upcoming Notice of Obligation and the  
Health and Human Services financial  
payments account. FY 1996 title II-B  
funds will remain under the PY 1995  
grant agreement and the previously  
assigned accounts. No prior notice will  
be required when making transfers, but  
quarterly reporting must reflect any  
changes made.

b. *Identity of Funds.* Once the funds  
are transferred, there is no separate

identification; they become part of the  
total funds available in the receiving  
title/part. The transferred funds are  
subject to all of the rules of the receiving  
title/part, including cost limitations,  
and eligibility requirements. However  
for auditing purposes, records must be  
maintained by title.

c. *Funds Authorized for Transfer.*  
Only funds allocated to SDAs/SSAs are  
authorized for transfer between title II-  
A and title III, and among titles II-A, II-  
B and II-C. Title III discretionary NRA  
and Governors' reserve, as well as title  
II incentive funds are not authorized for  
transfer. Only PY 1996 funds may be  
transferred between titles II-A and III,  
e.g., no carryover PY 95 funds may be  
transferred.

d. *Reporting.* Expenditures associated  
with transferred funds are not tracked or  
accounted for separately; they are  
reported as part of total available funds  
in the receiving title/part.

e. *Services to Participants.*  
Commitments in State and local plans  
that describe strategies and goals  
established prior to transfers must be  
considered when addressing potential  
transfers. Modification requirements  
will remain unchanged.

f. *Program Performance Requirements.*  
Performance standards apply to titles  
and the funds expended under those  
titles.

The above principles are addressed  
more fully in the questions and answers  
that are contained in the attachment.

6. *Effective Date.* Upon receipt.

7. *Action Required.* States are  
requested to:

a. Incorporate the guidance contained  
in this TEGL in their:

(1) Direction to private industry  
councils, chief elected officials, title II  
administrative entities and title III  
substate grantees; and

(2) Criteria, systems and procedures to  
permit SDAs and SSAs to transfer  
funds; and

b. share the information contained in  
this directive with service delivery areas  
and substate areas.

8. *Inquiries.* General questions or  
requests for technical assistance should  
be directed to the appropriate Regional  
office. Questions dealing with title III  
issues on recapture/reallotment and  
NRA grants should be directed to Zen  
Choma (202) 219-5577 x127 and Brian  
Deaton (202) 219-5336 x107  
respectively.

9. *Attachments.*

a. Questions and Answers—JTPA  
Intertitle Fund Transfers (including  
Sample Quarterly Financial Reports)

b. SDA/SSA Intertitle Transfers  
Authority Table

Attachment 1—Employment and Training Administration Questions and Answers—JTPA Intertitle Fund Transfers

**Question 1:**

What is the exact language for the transfer of funds?

**Answer:**

The language is from four sources:

1. Job Training Partnership Act (JTPA),
2. FY 1995 Rescission Bill (Public Law 104-19),
3. FY 1996 appropriations bill (Public Law 104-134),
4. Appropriations Conference Report (Congressional Record, April 25, 1996, page H 3953).

1. *JTPA*

a. *Section 206 (title II-A):* "A service delivery area may transfer up to 10 percent of the amounts *allocated* to the service delivery area under section 202(b) to the program under part C if such transfer is—

- (1) described in the job training plan, and
- (2) approved by the Governor.

*Note:* Underlining added for emphasis and to clarify that the 10% applies *only* to the amount allocated to the SDA under the formula, and does not apply to other funds that have been transferred into the program from another program.

b. *Section 256 (title II-B):* "A service delivery area may transfer up to 20 percent of the funds provided under this part to the program under part C if such transfer is approved by the governor."

c. *Section 266 (title II-C):* "A service delivery area may transfer up to 10 percent of the amounts *allocated* to the service delivery area under section 262(b) to the program under part A if such transfer is—

- (1) Described in the job training plan, and
- (2) Approved by the Governor."

*Note:* Underlining added for emphasis and to clarify that the 10% applies *only* to the amount allocated to the SDA under the formula, and does not apply to other funds that have been transferred into the program from another program.

