

**Alabama Workforce Investment System**

**Alabama Department of Economic and Community Affairs  
Workforce Development Division  
401 Adams Avenue  
Post Office Box 5690  
Montgomery, Alabama 36103-5690**

October 21, 2003

**GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY2003-05, Change 3**

**SUBJECT:** Training and Employment Guidance Letter (TEGL)

1. **Purpose.** This transmits the following TEGL:

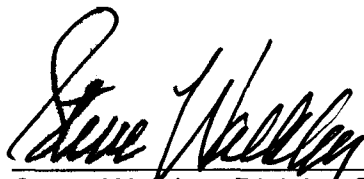
<u>Number</u>	<u>Date</u>	<u>Subject</u>
6-03	10/01/2003	Fiscal Year (FY) 2004 State Planning Estimates and Process for Requesting Additional Trade Adjustment Assistance (TAA) Funds for Training and Administration

2. **Discussion.** TEGL No.7-03 provides states with the underlying formula for the TAA funds disbursement process and FY 2004 planning estimates, and describes the process for requesting additional TAA funds for training and administration.

In the absence of FY 2004 appropriations for the Department of Labor (DOL), the Congress has passed and the President has signed a continuing resolution to operate DOL programs, including TAA, through October 31, 2003.

The Department of Industrial Relations is charged with administrative management of Trade Act activities and programs within Alabama.

3. **Action.** Copies of TEGL No. 6-03 are provided for informational and action purposes.
4. **Contact.** Please direct any questions regarding this information to the USDOL Regional Office.



Steve Walkley, Division Director  
Workforce Development Division

Attachment

<b>Employment and Training Administration Advisory System</b> U.S. Department of Labor Washington, D.C. 20210	<b>CLASSIFICATION</b> TAA
	<b>CORRESPONDENCE SYMBOL</b> ONR
	<b>DATE</b> October 1, 2003

**ADVISORY:** TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 6-03

**TO:** ALL STATE WORKFORCE AGENCIES  
ALL STATE WORKFORCE LIAISONS

/s/

**FROM:** EMILY STOVER DeROCCO  
Assistant Secretary

**SUBJECT:** Fiscal Year (FY) 2004 State Planning Estimates and Process for  
Requesting Additional Trade Adjustment Assistance (TAA)  
Funds for Training and Administration

**1. Purpose.** To provide states with the underlying formula for the TAA funds disbursement process and FY 2004 planning estimates and to describe the process for requesting additional TAA funds for training and administration.

**2. References.** The Trade Act of 1974, as amended; the Governor-Secretary Agreement; OMB Circular A-87; 20 CFR Part 617, as amended; 29 CFR Parts 96, 97, 98, and 99; General Administration Letter No. 4-89, Change 1, dated June 15, 1989, Training and Employment Guidance Letter No. 17-00, Change 1, dated July 3, 2003.

**3. Background.** The Employment and Training Administration (ETA) has historically used a grant request process for disbursing TAA training funds. This process has proved to be inefficient, lengthy and cumbersome, making it difficult for states to plan and manage resources for training trade affected workers. As a result, ETA undertook a comprehensive review of its funds disbursement process for TAA. The review indicated that many states did not have a full understanding of the process. This often made it difficult for states to prepare funding requests in a timely manner that approximated the true needs of their trade impacted workforce. Furthermore, it may have contributed to a less than optimum distribution of resources to meet these needs. The new process will facilitate a fair and equitable distribution of trade training funds under a capped entitlement program.

Developing a formalized funding process for trade program funds is critical to ETA's overall vision of providing opportunity to the maximum number of trade affected workers so they can reconnect to the workforce quickly and making training funds available to workers who require training to obtain timely employment. To this end, the revised fund disbursement process will support the overall TAA goal to secure rapid, suitable, and long-term employment for adversely affected workers served by the trade program.

