

# WIOA Funding Allocation



Montana Department of  
**LABOR & INDUSTRY**

# WIOA Allocation History

Under WIA (est. 1998), the allocation methodology was established in law using the following formula:

- 1/3 – Relative number of unemployed individuals in areas of substantial unemployment
- 1/3 – Relative excess number of unemployed individuals
- 1/3 – Relative number of disadvantaged individuals (Adult or Youth)
  - Some small variations based on program such as:
    - Adult – Areas of Substantial Unemployment > 6.5%
    - Adult & Dislocated Worker – Excess number of Unemployed Individuals > 4.5%
    - Dislocated Worker – Rather than disadvantaged individuals, the formula counts individuals unemployed at least 15 weeks
    - Specific criteria for Disadvantaged Individuals

Each state received funding based on the above formula

States had to allocate to local areas using the same formula

WIOA maintained these same requirements with only small changes

# WIOA Allocation Background

In 2008, the SWIB expanded base funding by county

- 9% of Youth Funds
- 35% of Adult Funds

In addition the 90% Hold Harmless criteria was added to MACo Districts in the CEP (MACo Districts 8 &12)

In 2015 SWIB agreed to no longer fund the CEP and BOS separately

- Funding was allocated to each MACo District by:
  - Apply Base Funding by County
  - Apply the 1/3, 1/3, 1/3 Formula
  - Apply the 90% Hold Harmless Criteria

# Local Areas

In a response to a higher level of unemployment in the Butte and Helena areas, primarily due to the issues surrounding the decline of the Anaconda Copper Company, Montana created a CEP (Concentrated Employment Program) in 1973. The rest of the state was called the BOS (Balance of State).

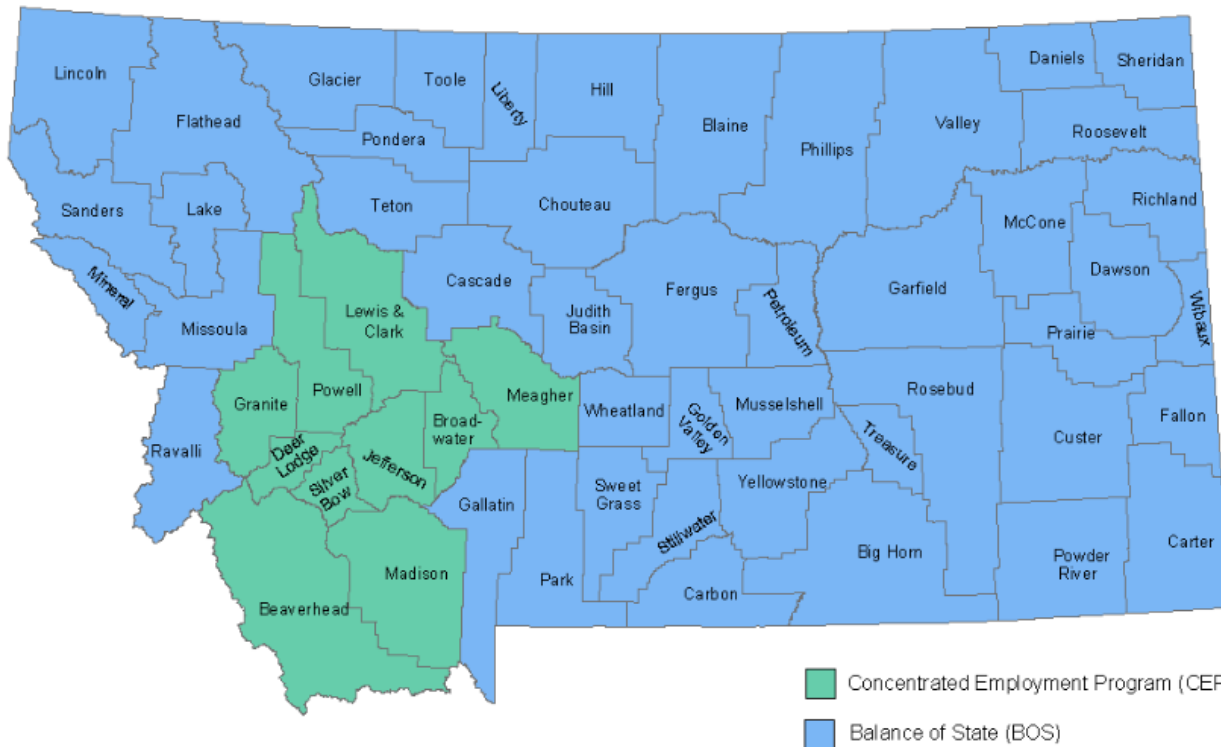
- This effectively created what we now refer to as local workforce areas under WIA and WIOA.

**Under WIA, Montana was allowed to essentially disband the BOS and CEP and operate as a single-area workforce state.**

- This occurred in 2015 as the requirement qualifications for a CEP were no longer relevant and after the Department of Labor conferred with counties and local governments.

