

**Page 63 of Montana WIOA 2022 State Plan Modifications DRAFT –  
For SWIB Meeting – April 2022**

WIOA Sec. 128(c)(3), page 80 of Attachment #7 (Reference of PLAW-113publ128 – WIOA)  
WIOA Sec. 133(c), page 95 of Attachment #7 (Reference of PLAW-113publ128 – WIOA)

Waiver Request #2 – Reallocation Waiver

**1. The statutory and/or regulatory requirements the State would like to waive**

DLI is seeking a waiver from the provisions of WIOA §128(c)(3) and §133(c) regarding reallocation among local workforce providers/areas. This waiver would provide flexibility to DLI in redistributing funds among local workforce providers/areas (herein referenced as program operators).

**2. Actions the State has taken to remove state or local barriers**

There are no state or local statutory or regulatory barriers to implementing the requested waiver.

This waiver would provide DLI the flexibility to redistribute recaptured funds to workforce program operators where the greatest potential may be realized, thus ensuring more effective and more efficient use of federal funds. DLI will continue to apply this strategy and monitor outcome success.

If approved, DLI will enact a deobligation/reallocation policy to establish consistent procedures for funds administered in support of the workforce development system.

- Deobligations will be required to pass a multilevel review process:
  - Expenditures are reviewed quarterly (performance is also considered).
  - If expenditures are trending low, staff provides technical assistance to the program operator.
  - Program operators are given an opportunity to get expenditures back on track.
  - When it becomes clear that a program operator will not be able to meet the expenditure benchmark, discussion regarding the possible deobligation occurs and we receive concurrence from the program operator that they will not be able to use the funds.
- Reallocations will also be required to pass a multilevel review process:
  - Expenditures are reviewed quarterly (performance is also considered).
  - If expenditures are trending high, staff provides technical assistance to the program operator:
    - Program operators are given an opportunity to explain why expenditures appear to be high.
    - Program operators may identify that the numbers of participants to be served is higher than anticipated and additional funds are needed.
    - Staff verifies through the performance reports that the number of participants is consistent with the program operator's explanation of need.

This process for reallocation would be used for WIOA funds upon approval of the waiver.