<b>RESCISSIONS</b> None	<b>EXPIRA DATE:</b> Continuir
----------------------------	--------------------------------------

**4. Overview of Funding Process.** ETA is adopting an annual allocation process for disbursing TAA funds for training and associated administrative costs. The annual allocation process will utilize a set formula for distributing 75 percent of available TAA training funds. The remaining 25 percent will be reserved for distribution to states experiencing large, unexpected layoffs. The reserve funds will be distributed after states submit a grant request and demonstrate that 50 percent of allocated formula funds have been accrued as expenditures. The factors that will be used in determining each state's share of the formula funds include prior year allocations of trade training funds and participant levels. Additional criteria in preparing requests for reserve funds will reflect the historical request process. In addition, as is currently the case, states will receive an additional 15 percent of their formula allocation for administration of the program as well as an additional 15 percent for administration for any reserve funding that is allocated. The specific application of this funding process is described below.

**5. FY 2004 Funds Disbursement Process.** For FY 2004, ETA will implement an annual allocation process for disbursing TAA training funds. The planning estimates and associated administrative funds for each state are included in Attachment A. The detailed information used to calculate the funding levels is shown in Attachment B. As reflected in the attachments, a planning estimate is not provided to any state that would receive less than \$100,000. The process is as follows:

**TAA Formula Funds:** 75 percent of the \$220 million available for TAA training—or \$165 million—will be distributed to states using the following formula:

- 80 percent of TAA formula funds, or \$132 million, will be distributed based on the average amount of funds allocated to states for TAA training in the previous three fiscal years.
- 20 percent of TAA formula funds, or \$33 million, will be distributed to states based on the average number of program participants for the previous three years for which complete data are available. Participant data will reflect information reported by states on the ETA-563/OMB approval number 1205-0016 (Quarterly Determinations, Allowance Activities and Employability Services, Under the Trade Act).
- To minimize significant fluctuations in state funding from prior years, the formula will contain a "hold harmless" feature. The "hold harmless" factor will ensure that each state's planning estimate is at least 85 percent of the amount the state would have received last fiscal year had the new formula been in place (i.e., 85 percent of three-quarters of the TAA training funds received by the state in the previous year).

**TAA Reserve Funds:** 25 percent of the \$220 million available for TAA training—or \$55 million—will be designated for reserve funding. Reserve funds will be distributed to states on an as-needed basis and are designed to provide funding to those states that experience large, unexpected lay-offs. In order to

be eligible for TAA reserve funds, states must demonstrate that at least 50 percent of their FY 2004 formula funds have been expended on an accrual basis. This expenditure requirement does not apply to prior year funds. Initially, the process for applying for TAA reserve funds will be similar to the existing fund request process. States requesting reserve funds must complete and submit an ETA 9023/OMB approval number 1205-0275 (Trade Adjustment Assistance/NAFTA-TAA Financial Status Report/Request for Funds) to:

Division of Trade Adjustment Assistance  
Room C5311  
200 Constitution Avenue N.W.  
Washington, D.C., 20210

States should indicate on the form that the application is for a Supplemental Request under section 5, Type of Report, and should follow instructions contained in GAL 7-98, dated September 15, 1998, for completing the ETA 9023. States must include the number of current TAA participants and the conditions that have made the request for reserve funds necessary. Some factors which will be taken into consideration during the review of these funding requests will include expenditure of TAA formula funds, number of people currently enrolled in training, number of people expected to apply and be approved for training, average cost of training, and conditions underlying the request. Further, the request should contain a list of active certifications including petition numbers, company names and locations.

**Job Search and Relocation Allowances:** States may also request Job Search and Relocation allowances for trade impacted workers who are unable to find employment within their local commuting area. These funds should be requested using the ETA 9023 and can be submitted at any time.

**TAA Program Administration Funds:** States will continue receiving an additional 15 percent of all formula, reserve, and job search/relocation allowances for program administration. The administrative funds will be included each time funds are obligated to states by ETA.