2. *FY 1995 Rescission Bill (PL 104-19):* " \* \* \* Provided further, That service delivery areas may transfer up to 50 percent of the amounts *allocated* for program years 1994 and 1995 between the title II-B and title II-C programs authorized by the Job Training Partnership Act, if such transfers are approved by the Governor." This language overrides the JTPA language regarding transfers for funds appropriated in PY 1994 and PY 1995 for the II-B and II-C programs, i.e., the 50% overrides the 20%, and authorizes

for the first time transfers from II-C to II-B.

*Note:* Underlining added for emphasis and to clarify that the 50% applies *only* to the amount allocated to the SDA under the formula, and does not apply to other funds that have been transferred into the program from another program.

3. *FY 1996 appropriations bill language (Pub. Law 104-134):* "Provided further, that service delivery areas may transfer funding provided herein under authority of titles II-B and II-C of the Job Training Partnership Act between the programs authorized by those titles of that Act, if such transfer is approved by the Governor: Provided further, that service delivery areas and substate areas may transfer funding provided herein under authority of title II-A and title III of the Job Training Partnership Act between the programs authorized by those titles of the Act, if such transfer is approved by the Governor: \* \* \*

The above language pertains to the funds appropriated under the FY 1996 bill: PY 1996 title II-A, title II-C and title III funds, and FY 1996 II-B funds.

4. *Conference Report:* "The agreement includes language to permit service delivery areas to transfer funds between titles II-B and II-C of the Job Training Partnership Act, with the approval of the Governor of the State. The House and Senate bills only permitted the transfer to take place from title II-C to title II-B. In addition, the agreement permits the transfer of funds between title II-A and title III of the Act as proposed by the Senate, instead of permitting the transfer of funds between all title II programs and title III as proposed by the House."

*Note:* Transfers were not permitted between titles III and II-C.

Attachment 2 shows the intertitle transfers that are authorized among titles II-A, II-B, II-C, and between title II-A and title III.

**Question 2:**

How will this authority affect service delivery area (SDA)/substate area (SSA) programs?

**Answer:**

The authorization is to provide States and local communities with the flexibility to design programs and allocate resources to best serve the employment and training needs of dislocated workers and disadvantaged youth and adults. The intent is also to allow greater flexibility as the system moves toward an integrated workforce development approach to consolidate programs and give greater authority to State and local decision makers.

States and SDAs are encouraged to use this new transfer authority to assist them in their development of integrated workforce development systems which incorporate One-Stop Career Centers, School-to-Work systems, and integrated systems for serving disadvantaged and at-risk youth. For further program guidance see TEGL No. 4-95, dated February 21, 1996.

**Question 3**

What are the beginning and ending dates for spending the funds, and when can transfers be made?

**Answer**

The beginning and ending dates differ according to different legislative provisions.

Section 161(b)(1) applies to funds appropriated on a program year basis and states: "Funds obligated for any program year may be expended by each recipient during that program year and the two succeeding program years \* \* \*" For clarification purposes the word "obligated" in the first line of section 161(b)(1) pertains to the Federal obligation of funds (through a Notice of Obligation) and not to the recipient's obligation of funds.

Thus, the above language applies to program year funds, but does not apply to the FY 1996 II-B funds. (These FY title II-B funds are available for up to five years for expenditure, but it is assumed that they will be expended within the grant period). However, should FY 1996 II-B funds be transferred to the PY 1996 II-C program, those funds can be expended during the life of the PY 1996 II-C funds (6/30/99). On the other hand, should PY 1996 II-C funds be transferred to FY 1996 II-B, the transferred funds retain their PY 1996 II-C life. Only PY 1996 funds may be transferred between title II-A and III; therefore, the transfers could occur any time between July 1, 1996 and June 30, 1999 or until funds are expended, whichever occurs first.

The attached table summarizes the intertitle transfer rules for each year of funds. The year of the funds determines the rule to be followed in transferring the funds. For example, PY 1995 funds available for expenditure in PY 1996 may be transferred based on PY 1995 allocation base and according to PY 1995 rules. (PY 1995 funds expended in PY 1996 cannot be transferred by PY 1996 rules.) The transfers can be made at any time during the life of the funds.

**Question 4**

What is the Governors' role in approving transfer requests?

