

ALABAMA WORKFORCE DEVELOPMENT SYSTEM

**Alabama Department of Workforce
Workforce Development
50 N. Ripley Street
Montgomery, Alabama 36130**

ADMINISTRATIVE DIRECTIVE NO. PY2025-12

SUBJECT: Program Year (PY) 2026/Fiscal Year (FY) 2027 Workforce Innovation and Opportunity Act (WIOA) Adult, Youth, and Dislocated Worker Allocations

Purpose: This directive transmits notice of workforce regions (local areas) PY 2026/FY 2027 WIOA Adult, Youth, and Dislocated Worker program allocations.

Effective Date: April 1, 2026

Discussion: The Employment and Training Administration (ETA) of the U. S. Department of Labor (DOL), Training and Employment Guidance Letter (TEGL) No. 10-25 (issued April 28, 2026), a copy of which is Attachment 1 to this Directive, transmitting notice of the State's WIOA PY 2026/FY 2027 WIOA Youth, Adult, and Dislocated Worker allotments.

States operating under an approved WIOA State Plan will have the authority to expend their PY 2026 Youth funds, beginning April 1, 2026. This authority is provided under the WIOA Annual Funding Agreement. PY 2026 Adult and Dislocated Worker funds are available for State and local workforce development area expenditure beginning July 1, 2026. FY 2027 Adult and Dislocated Worker funds are available for State and local workforce development area expenditure beginning October 1, 2026 for expenditures incurred on or after October 1, 2026.

All Workforce Innovation and Opportunity Act funds, obligations and expenditures, must be tracked and reported separately for each of the funding streams and from all other funding sources.

The Governor is withholding fifteen percent (15%) of PY 2026 and fifteen percent (15%) of FY 2027 Adult, Youth, and Dislocated Worker allotments at the state level for the conduct of WIOA Statewide Activities to include state administration and other authorized activities. Three percent (3%) of funds are being withheld for local workforce development area incentive awards.

Additionally, the Governor has authority to withhold up to twenty-five percent of the State's Dislocated Worker program allotment for the conduct of Statewide Rapid Response activities. The State has elected to withhold three percent (3%) of funds for Rapid Response

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activities.

Specific information regarding PY 2026/FY 2027 Governor's WIOA Setaside amounts is contained in this Directive in Attachment 2.

At least eighty percent of all local workforce development area funds, including any PY 2026/FY 2027 local workforce development area incentive awards, must be obligated during PY 2026.

WIOA section 133(b)(4) provides the authority for local workforce development areas, with approval of the Governor, to transfer up to one hundred percent (100%) of the Adult Activities funds to Dislocated Worker Activities, and up to one hundred percent (100%) of Dislocated Worker Activities funds to Adult Activities.

Each local workforce development area Adult/Dislocated Worker funds transfer request should be submitted for the local workforce development area's PY 2026 Grant Agreement Package. Such Grant Package transfers must include an appropriate transfer request justification narrative.

All WIOA fund allocations, distributions, and awards are subject to the continued availability of federal funds.

Action: Local workforce development areas should utilize Attachment 2, Local Workforce Development Area Planning Allocation for Program Year 2026, when preparing their PY 2026/FY 2027 Grant Agreement Packages. The full amount of each local workforce development area's Adult, Dislocated Worker, and Youth allocations should be budgeted for PY 2026 (July 1, 2026 – June 30, 2027) expenditure. Local workforce development area PY 2026/FY 2027 Grant Agreement Packages should be submitted to the Workforce Development Division no later than June 17, 2026.

Local workforce development areas that elect to draw down their respective PY 2026 Youth allocations before their plans have been approved should submit a WIOA-60 (PY 2026 Youth Funds) to the Workforce Development Division, along with a cover letter under the local workforce development area grant recipient's signature, indicating the local workforce development area's intention to draw down the PY 2026 Youth funds.

Note that the Attachment 2 allocation summary breaks down the full local workforce development area Adult and Dislocated Worker allocations into Program Year and Fiscal Year components. Only the Program Year portion of local workforce development area Adult and Dislocated Worker allocations is available for expenditure on or after July 1, 2026. The

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Fiscal Year portion of local Workforce Development Area Adult and Dislocated Worker allocations, indicated under the Attachment 2 Fiscal Year column, is available for expenditure beginning October 1, 2026, and may not be used to pay for expenditures incurred prior to October 1, 2026.