The use of the ETA 9023 for requesting reserve funds and job search/relocation allowances will be temporary. Another mechanism for requesting these funds is being considered and is expected to be implemented during November 2003. Once that process is finalized, additional guidance will be provided to states.

Finally, consistent with the TAA Annual Cooperative Financial Agreement, ETA may recapture any funds that states are unable to utilize within a reasonable period of time, but only after consultation with and appropriate notification to the state.

**6. FY 2005 Funds Disbursement Process.** In FY 2005, and future years, 75 percent of available TAA training funds will continue to be made available to states by formula, and 25 percent will be held in reserve. However, the following modifications will occur:

- 50 percent of the formula funds will be distributed to states based on average accrued expenditures in the previous three years as reported on the SF 269/OMB approval number 0348-0039 (Financial Status Report). If accrued expenditures are not available for the three years, allocated levels will be substituted for the years in which accrued expenditures are not

available for all states.

- The remaining 50 percent of the formula funds will be distributed to states based on the average number of program participants for the previous three years for which complete data are available as reported on the ETA 563.

The remaining features of the funding process will remain the same including the use of the "hold harmless" factor in establishing each state's formula planning estimate, the process for requesting reserve funds and job search/relocation allowances, and the allocation for administrative expenses. Specific guidance will be issued in advance of FY 2005.

**7. Program Reporting.** The new funding process emphasizes the importance of accurate and timely reporting of program participant and expenditure data on the ETA 563 and SF 269. Reported data on these forms will take on increasing importance in determining the level of funds states may receive each year for serving trade affected workers. Additional reporting elements could be considered for inclusion in the TAA funding formula in future years, particularly those related to outcomes reported on the Trade Act Participant Report (TAPR). States should monitor the validity and timeliness of all data reported in order to ensure fair and equitable treatment for all states with regard to trade funding.

**8. National Emergency Grants (NEG)/ Dual Enrollment.** Consideration was given to including prior year dual enrollment grants in the TAA formula for calculating state planning estimates. After careful consideration, it was determined that the inclusion of these NEG awards would be inappropriate because NEGs are discretionary funds available for unanticipated mass layoffs and are better suited to augment ongoing TAA operating levels. Receipt of a prior year NEG for a single, large layoff may not be the best predictor that the state will experience future layoffs of that size. NEGs remain available through the normal NEG application process.

**9. Action Required.** States should ensure that all trade program staff are informed and knowledgeable of this policy.

**10. Inquiries.** States should direct all inquiries to the appropriate ETA regional office.

[Attachment A:](#) FY 2004 State Formula Funded Planning Estimates and Administrative Allotments

[Attachment B:](#) FY 2004 Supporting Information for State Formula Funded Planning Estimates and Administrative Allotments