*Answer*

The Governor is responsible for establishing procedures and approval criteria for processing transfer requests, as well as accounting and reporting procedures for tracking these funds. It is expected that the Governor will establish policy on transfers. The procedures should include the State Job Training Coordinating Council pursuant to its advisory responsibilities to the Governor regarding resource allocations. [Sec. 122(b)(2)] These procedures may also include, at the Governor's discretion, modifications to SDA/SSA Job Training Plans and procedures for the timing and frequency of transfers. In considering transfer requests, the Governor should ensure that procedures are in place that will address the employment and training needs of eligible JTPA program participants within the SDAs/SSAs and the State as a whole to assure the maintenance of adequate funding levels.

Approval criteria established by the Governor should include, but are not limited to, such factors as:

1. Policy established by Governors in the Governor's Coordination and Special Services Plan (GCSSP), including the Governor's Statement of Goals and Objectives. [Sec. 121]
2. Impact on GCSSP coordination responsibilities under Sec. 121(b)(1), 205, and 265.
3. Impact on jointly funded employment and training programs. [121(c)(11)]
4. Impact on existing agreements for the delivery and/or coordination of employment and training services.
5. Impact on current State, SDA or SSA employment and training systems.
6. Changes in labor market conditions.
7. The extent to which the proposed transfer improves the delivery of employment and training services.
8. Comments from stakeholders and the public regarding resource utilization, e.g., transferring funds to and from disadvantaged and dislocated workers and to/from youth programs and II-A programs.
9. Impact on the employment and training needs of eligible participants in the SDA, SSA or State from which funds have been transferred.
10. Consistency with local plans.

*Question 5*

What changes are planned for the 1996 Federal Notice of Obligation and the authorizations maintained in HHS's Payment Management System?

*Answer*

With the increased latitude to transfer funds between titles and our objective to

minimize recordkeeping requirements, the PY 1996 titles II-A, II-C and III formula funds will be combined into one financial key on both the Notice of Obligation (NOO) and in the HHS Payment Management System (PMS). The backup to the NOO will provide the specific amounts for each title.

Because the 1996 Appropriations bill identifies the title II-B funds as FY 1996 funds (instead of PY funds) II-B funds will be accounted for separately and will remain in the PY 1995 grant agreement. These funds will be separately identified in the NOO and in PMS.

*Notes:*

1. For accounting ease, a State may wish to assume that the funds transferred into PY 1996 II-C from FY 1996 II-B and the funds transferred into FY 1996 II-B from PY 1996 II-C are expended first and corresponding cash is drawn down first. (The life of the transferred funds, however, should be considered in making this decision.)
2. The Administration has requested funding for the 1997 summer program. These funds would be FY 1997 funds (not PY funds) and would be added to the PY 1996 grant agreement and accounted for separately, similarly to how the FY 1996 II-B funds are handled.)

*Question 6*

What is the identity of transferred funds?

*Answer*

Transferred funds always retain year of appropriation identity. (For FY 1996 title II-B funds, see answer to Question 3.)

When funds are transferred to another title, they take on the character of that title and are therefore subject to all of the rules and regulations of the receiving title and Part. This includes cost limitations, eligibility requirements and provision of services.

*Question 7*

How are cost limitations applied to transferred funds?

*Answer*

Funds are transferred in the total amount and do not take on cost category identity until they are expended. Transferred funds are subject to the rules and regulations of the receiving title/part. Funds are not transferred by cost category. The remaining funds left in a title continue to be expended under requirements of that title.

The FY 1996 Appropriations Bill provides for cost limitation flexibility for PY 1996 title III formula funds. Similar flexibility was provided for PY 1995 funds (see TEGL 12-94, dated May 31, 1995).

*Question 8*

When transferring funds from one title to another, will the performance standards remain attached to the funds?

*Answer*

When funds are transferred from one title to another, the performance standards that apply to the titles are not changed. For example, when title III funds are transferred to title II-A, the additional resources should result in an increase in II-A expenditures. The enhanced program will be subject to the performance standards in title II-A.

When individuals (not funds) transfer titles, the performance standards of both titles apply. The program has a choice of either enrolling the participant in both titles or terminating the person from the original title and enrolling the individual in the receiving title. In the latter case, the originating title may incur a negative termination, particularly if the transfer is from II-A to III. When programs choose to co-enroll the person in both titles, the person's outcome is subject to standards in both titles.

*Question 9*

Should prior notice on transfers be provided to the Federal Grant Officer? How will the Department learn of these transfers?