Contact: Questions regarding this Directive should be referred to Lorilei Sanders, State Programs and Budget Section Manager, at (334) 353-1632, or lorilei.sanders@workforce.alabama.gov.

Tammy Wilkinson

**Tammy Wilkinson, Director
Workforce Development**

05/06/2026

Date

Attachments:

1. Training and Employment Guidance Letter
2. Local Workforce Development Area Planning Allocation for Program Year 2026

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIOA/Wagner-Peyser
	CORRESPONDENCE SYMBOL OWI
	DATE April 28, 2026

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 10-25

TO: STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS

FROM: HENRY MACK, ED.D. /s/
Assistant Secretary

SUBJECT: Workforce Innovation and Opportunity Act Adult, Dislocated Worker, and Youth Activities Program Allotments for Program Year 2026; Program Year Allotments for the Wagner-Peyser Act Employment Service Program; and Program Year 2026 Allotments of Workforce Information Grants to States and Outlying Areas

1. **Purpose.** To provide information to states and outlying areas on Workforce Innovation and Opportunity Act (WIOA) Title I Adult, Dislocated Worker, and Youth Activities program allotments for Program Year (PY) 2026; PY 2026 allotments for the Wagner-Peyser Act Employment Service (ES) Program, as required by section 6(b)(5) of the Wagner-Peyser Act, as amended; and the allotments of Workforce Information Grants to states for PY 2026.

2. **Action Requested.** States and outlying areas must follow the requirements in this guidance to obtain the federal funds needed to manage their programs.

3. **Summary and Background.**

a. Summary - This document provides grantees with guidance and information including:

- How to obtain the federal funds covered by this Training and Employment Guidance Letter (TEGL) and financial reporting requirements;
- The potential for reallocation of PY 2026 funds based on unobligated balances of PY 2025 funds in excess of 20 percent of their allotment at the end of PY 2025 (6/30/26);
- Requirements when calculating sub-state allocations to local areas;
- Funds set aside for evaluations, program integrity, and other department transfers;
- Salary caps at the Executive Level II;
- Waivers of the competition requirement for outlying areas; and
- Authority for outlying areas to submit an application for a single consolidated grant for Adult, Dislocated Worker, and Youth funds.

b. Background - On February 3, 2026, the Consolidated Appropriations Act, 2026 was enacted and from this point forward, referred to as “the Act”.

RESCISSIONS None

EXPIRATION DATE Continuing

The Act allows the Secretary of Labor (Secretary) to set aside up to 0.5 percent of each discretionary appropriation for activities related to program integrity and up to 0.75 percent of most operating funds for evaluations. Additionally, section 102 allows for up to 1 percent of discretionary funds in the Act to be transferred between programs, projects, or activities. For 2026, as authorized by the Act, the Department has set aside \$645,000 of the Training and Employment Services (TES) and \$155,000 of the State Unemployment Insurance and Employment Services Operations (SUIESO) appropriations impacted in this TEGL for these activities. Employment and Training Administration (ETA) reserved these funds from the WIOA Adult, Youth, Dislocated Worker, and Wagner-Peyser Act ES program budgets. Any funds not utilized for these reserve activities will be provided to the states.

The Act makes PY 2026 Youth Activities funds available for obligation on April 1, 2026, and funds the WIOA Adult and Dislocated Worker programs in two separate appropriations. The first appropriations for the Adult and Dislocated Worker programs become available for obligation on July 1, 2026; this portion is commonly referred to as “base” funds. The second appropriations for the Adult and Dislocated Worker programs become available for obligation on October 1, 2026; this portion is commonly referred to as “advance” funds because they are provided in the appropriations act passed during the fiscal year immediately before the fiscal year when the funds are available. For example, funds for PY 2026 that will be made available on October 1, 2026, were appropriated during FY 2026, but not made available until FY 2027, and are called the FY 2027 “advance” funds. See Attachment A for details.