## FY 2004 State Formula Funded Planning Estimates and Administrative Allotments

States	FY04 Formula Funded Planning Estimates	FY04 Administrative Allotments*	Total Formula Funded Allocations**
Alabama	\$2,045,935	\$306,890	\$2,352,825
Alaska	\$468,904	\$70,336	\$539,240
Arizona	\$2,774,159	\$416,124	\$3,190,283
Arkansas	\$1,935,785	\$290,368	\$2,226,153
California	\$5,936,450	\$890,467	\$6,826,917
Colorado	\$1,616,942	\$242,541	\$1,859,483
Connecticut	\$2,076,861	\$311,529	\$2,388,390
Delaware	\$0	\$0	\$0
Dist. Of Columbia	\$0	\$0	\$0
Florida	\$3,767,640	\$565,146	\$4,332,785
Georgia	\$0	\$0	\$0
Hawaii	\$0	\$0	\$0
Idaho	\$2,743,956	\$411,593	\$3,155,550
Illinois	\$5,051,333	\$757,700	\$5,809,033
Indiana	\$4,205,667	\$630,850	\$4,836,517
Iowa	\$3,924,616	\$588,692	\$4,513,308
Kansas	\$3,841,300	\$576,195	\$4,417,495
Kentucky	\$2,091,823	\$313,773	\$2,405,596
Louisiana	\$532,421	\$79,863	\$612,285
Maine	\$3,136,687	\$470,503	\$3,607,190
Maryland	\$450,590	\$67,589	\$518,179
Massachusetts	\$5,185,023	\$777,753	\$5,962,776
Michigan	\$5,260,956	\$789,143	\$6,050,100
Minnesota	\$4,498,321	\$674,748	\$5,173,069
Mississippi	\$1,680,425	\$252,064	\$1,932,488
Missouri	\$4,799,580	\$719,937	\$5,519,517
Montana	\$972,880	\$145,932	\$1,118,812
Nebraska	\$383,862	\$57,579	\$441,442
Nevada	\$288,723	\$43,308	\$332,032
New Hampshire	\$576,278	\$86,442	\$662,720
New Jersey	\$1,214,878	\$182,232	\$1,397,110
New Mexico	\$522,930	\$78,439	\$601,369
New York	\$2,396,232	\$359,435	\$2,755,667
North Carolina	\$6,301,065	\$945,160	\$7,246,224
North Dakota	\$0	\$0	\$0
Ohio	\$4,971,827	\$745,774	\$5,717,602
Oklahoma	\$1,694,508	\$254,176	\$1,948,684
Oregon	\$4,560,530	\$684,079	\$5,244,609
Pennsylvania	\$20,630,621	\$3,094,593	\$23,725,215
Puerto Rico	\$0	\$0	\$0
Rhode Island	\$664,718	\$99,708	\$764,425
South Carolina	\$7,972,769	\$1,195,915	\$9,168,685
South Dakota	\$401,294	\$60,194	\$461,488
Tennessee	\$2,043,052	\$306,458	\$2,349,510
Texas	\$9,748,941	\$1,462,341	\$11,211,282
Utah	\$1,988,268	\$298,240	\$2,286,508
Vermont	\$244,190	\$36,629	\$280,819
Virginia	\$4,655,428	\$698,314	\$5,353,742
Washington	\$13,402,389	\$2,010,358	\$15,412,748
West Virginia	\$576,219	\$86,433	\$662,652
Wisconsin	\$10,763,024	\$1,614,454	\$12,377,478
Wyoming	\$0	\$0	\$0
<b>Total</b>	<b>\$165,000,000</b>	<b>\$24,750,000</b>	<b>\$189,750,000</b>

\* Each state's administrative allotment represents 15% of its FY2004 formula funded planning estimate.

\*\* Each state's formula funded allocation represents the sum of its FY2004 formula funded planning estimate and its administrative allotment.