*Answer*

No prior notice is required to the Department relative to transfers. However, DOL will require the reporting of transfers that have been made. This will be shown on the quarterly reports submitted to ETA (see Question 19.)

*Question 10*

What is the base for computing maximum allowable transfers?

*Answer*

The transfer of funds is limited to funds that have been allocated to the SDAs by the State, i.e., the 77%/82% formula funds and the funds allocated to SSAs by the Governor from the title III formula allotment. The 23 percent in title II-A, 18 percent in title II-C and the formula funds reserved by the Governor in title III are not available for transfer.

*Question 11*

Can transferred funds be used at the State level to increase set-aside funds (e.g., administration)?

*Answer*

No. The use of transferred funds is only at the SDA/Sub-State levels, and

not at the State level. Thus, these funds cannot be used for State level costs.

#### Question 12

Are title III Secretary's Discretionary Funds (National Reserve Grants) available to transfer to title II-A?

#### Answer

No. Only formula funds allocated to the SSA by the Governor from the State's title III formula allotment are available for transfer.

#### Question 13

What is the impact of the transfer of title III funds to title II-A on the State's ability to request NRA funds?

#### Answer

NRA requests are always reviewed in terms of other resources available and systems that can provide the necessary assistance without additional funds. Generally, NRA funds will not be made available to provide services that could have been provided with title III formula funds allotted to a State (including funds that have been transferred to II-A).

ETA will review and evaluate applications for NRA funds in the following manner in SSAs where funds have been transferred from title III to title II-A:

- If not more than 20 percent of the applicable substate formula allocation has been transferred, States may apply for NRA funds without restriction.
- If more than 20 percent of the applicable substate formula allocation has been transferred to title II-A, the State and/or substate area will be required to provide a financial match for any NRA funds awarded. The required match will take into account the level and rate of expenditure of title III funds available for the Program Year, and the amount of title III funds transferred to title II-A at the time an application for NRA funds is submitted.

Exceptions will be considered in certain circumstances such as temporary job creation in response to natural disasters, assistance to workers impacted by BRAC-related closures, mass layoffs and plant closures without notice or in other situations as approved by the Secretary.

- If more than 50 percent of the applicable substate formula allocation has been transferred to title II-A, the State and the substate areas are certifying that there is not an expected need in that substate area to provide assistance to a substantial number of dislocated workers and will not qualify for NRA funds, exclusive of natural disasters or BRAC-related closures, for

the PY covered by the formula allocation. Other NRA requests will be considered only when it is demonstrated that the title III funding level for the substate area is at least 50 percent of the initial formula allocation level, e.g., transferred funds may be returned to title III.

Notwithstanding these criteria, the Secretary retains the discretion to obligate NRA funds in a manner that targets resources to areas of most need and that promotes the effective use of funds for eligible dislocated workers.

#### Question 14

How does this transfer authority affect the title III recapture/reallotment policy (Sec. 303) and the title II-A recapture/reallotment policies?

#### Answer

The answer to this question is dependent upon which title's funds are involved.

The JTPA, section 303, requires the Secretary to recapture from States unexpended Title III formula funds in excess of 20% of the annual formula allotments to the States. For the purpose of including the inter-title transfer authority, the net allotment for determining funds subject to recapture will be used and calculated as follows:

- \* The initial title III allotment to the State at the beginning of the program year;
- \* Plus or minus the increase or decrease in the allotment as a result of recapture/reallotment activity; and
- \* Plus or minus the net increase or net decrease as a result of inter-title transfers into or out of Title III.

Therefore, maximum amount of carryover from the year of allotment to the next program year is the amount of the allotment, as adjusted for reallotment and fund transfers, (i.e., net transfers from title II-A to title III will increase the funds available and 20 percent of that larger amount can be carried forward without recapture; net transfers from title III to title II-A will decrease the funds available and 20 percent of that smaller amount can be carried forward without recapture). It is expected that a consistent policy for determining excess unexpended funds at the substate level will be followed by the states when applying their own reallocation procedures.