The Act also includes the specification that the Secretary may reserve no more than 10 percent of the Dislocated Worker National Reserve funds to provide technical assistance and carry out additional activities related to the transition to WIOA. Additionally, salary caps are imposed under the Act. The funds provided to grantees in the allotments discussed in this TEGL must not be used by a recipient or sub-recipient to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. The rates of basic pay for the Executive Schedule are found at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>. States also may establish lower salary caps. See [TEGL 10-24](#), *Salary and Bonus Limitation Imposed by Appropriations Language*.

WIOA allotments for states are based on formula provisions contained in WIOA (see Attachment B for WIOA and Wagner-Peyser Act formula descriptions). The Act waives the competition requirement regarding funding to outlying areas (i.e., American Samoa, Guam, Commonwealth of the Northern Mariana Islands, the Republic of Palau, and the United States Virgin Islands). For PY 2026, outlying area grant amounts are based on the administrative formula determined by the Secretary that was used under the Workforce Investment Act.

Additionally, the Act allows outlying areas to submit a single application according to the requirements established by the Secretary for a consolidated grant for Adult, Youth, and Dislocated Worker funds. Subject to approval of the grant application and other reporting

requirements of the Secretary, the Act allows outlying areas receiving a consolidated grant to use those funds interchangeably between Adult, Youth, and Dislocated Worker programs or activities. Outlying areas must follow steps identified in Appendix VII if they want to consolidate those funds into a single grant. However, if outlying areas are not consolidating the Adult, Dislocated Worker, and Youth funds they must follow steps identified in Appendix VI.

WIOA specifically includes Palau as an outlying area, except during any period for which the Secretary of Labor and the Secretary of Education determine that a Compact of Free Association is in effect and contains provisions for training and education assistance prohibiting the assistance provided under WIOA. No such determinations prohibiting assistance have been made (WIOA sec. 3(45)(B)), and therefore the Republic of Palau may obtain allotments.

In addition to this TEGL, ETA will publish the allotments and descriptions of the allotment formulas in the [Federal Register](#). In this Federal Register notice, ETA will invite comments on the allotment formula for outlying areas.

4. **WIOA PY 2026 Allotments.** Please see Appendices I through VII for guidance and Attachments A through L for formula descriptions and allotment tables.

Under WIOA sec. 128(a), Governors shall reserve not more than 15 percent of the WIOA Adult, Dislocated Worker, and Youth allotments for statewide activities. In addition to the required statewide activities described in WIOA sec. 134(a)(2), Governors may use statewide activities funds for a wide range of allowable statewide employment and training activities described in WIOA sec. 134(a)(3) – a list which is illustrative not limited. Attachment L provides a table listing the estimated Governor’s reserve maximums for each state.

5. **Inquiries.** Questions regarding these allotments may be directed to the appropriate Regional Office. Information on allotments and planning requirements may also be found on the ETA website at <https://www.dol.gov/agencies/eta>.

6. **References.**

- Consolidated Appropriations Act, 2026 (Pub.L. 119-75);
- Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub.L. 119-4);
- Balanced Budget and Emergency Deficit Control Act of 1985, as amended (Title II of Pub. L. 99-177);
- Bipartisan Budget Act of 2018 (Pub. L. 115-123);
- Budget Control Act of 2011 (Pub. L. 112-25);
- Data for Persons Defined as Disadvantaged Youth and Adults (2016-2020)
<https://www.dol.gov/agencies/eta/budget/formula/disadvantagedyouthadults>;
- Workforce Innovation and Opportunity Act (Pub. L. 113-128);
- Wagner-Peyser Act, as amended (29 U.S.C. 49 et seq.);
- TEGL 10-24, *Salary and Bonus Limitation Imposed by Appropriations Language*, published January 17, 2025 <https://www.dol.gov/agencies/eta/advisories/tegl-10-24>;

- TEGL No.16-22, *Revised ETA-9130 Financial Report Instructions and Additional Guidance*; published May 12, 2023 <https://www.dol.gov/agencies/eta/advisories/tegl-16-22>;
- TEGL No. 01-23, *Updated Disadvantaged Youth and Adult Data for use in Program Year (PY) 2023 and future Workforce Innovation and Opportunity Act (WIOA) Youth and Adult Within-State Allocation Formulas*, published July 31, 2023 <https://www.dol.gov/agencies/eta/advisories/tegl-01-23>; and
- *Local Area Unemployment Statistics (LAUS) Technical Memorandum No. S-25-17 Program Year 2026 Areas of Substantial Unemployment under the Workforce Innovation and Opportunity Act*, dated July 28, 2025.

