WIOA Funding Allocation Policy

Background: This policy defines the formula Montana uses for equitably allocating resources across the state.

Scope: This policy applies to all service providers operating WIOA Title I, WIOA Title I program manager(s), WIOA fiscal officers, the Statewide Innovation and Workforce Board (SWIB), and the Division Management Services Bureau (DMS). This policy is effective (insert date upon SWIB approval.)

Policy:

WIOA Adult and Youth Funding:

- Montana has one local area. WIOA funding is allocated to the area based on the following formula:
  - 1/3 unemployed in the Areas of Substantial Unemployment (ASU – a contiguous area with an average unemployment rate of 6.5% or greater);
  - 1/3 excess unemployed greater than 4.5%;
  - 1/3 total number of individuals in Montana who are economically disadvantaged.

- The state is broken into Montana Association of Counties (MACo) districts and each MACo district is allocated a portion of the WIOA funding based upon the formula above.

- Funding is allocated to the MACo districts by first applying a base of 9% for youth and 35% for adult. Base funding is subtracted from total funding for each program. The remainder of un-allocated funds are allocated using ratios of the formula above.

- The WIOA adult and youth funds are then contracted by the SWIB to the service providers. The SWIB conducts a Request for Proposal (RFP) for all WIOA providers. These contracts are valid for seven years provided the service provider is meeting performance standards and has no serious issues with compliance.

Minimum Percentage Hold Harmless:

- Each MACo district in Montana is guaranteed to receive an allocation percentage for the current fiscal year that is no less than 90% of the average allocation percentage of what that district received for the prior two fiscal years.

- Amounts necessary to increase allocations to districts must be obtained by ratably reducing the allocations to be made to other districts.

- If the amounts of the WIOA funds appropriated in a fiscal year are not sufficient to provide the amount as specified in 20 CFR 683.125(a), the amounts allocated to each district must be ratably reduced.
WIOA Dislocated Worker Funding:

- WIOA dislocated worker funding is based on the six criteria in the following formula:
  - Insured unemployed, using data for regular UI claims and UCFE claims;
  - Excess unemployed greater than 4.5%. The excess number equals the higher of the number of
    unemployed individuals in excess of 4.5% of the civilian labor force within Montana, or the
    number of unemployed individuals in excess of 4.5% of the civilian labor force in areas of
    substantial unemployment;
  - Economically disadvantage;
  - Declining employment using annual average employment data from the Quarterly Census of
    Employment and Wages;
  - Agricultural unemployment;
  - Long term unemployed.

- WIOA dislocated worker program is a statewide program and the funds are not restricted to each MACo
  district. Funds are allocated based upon need.

Rapid Response Funding:

- Rapid Response funding is 25% of the total WIOA dislocated Worker funding at the beginning of each
  year. The funds are allocated statewide based upon need.

References:

- 20 CFR 683.1259(a) Minimum Funding Provisions