The JTPA, section 109(b) requires the Secretary to reallocate to eligible States, Title II-A and II-C *unobligated* funds in excess of 15 percent of each State's allotment. However, since Title II reallotment procedures apply only to unobligated funds and since transfers can only occur at the substate level,

there is no impact on Title II reallotment procedures, i.e., funds at the SDA/SSA level have, by definition, been obligated by the State. It is expected that Title II substate reallocation procedures [Sec. 109 (a)] will be affected by the new transfer authority. Therefore, a transfer of funds from title II-A to title III would lower the base against which unobligated funds in excess of 15 percent would be determined. A transfer of funds from title III to title II-A would increase the base against which the determination is made.

#### Question 15

Will the allocation formula be affected by transfers that have taken place in a previous year?

#### Answer

No. The same formula will be used, regardless of any transfer action in previous years.

#### Question 16

What State Level Plan Modifications are required for titles II and III?

#### Answer

The requirements differ for the two titles.

*GCSSP*: Section 121(b)(7) of the Act provides that if major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the State shall submit a modification to the Secretary describing the changes. This is further clarified in the GCSSP planning guidance which includes the OMB approved format for modifications. Specifically, it states that if major changes occur in labor market conditions, funding, or other factors during the period covered by the plan, the State shall submit a modification describing these changes. For the purposes of determining if a modification is necessary, a major change is defined as cumulative change of 20 percent of these factors in the plan.

*Title III Biennial Plan*: There is no requirement that title III State plans be modified to show increases in allotments or available funds to the States or to the Substates: therefore, no modifications would be required by the Department for any transfers made into or out of title III. That information can be collected from Quarterly reporting discussed elsewhere.

#### Question 17

When SDAs request State approval to transfer title II funds, are they required to submit modifications to their job training plans?

*Answer*

Yes, in accordance with instructions established by the State (except in the case of the Single State SDA as noted below).

Section 104(c) of the Act provides that if changes in labor market conditions, funding, or other factors require substantial deviation from an approved job training plan, the private industry council and the appropriate chief elected official or officials (as described in section 103(c)) shall submit a modification of such plan (including modification of the budget under subsection (b)(6)), which shall be subject to review in accordance with section 105 of the Act.

Further, Section 628.420(e) of the JTPA regulations provides that the (1) any major modification to the SDA job training plan shall be jointly approved and jointly submitted by the PIC and the chief elected official(s) of the SDA to the Governor for approval. (2) For the purposes of this section; the circumstances which constitute a "major" modification shall be specified by the Governor.

In the case of Single State SDAs, Section 105(d) of the Act provides that when the SDA is the State, the Governor shall submit the job training plan and any modifications to the Secretary for approval. The State SDA submission requirements are further clarified in Section 628.430 of the JTPA regulations. The Act and the regulations do not make a distinction between major or minor modifications to a Single State SDA's job training plan. This would indicate that all plan modifications must be submitted to the Secretary. However, so as to be consistent with the provisions which apply to major modifications to the GCSSP, States will be required to submit modifications to the Secretary for approval when there is a cumulative change of 20 percent in labor market conditions, funding, or other factors during the period of the plan.

*Question 18*

When SSAs request State approval to transfer funds, are they required to submit modifications to their substate title III plans?

*Answer*

Yes. The governor will establish guidelines. However, under Section 313 of the Act, substate plans (or modifications thereto) must be submitted to the Governor describing the manner in which activities will be conducted within the SSA area with the funds obligated to the area. ETA believes a transfer of funds from title III to serve individuals who are not eligible for Title III would constitute how title III funds will be utilized in that SSA. Public review provides appropriate input into such a decision. It is expected that any transfer decision would be based upon an analysis of the local labor market and the needs/availability of individuals who are eligible to receive services under the various titles.

*Question 19*

What are the rules for reporting transferred funds?

*Answer*

After funds are transferred, they are expended under the rules and regulations governing the receiving title and/or part. Total available funds are increased and expenditures associated with transferred funds are, therefore, reported against available funds in the receiving title and/or part. The transferred amount should be recorded on both the sending and receiving reporting forms in the appropriate columns and line items as described below and in the attached examples.

Note: The title II and title III financial reports are State summary reports. Since the transfers are made at the SDA/SSA level, the transferred amount shown on the State summary report is a net of the SDA/SSA transfer actions. In addition, the report entries for title II-A can reflect the net of transfers from both title III and from title II-C; and, title II-C can reflect the net of transfers from title II-A and from FY 96 II-B.