7. **Attachments.**

- Appendix I – WIOA Youth Allotment Activities
- Appendix II – WIOA Adult Allotment Activities
- Appendix III – WIOA Dislocated Worker Allotment Activities
- Appendix IV – Wagner-Peyser Act ES Allotment Activities
- Appendix V – Workforce Information Grants Allotment Activities
- Appendix VI – Submission Requirements and Reporting
- Appendix VII – Submission Requirements and Financial Reporting for Outlying Areas WIOA Title I Grant Consolidation
- Attachment A – Program Year 2026 Funding
- Attachment B – WIOA and Wagner-Peyser Statutory Formula Descriptions for State Allotments
- Attachment C – WIOA Statutory and Discretionary Formulas for Sub State Allocations
- Attachment D – WIOA Youth Activities State Allotments, PY 2026 vs PY 2025
- Attachment E – WIOA Adult Activities State Allotments, PY 2026 vs PY 2025
- Attachment F – WIOA Adult Activities PY 2026 State Allotments, July 1, and October 1 Funding
- Attachment G – WIOA Dislocated Worker Activities State Allotments, PY 2026 vs PY 2025
- Attachment H – WIOA Dislocated Worker Activities PY 2026 State Allotments, July 1, and October 1 Funding
- Attachment I – Employment Service (Wagner-Peyser) Allotments, PY 2026 vs PY 2025
- Attachment J – Workforce Information Grants to States Allotments, PY 2026 vs PY 2025
- Attachment K – WIOA Youth, Adult, and Dislocated Worker Outlying Areas Funding, PY 2026
- Attachment L – Estimated Governor's Reserve Maximums