## FY2004 Supporting Information for State Formula Funded Planning Estimates and Administrative Allotments

Column Heading	A *	B	C	D	E	F	G	H**	I	J***	K****	L*****	
Formula		A ÷ Sum of A	B x \$33M		D ÷ Sum of D	E x \$132M		C + F		G ÷ H	H x .85	where I > 85%	J + K
States	Average Participants Per Year (FY00, 01, and 02)*	% of US Total Participants	Amount of Formula Funds Based on Each State's Average Share of US Total Participants	Average Allocation Per Year (FY01, 02, and 03)	% of US Total Allocations	Amount of Formula Funds Based on Each State's Average Share of US Total Allocations	Preliminary Formula Funded Planning Estimate (before hold harmless is applied).	75% of FY03 State TAA/ NAFTA-TAA Allocation**	Preliminary Formula Funds as a % of 75 percent of last fiscal year's allocation	Hold Harmless Level for Each State (85% of Column H)	Funds Above the Hold Harmless Level for States Where Col I > 85%****	Final FY04 TAA Formula Funded Planning Estimate*****	
Alabama	2,855	5.54%	\$1,827,060	\$3,364,143	2.00%	\$2,638,766	\$4,465,826	\$1,880,212	238%	\$1,598,180	\$447,755	\$2,045,935	
Alaska	102	0.20%	\$65,283	\$475,221	0.28%	\$372,754	\$438,037	\$551,652	79%	\$468,904	\$0	\$468,904	
Arizona	708	1.37%	\$453,351	\$3,244,373	1.93%	\$2,544,821	\$2,998,172	\$3,214,953	93%	\$2,732,710	\$41,449	\$2,774,159	
Arkansas	788	1.53%	\$504,625	\$2,338,779	1.39%	\$1,834,491	\$2,339,115	\$2,189,596	107%	\$1,861,156	\$74,629	\$1,935,785	
California	774	1.50%	\$495,593	\$7,903,589	4.70%	\$6,199,416	\$6,695,009	\$6,818,933	98%	\$5,796,093	\$140,357	\$5,936,450	
Colorado	404	0.78%	\$258,784	\$1,602,370	0.95%	\$1,256,867	\$1,515,651	\$1,902,284	80%	\$1,616,942	\$0	\$1,616,942	
Connecticut	198	0.38%	\$126,441	\$2,716,037	1.61%	\$2,130,404	\$2,256,845	\$2,404,187	94%	\$2,043,559	\$33,303	\$2,076,861	
Delaware	0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	0%	\$0	\$0	\$0	
Dist. Of Columbia	0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	0%	\$0	\$0	\$0	
Florida	1,660	3.22%	\$1,062,656	\$4,836,533	2.87%	\$3,793,679	\$4,856,335	\$4,195,526	116%	\$3,566,197	\$201,442	\$3,767,640	
Georgia	2,465	4.78%	\$1,577,521	\$630,583	0.37%	\$494,617	\$2,072,137	\$0	0%	\$0	\$0	\$0	
Hawaii	1	-	-	\$3,847	-	-	\$0	\$0	0%	\$0	\$0	\$0	
Idaho	141	0.27%	\$90,528	\$3,120,622	1.85%	\$2,447,753	\$2,538,281	\$3,228,184	79%	\$2,743,956	\$0	\$2,743,956	
Illinois	483	0.94%	\$308,919	\$6,004,970	3.57%	\$4,710,177	\$5,019,096	\$5,942,745	84%	\$5,051,333	\$0	\$5,051,333	
Indiana	708	1.37%	\$453,280	\$4,111,875	2.44%	\$3,225,271	\$3,678,552	\$4,947,843	74%	\$4,205,667	\$0	\$4,205,667	
Iowa	124	0.24%	\$79,079	\$2,532,137	1.50%	\$1,986,157	\$2,065,236	\$4,617,195	45%	\$3,924,616	\$0	\$3,924,616	
Kansas	682	1.32%	\$436,213	\$2,797,530	1.66%	\$2,194,326	\$2,630,539	\$4,519,177	58%	\$3,841,300	\$0	\$3,841,300	
Kentucky	3,077	5.97%	\$1,969,430	\$2,759,419	1.64%	\$2,164,433	\$4,133,862	\$2,016,450	205%	\$1,713,983	\$377,840	\$2,091,823	
Louisiana	263	0.51%	\$168,042	\$931,213	0.55%	\$730,425	\$898,467	\$546,696	164%	\$464,692	\$67,730	\$532,421	
Maine	1,286	2.49%	\$822,931	\$4,073,574	2.42%	\$3,195,229	\$4,018,159	\$3,498,338	115%	\$2,973,587	\$163,100	\$3,136,687	
Maryland	12	0.02%	\$7,538	\$477,103	0.28%	\$374,230	\$381,768	\$530,106	72%	\$450,590	\$0	\$450,590	
Massachusetts	577	1.12%	\$369,295	\$4,167,790	2.48%	\$3,269,130	\$3,638,425	\$6,100,027	60%	\$5,185,023	\$0	\$5,185,023	
Michigan	1,520	2.95%	\$972,981	\$5,733,004	3.41%	\$4,496,852	\$5,469,833	\$6,143,891	89%	\$5,222,308	\$38,649	\$5,260,956	
Minnesota	481	0.93%	\$307,852	\$3,885,397	2.31%	\$3,047,627	\$3,355,479	\$5,292,143	63%	\$4,498,321	\$0	\$4,498,321	
Mississippi	977	1.90%	\$625,447	\$1,310,365	0.78%	\$1,027,824	\$1,653,271	\$1,976,970	84%	\$1,680,425	\$0	\$1,680,425	
Missouri	1,062	2.06%	\$679,494	\$5,128,606	3.05%	\$4,022,775	\$4,702,268	\$5,646,565	83%	\$4,799,580	\$0	\$4,799,580	
Montana	125	0.24%	\$80,074	\$1,318,778	0.78%	\$1,034,423	\$1,114,497	\$1,113,737	100%	\$946,677	\$26,203	\$972,880	
Nebraska	167	0.32%	\$106,884	\$1,485,217	0.88%	\$1,164,974	\$1,271,858	\$258,301	492%	\$219,556	\$164,307	\$383,862	
Nevada	34	0.07%	\$21,761	\$244,883	0.15%	\$192,081	\$213,842	\$339,674	63%	\$288,723	\$0	\$288,723	
New Hampshire	87	0.17%	\$55,682	\$744,817	0.44%	\$584,219	\$639,901	\$664,125	96%	\$564,506	\$11,772	\$576,278	
New Jersey	682	1.32%	\$436,213	\$2,974,243	1.77%	\$2,332,936	\$2,769,149	\$1,090,929	254%	\$927,290	\$287,588	\$1,214,878	
New Mexico	94	0.18%	\$59,949	\$454,361	0.27%	\$356,391	\$416,340	\$615,212	68%	\$522,930	\$0	\$522,930	
New York	1,190	2.31%	\$761,773	\$3,347,137	1.99%	\$2,625,426	\$3,387,199	\$2,603,380	130%	\$2,212,873	\$183,359	\$2,396,232	
North Carolina	6,850	13.29%	\$4,384,104	\$6,596,453	3.92%	\$5,174,124	\$9,558,228	\$6,703,987	143%	\$5,698,389	\$602,676	\$6,301,065	
North Dakota	28	0.05%	\$0	\$24,840	-	-	\$0	\$8,453	0%	\$0	\$0	\$0	
Ohio	872	1.69%	\$558,031	\$5,130,343	3.05%	\$4,024,137	\$4,582,168	\$5,849,209	78%	\$4,971,827	\$0	\$4,971,827	
Oklahoma	431	0.84%	\$275,851	\$1,715,998	1.02%	\$1,345,994	\$1,621,845	\$1,993,539	81%	\$1,694,508	\$0	\$1,694,508	
Oregon	1,352	2.62%	\$865,030	\$8,307,007	4.94%	\$6,515,848	\$7,380,878	\$4,751,386	155%	\$4,038,678	\$521,852	\$4,560,530	
Pennsylvania	2,401	4.66%	\$1,536,701	\$14,846,753	8.82%	\$11,645,493	\$13,182,194	\$24,271,319	54%	\$20,630,621	\$0	\$20,630,621	
Puerto Rico	0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	0%	\$0	\$0	\$0	
Rhode Island	290	0.56%	\$185,607	\$974,167	0.58%	\$764,117	\$949,724	\$719,980	132%	\$611,983	\$52,735	\$664,718	
South Carolina	1,042	2.02%	\$666,693	\$4,412,185	2.62%	\$3,460,829	\$4,127,522	\$9,379,729	44%	\$7,972,769	\$0	\$7,972,769	
South Dakota	68	0.13%	\$43,522	\$415,677	0.25%	\$326,048	\$369,570	\$472,110	78%	\$401,294	\$0	\$401,294	