# Local Areas

## Montana Local Workforce Investment Areas



# Local Areas

Under WIOA, the law no longer allows a state that had previously had local areas to become a single-area workforce state.

In April 2018, USDOL audited the Department of Labor and returned a finding in July that stated that Montana must return to its previous local area designations (previously the locations under the CEP and BOS)

In this same audit, USDOL agreed that Montana could request a waiver for the state board (SWIB) to act as the local boards due to ongoing workforce funding constraints.

While Montana can continue to function as we have been over the last three years, we must allocate funding by local area starting in Program Year 2019 (July 1, 2019).

# What does this mean?

Montana can continue to effectively operate as we have been in terms of workforce planning.

We need to re-look at our WIOA funding allocations and begin allocating by local area

- Local area funding would occur first
- Funding to MACo District/Provider would occur next

WIOA law has some very specific criteria for allocating program funds to local areas

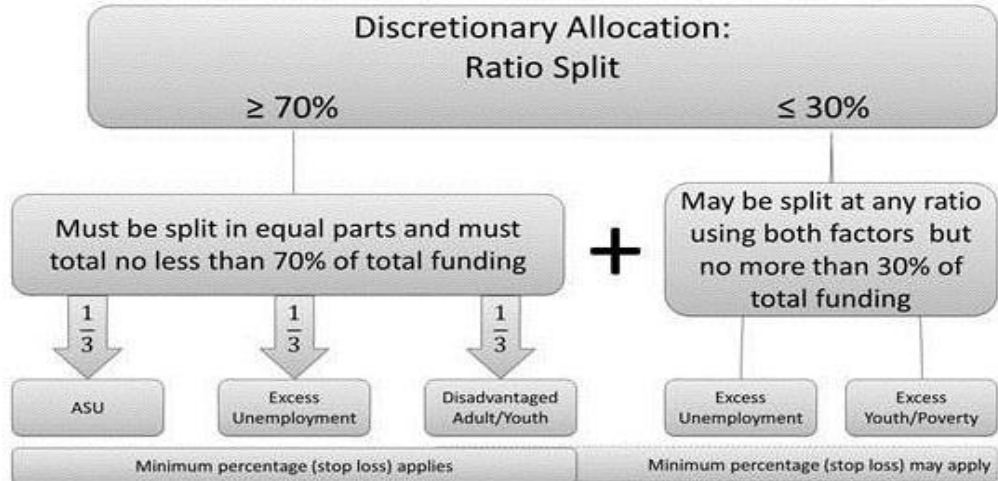
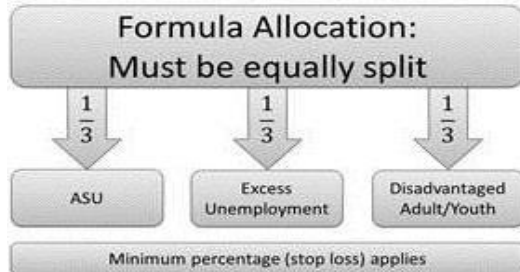
SWIB has flexibility in allocating funds from local areas to MACo District/Provider

# WIOA Funding Requirements – Adult & Youth

Attachment C-2

WIOA Youth and Adult Sub-State Allocations:  
*Must be allocated to local areas per  
Formula or Discretionary rules*

States must choose one of  
these allocation methods





# WIOA Funding Requirements – Dislocated Worker

Funds to local areas must be allocated based on a formula created by the Governor using the following 6 data factors:

- (1) Insured unemployment data
- (2) Unemployment concentrations
- (3) Plant closing and mass layoff data
- (4) Declining industries data
- (5) Farmer-rancher economic hardship data
- (6) Long-term unemployment data

\*\* Weighting a factor zero is not permitted unless a rationale is presented in an approved State Plan.

# WIOA Funding Flexibility

## Base Funding Options

Hold Harmless Options to MACo District and/or Provider

## Number of Providers per Program

- Adult Program does not currently limit the number of providers
- Youth Program currently operates with one provider per MACo District
- Dislocated Worker Program currently operates with one provider that delivers services across the state

# Next Steps

- 1) Determine a formula to allocate Adult and Youth funds to the two local areas
- 2) Determine a formula to allocate Dislocated Worker funds to the two local areas
- 3) Determine how to allocate Adult, Youth and Dislocated Worker Funds to MACo Districts/Providers

# Time Constraints

Montana must have a new allocation methodology in place for Program Year 2019 (July 1, 2019)

Montana is due to re-procure all three WIOA programs effective Program Year 2019 (July 1, 2019)

In order to re-procure, Montana must present a Request For Proposal (RFP)

The RFP must be ready in January 2019

- Department of Administration must approve RFP
- RFP is Posted
- RFP Responses Received
- RFP is evaluated and graded
- Providers are determined and contracts are awarded