Sample quarterly financial reports are attached, showing offsetting entries. Following is further clarification with regard to each of the reporting forms.

# 1. Title II Job Training Partnership Act (JTPA) Quarterly Financial Report—(JQSR)

a. *Title II-A and II-C.* Follow the reporting instructions issued in TEIN No. 6-93, plus Changes 1 & 2, for reporting transfers within title II. There is no change in the treatment of transfers between II-A and II-C.

b. *Title III.* Transfers to or from title III should be identified in the Remarks Box as a cumulative net amount to reflect a net plus or minus dollar change to available II-A funds. The comment should also identify both the sending PY and title/part and the receiving PY and title/part. (See sample JQSR).

—In addition, the effect of the transfer should be reflected on Line 2 of Column (A).

—Line 18 of Column A must also equal Line 2 of Column A.

c. *Title II-B.* Transfers to or from FY 1996 title II-B should be identified in the Remarks Box as a cumulative net amount to reflect a net plus or minus dollar change to available II-C funds. The comment should also identify both the sending PY/FY and title/part and the receiving PY/FY and title/part. (See sample JQSR).

—In addition, the effect of the transfer should be reflected on Line 2 of Column (C).

—Line 18 of Column C must also equal Line 2 of Column C.

Note: A separate JQSR is required for reporting FY 1996 II-B transfers. (See TEGL No. 5-95, dated April 12, 1996.) The II-B Column of the PY 1996 JQSR should be left blank.

# 2. Title III Worker Adjustment Formula Financial Report—(WFFR)

a. Transfers to or from title III should be identified in the Remarks Box as a cumulative net amount to reflect a net plus or minus dollar change to available title III Substate funds. The comment should also identify both the sending PY and title/part and the receiving PY and title/part. (See sample WFFR).

b. The effect of the transfer should be reflected on Line 10 of the PY 1996 Column.

BILLING CODE 4510-30-P

## JTPA Title II Quarterly Status Report

U.S. Department of Labor  
Employment and Training AdministrationOMB No.: 1205-0323  
Expires: 06-30-98

a. Recipient's Name and Address		b. Quarterly _____ Final _____	c. Recipient's Grant No.		d. Report Period From: To:	
STATE A			FY 96		7/96	9/96
			IIA (A)	IIB (B)	IIC (C)	Title II Total (D)
<b>I. GRANT TOTAL</b>						
1	Allotment (NOO Amount)			1,000,000		
2	Transfers (To II-C)			-200,000		
3	Total State Availability			800,000		
4	Total State Obligations					
5	Total Expenditures					
<b>II. STATE LEVEL</b>						
6	Administration, Management and Auditing					
7	Incentive and Capacity Building/TA					
8	State Education - Coordination					
9	State Education - Services					
10	(a) Direct Training					
11	(b) Training Related and Supportive Services					
12	(c) Administration					
13	Older Individuals					
14	(a) Direct Training					
15	(b) Training Related and Supportive Services					
16	(c) Administration					
<b>III. SDA LEVEL</b>						
17	Initial Allocation			1,000,000		
18	Transfers			-200,000		
19	Total SDA Availability			800,000		
20	Expenditures					
21	(a) Direct Training					
22	(b) Training Related and Supportive Services					
23	(c) Administration					
24	Incentive Funds Expended (Non-Additive)					

## Remarks

- 200,000 From FY 96 II-B To PY 96 II-C

Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all costs are for the purposes specified in the JTPA, as amended.

d. Signature and Title

e. Date Signed

f. Telephone No.

a. State Name and Address <b>STATE A</b>		b. Program Years of Funds	OMB No: 1205-0326 Expires: 06/30/96
<b>ALLOTMENT \$1,000,000*</b>		c. <input type="checkbox"/> Quarterly <input type="checkbox"/> Final PY	d. Report Period Ending: <b>9/96</b>

## SECTION I: GOVERNOR'S RESERVE FUNDS

	Current PY <b>96</b>	Prior PY <b>95</b>	Year Before Prior PY <b>94</b>
1 Total Title III Funds Available	<b>400,000</b>		
2 Total Expenditures			
3 Basic Readjustment Services			
4 Retraining			
5 Needs - Related Payments			
6 Supportive Services			
7 Administration			
8 Rapid Response			
9 Reserved 10% Funds for SSGs in Need	<b>0</b>		