Tennessee	1,873	3.63%	\$1,198,483	\$2,625,870	1.56%	\$2,059,679	\$3,258,162	\$2,139,082	152%	\$1,818,219	\$224,833	\$2,043,052
Texas	4,368	8.47%	\$2,795,774	\$9,893,323	5.88%	\$7,760,123	\$10,555,896	\$11,293,682	93%	\$9,599,629	\$149,312	\$9,748,941
Utah	481	0.93%	\$308,137	\$2,045,903	1.22%	\$1,604,765	\$1,912,902	\$2,339,138	82%	\$1,988,268	\$0	\$1,988,268
Vermont	43	0.08%	\$27,521	\$565,713	0.34%	\$443,734	\$471,255	\$237,854	198%	\$202,176	\$42,014	\$244,190
Virginia	2,263	4.39%	\$1,448,307	\$5,055,666	3.00%	\$3,965,563	\$5,413,869	\$5,311,874	102%	\$4,515,093	\$140,335	\$4,655,428
Washington	3,749	7.27%	\$2,399,242	\$11,070,045	6.58%	\$8,683,120	\$11,082,362	\$15,767,517	70%	\$13,402,389	\$0	\$13,402,389
West Virginia	191	0.37%	\$122,032	\$1,282,879	0.76%	\$1,006,264	\$1,128,296	\$557,727	202%	\$474,068	\$102,151	\$576,219
Wisconsin	1,563	3.03%	\$1,000,289	\$8,633,176	5.13%	\$6,771,689	\$7,771,978	\$12,662,381	61%	\$10,763,024	\$0	\$10,763,024
Wyoming	23	0.04%	\$0	\$73,961	-	-	\$0 <sup>^</sup>	\$48,674	0%	\$0	\$0	\$0
<b>US Total</b>	<b>51,612</b>	<b>100.00%</b>	<b>\$33,000,000</b>	<b>\$168,388,472</b>	<b>100.00%</b>	<b>\$132,000,000</b>	<b>\$165,000,000</b>	<b>\$189,356,667</b>	<b>75%</b>	<b>\$160,904,610</b>	<b>\$4,095,390</b>	<b>\$165,000,000</b>