**LOCAL AREA PLANNING ALLOCATIONS FOR
PROGRAM YEAR 2026/Initial Allocations
(July 1, 2026-June 30, 2027)**

Adult Program	Type	Category	Region	PY2026	FY2027	Total
Adult	Formula Allocations	WIOA	State	\$1,663,393.00	\$7,235,329.00	\$8,898,722.00
Adult	Governor/Set-Aside	Total 15%	State	\$249,508.00	\$1,085,299.00	\$1,334,807.00
Adult	Governor/Set-Aside	Administration 5%	State	\$83,169.00	\$361,766.00	\$444,935.00
Adult	Governor/Set-Aside	Other WIOA Activities 7%	State	\$116,437.00	\$506,473.00	\$622,910.00
Adult	Governor/Set-Aside	Incentive/Capacity Building. 3%	State	\$49,902.00	\$217,060.00	\$266,962.00
Adult	Governor/Set-Aside	Local Area Grants 100%	State	\$49,902.00	\$217,060.00	\$266,962.00
Adult	Governor/Set-Aside	State-level 0%	State	\$0.00	\$0.00	\$0.00
Local Area Adult Programs	Type	Category	Region	PY2026	FY2027	Total
Adult	Formula Allocations	WIOA 85%	Multiple	\$1,413,885.00	\$6,150,030.00	\$7,563,915.00
Adult	Formula Allocations	WIOA	Region 1	\$90,782.00	\$394,879.00	\$485,661.00
Adult	Formula Allocations	WIOA	Region 2	\$107,288.00	\$466,673.00	\$573,961.00
Adult	Formula Allocations	WIOA	Region 3	\$298,893.00	\$1,300,109.00	\$1,599,002.00
Adult	Formula Allocations	WIOA	Region 4	\$82,543.00	\$359,038.00	\$441,581.00
Adult	Formula Allocations	WIOA	Region 5	\$340,446.00	\$1,480,853.00	\$1,821,299.00
Adult	Formula Allocations	WIOA	Region 6	\$67,244.00	\$292,493.00	\$359,737.00
Adult	Formula Allocations	WIOA	Region 7	\$426,689.00	\$1,855,985.00	\$2,282,674.00
Youth Program	Type	Category	Region	PY2026	FY2027	Total
Youth	Formula Allocations	WIOA	State	\$9,191,727.00	\$0.00	\$9,191,727.00
Youth	Governor/Set-Aside	Total 15%	State	\$1,378,759.00	\$0.00	\$1,378,759.00
Youth	Governor/Set-Aside	Administration 5%	State	\$459,586.00	\$0.00	\$459,586.00
Youth	Governor/Set-Aside	Other WIOA Activities 7%	State	\$643,421.00	\$0.00	\$643,421.00
Youth	Governor/Set-Aside	Incentive/Capacity Building. 3%	State	\$275,752.00	\$0.00	\$275,752.00
Youth	Governor/Set-Aside	Local Area Grants 100%	State	\$275,752.00	\$0.00	\$275,752.00
Youth	Governor/Set-Aside	State-level 0%	State	\$0.00	\$0.00	\$0.00
Local Area Youth Programs	Type	Category	Region	PY2026	FY2027	Total
Youth	Formula Allocations	WIOA 85%	Multiple	\$7,812,968.00	\$0.00	\$7,812,968.00
Youth	Formula Allocations	WIOA	Region 1	\$744,837.00	\$0.00	\$744,837.00
Youth	Formula Allocations	WIOA	Region 2	\$509,227.00	\$0.00	\$509,227.00
Youth	Formula Allocations	WIOA	Region 3	\$1,523,866.00	\$0.00	\$1,523,866.00
Youth	Formula Allocations	WIOA	Region 4	\$356,566.00	\$0.00	\$356,566.00
Youth	Formula Allocations	WIOA	Region 5	\$1,982,215.00	\$0.00	\$1,982,215.00
Youth	Formula Allocations	WIOA	Region 6	\$376,939.00	\$0.00	\$376,939.00
Youth	Formula Allocations	WIOA	Region 7	\$2,319,318.00	\$0.00	\$2,319,318.00
Dislocated Workers Program	Type	Category	Region	PY2026	FY2027	Total
Dislocated Workers	Formula Allocations	WIOA	State	\$2,154,266.00	\$7,863,323.00	\$10,017,589.00
Dislocated Workers	Rapid Response	WIOA 3%	State	\$64,627.00	\$235,899.00	\$300,526.00
Dislocated Workers	Governor/Set-Aside	Total 15%	State	\$323,139.00	\$1,179,498.00	\$1,502,637.00
Dislocated Workers	Governor/Set-Aside	Administration 5%	State	\$107,713.00	\$393,166.00	\$500,879.00
Dislocated Workers	Governor/Set-Aside	Other WIOA Activities 7%	State	\$150,799.00	\$550,433.00	\$701,232.00
Dislocated Workers	Governor/Set-Aside	Incentive/Capacity Building. 3%	State	\$64,627.00	\$235,899.00	\$300,526.00
Dislocated Workers	Governor/Set-Aside	Local Area Grants 100%	State	\$64,627.00	\$235,899.00	\$300,526.00
Dislocated Workers	Governor/Set-Aside	State-level 0%	State	\$0.00	\$0.00	\$0.00
Local Area Dislocated Workers Program	Type	Category	Region	PY2026	FY2027	Total
Dislocated Workers	Formula Allocations	WIOA 82%	Multiple	\$1,766,500.00	\$6,447,926.00	\$8,214,426.00
Dislocated Workers	Formula Allocations	WIOA	Region 1	\$291,096.00	\$1,062,536.00	\$1,353,632.00
Dislocated Workers	Formula Allocations	WIOA	Region 2	\$169,440.00	\$618,475.00	\$787,915.00
Dislocated Workers	Formula Allocations	WIOA	Region 3	\$160,285.00	\$585,057.00	\$745,342.00
Dislocated Workers	Formula Allocations	WIOA	Region 4	\$209,801.00	\$765,798.00	\$975,599.00
Dislocated Workers	Formula Allocations	WIOA	Region 5	\$305,342.00	\$1,114,533.00	\$1,419,875.00
Dislocated Workers	Formula Allocations	WIOA	Region 6	\$120,245.00	\$438,904.00	\$559,149.00
Dislocated Workers	Formula Allocations	WIOA	Region 7	\$510,291.00	\$1,862,623.00	\$2,372,914.00

Total Program Year Allotment	Formula Allocations	Total	State	\$13,009,386.00	\$15,098,652.00	\$28,108,038.00
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