## SECTION II: SUBSTATE GRANTEE FUNDS

	Current PY	Prior PY	Year Before Prior PY
10 Total Title III Funds Available	<b>400,000*</b>		
11 Total Expenditures			
12 Basic Readjustment Services			
13 Retraining			
14 Needs - Related Payments			
15 Supportive Services			
16 Administration			

## SECTION III: PROGRAM ACTIVITY

	Governor's Reserve	Substate Grantees
17 Total Participants		
18 Total Terminations		
19 W A R N Notices Received		
20 Initial On - Site Rapid Responses		
21 Dislocated Worker Unit Administration		
22 Staffing Costs		

## SECTION IV: PROGRAM INCOME; RECIPIENT/SUBRECIPIENT FUNDS EXPENDED FOR JTPA PROGRAMS

	Current PY	Prior PY	Year Before Prior PY
23 Program Income Earned			
24 Program Income Expended			
25 Recipient/Subrecipient Funds Expended for JTPA Programs			

Remarks

**-200,000 TO PY 96 TITLE II-A FROM PY 96 TITLE III.**

Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all costs are for the purposes specified in the JTPA, as amended.

c. Signature and Title

f. Date Signed

g. Telephone Number

Public reporting burden for this collection of information is estimated to average 10 hours 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of IRM Policy, Department of Labor, Room N-1301, 200 Constitution Avenue, N.W., Washington, DC 20210; and to the Office of Management and Budget, Paperwork Reduction Project (1205-0326), Washington, D.C. 20503.

DO NOT SEND THE COMPLETED FORM TO EITHER OF THESE OFFICES

ETA 9041 July 1993

**- INITIAL ALLOTMENT IS \$1,000,000 (LINE 10: \$600,000 - 200,000 = \$400,000)**

## Attachment 2

Employment and Training Administration  
Job Training Partnership Act  
SDA/SSA Intertitle Transfers Authority

<u>Fund Identity</u>	<u>Life of Funds</u>	<u>II-A*</u>	<u>II-B</u>	<u>II-C*</u>	<u>III</u>
<u>PY 1994</u>	7/01/94-6/30/97	10% to II-C (S)	50% to II-C (A)	10% to II-A (S) 50% to II-B (A)	NA
<u>PY 1995</u>	7/01/95-6/30/98	10% to II-C (S)	50% to II-C (A)	10% to II-A (S) 50% to II-B (S)	NA
<u>PY 1996</u>	7/01/96-6/30/99	10% to II-C (S) Up to 100% to III (A) 2/	NA	10% to II-A (S) Up to 100% to FY 96 II-B (A)	Up to 100% to II-A (A)
<u>FY 1996 1/</u>	10/1/95-6/30/98	NA	Up to 100% to PY 96 II-C (A)	NA	NA
<u>PY 1997 3/</u>	7/01/97-6/30/2000	10% to II-C (S) 20% to III (A)	NA	10% to II-A (S) Up to 100% to FY 97 II-B (A)	20% to PY 97 II-A (A)
<u>FY 1997 2/</u>	10/01/96-6/30/99	NA	Up to 100% to PY 97 II-C (A)	NA	NA

## Authority:

(S) Statutory-denotes JTPA Section #s: 206, 256, 266, -

(A) Appropriation-denotes 1996 Omnibus Appropriation Bill, 110 Stat. 1321, DOL, ETA, TES Account, or FY 1995 Rescission Bill, P.L. 104-19. Summer Youth funds are appropriated on a fiscal year not program year basis, (also proposed for 1997 Budget).

\* Transfers apply only to: SDA 77% II-A formula funds; 82% SDA II-C formula funds; portion of Title III allotted funds not reserved by Governor.

1/ The FY 1996 II-B program is part of PY 1995 grant agreement. Same life as PY 1995 programs.

2/ The FY 1997 II-B program will be part of PY 1996 grant agreement. Same life as PY 1996 programs.

3/ Administration is proposing 20% transfer authority between II-A and III in 1997.

FY 96 II-B funds transferred to PY 96 II-C take on life of PY 96 II-C funds; however, PY 96 II-C funds transferred to FY 96 II-B retain life of II-C funds as shown above.