\* Col A: The average number of participants per year represents the average participants for FY2000, FY2001 and FY2002. The number of participants for each of those years was calculated by adding the number in training on the last day of the previous fiscal year to the number who entered training in the current fiscal year (e.g., state xyz with 1,000 participants in training on September 30, 1999 and 1,250 new participants in training from October 1, 1999 through September 30, 2000 equals 2,250 participants in FY2000) as reported on the ETA 563.

\*\* Col H: The preliminary planning estimate for each state is compared to 75% of last fiscal year's allocation for each state. This comparison is against 75% of last fiscal year's allocation because the formula will be used to distribute 75% of FY2004 funds.

\*\*\* Col J: This amount represents the hold harmless level for each state's formula funded estimate. This means that no state will receive less than the amount shown here for their FY2004 Formula Funded Planning Estimate (this does not include funds for administrative expenses).

\*\*\*\* Col K: Holding all states harmless at 85% requires \$160,904,610 out of the \$165,000,000 that is available for formula funding. Therefore, \$4,095,390 remains to be distributed to those states who would have been above the 85% as shown in column I. The amount was distributed as follows and is shown in column K. Each state where Column I is greater than 85%, received a proportionate share of the \$4,095,390 based on the weighted difference of column J and G (weighted differences are not shown in the table). States where column I was less than 85% received the hold harmless level.

\*\*\*\*\* Col L: The formula funded planning estimate for each state does not include funds for administration.

<sup>^</sup> States where funding would be less than the minimum \$100,000 were removed from formula funded planning estimates.