



Montana Department of LABOR & INDUSTRY

Division: Workforce Services Division
Category: WIOA
Effective Date: 02/07/2018
Last Revised:
Policy No.: 02-18

WIOA Funding Allocation Policy

Background: Annually, Congress provides funding to the U.S. Department of Labor (USDOL), the federal agency which administers the Workforce Innovation and Opportunity Act's (WIOA) Title I Adult, Dislocated Worker, and Youth programs. The Secretary of Labor allocates these funds to the states. The Montana Department of Labor & Industry (MDLI), the Governor's designated administrative entity, allocates these grant funds to the local areas by formula. This policy describes the formula Montana uses for allocating and redistributing WIOA Title I program funding across the state.

Federal funding for these programs is based on WIOA requirements and considers certain Montana statistics such as unemployment rates and the number of disadvantaged individuals. USDOL issues these allocations prior to each new program year which starts in July and ends in June.

Scope: This policy applies to the Workforce Services Division (WSD) as the state administrative entity; all service providers operating WIOA Title I; and the State Workforce and Innovation Board (SWIB). This policy is effective _____.

Policy:

Statewide Activity Support:

- Part of Montana's WIOA program year grant allotments are set aside to support statewide activities as follows:
 - Up to 15% of all programs is set aside for the Governors reserve.
 - Up to 25% of the dislocated worker grant may be set aside for rapid response services.
- The remaining grant allotments are distributed to Montana's two local areas. Local Area 1 consists of Montana Association of Counties (MACo) districts 8, 12, and Meagher County (part of MACo district 9) and Local Area 2 consists of the remainder of the state of Montana.

Federal Adult and Youth Allocation Formula:

- WIOA Adult and Youth program funding is allocated to each local area based on the following SWIB-approved federal formula that includes the following required criteria:

- 1/3 – relative share of unemployed in areas of substantial unemployment (Areas of Substantial Unemployment - ASUs: a contiguous area with an average unemployment rate of 6.5% or greater);
- 1/3 – relative share of excess unemployed greater than 4.5%;
- 1/3 – relative share of the total number of disadvantaged individuals.
- A local area may not receive an allocation percentage that is less than 90 percent of the average allocation percentage of the past 2 years.
- Subrecipients/service providers who do not obligate at least 80 percent of the program year's funding distribution for the adult and youth funding streams by the end of the current program year will be subject to recapture and reallocation.

State Adult and Youth Allocation Process:

- Once the allocation is determined by local area, funding is distributed to each MACo district by calculating the average percentage of funds received by that MACo district compared to the respective local area in the past two years.
- Adult and youth funds may be redistributed within each local area prior to the end of the program year if needs arise based upon changes to enrollments, training costs, layoffs, etc.
- The local areas have 18 months (July 1 – December of the following year) to spend down their WIOA program funds. Any unexpended funds are returned to the State and will be used for statewide activities or other approved purposes.

Federal Dislocated Worker Allocation Formula:

WIOA Dislocated Worker (DW) funding is allocated to each local area based on the following SWIB approved formula that includes the federal required criteria:

Montana WIOA Dislocated Worker Funding Formula		
Federally Required Data Factor	Weight	How the Data Factor is Measured
Insured Unemployment Data	60%	Share of total people making a UI claim in the last year
Unemployment Concentrations	13%	Share of unemployed individuals in counties with 150% state unemployment rate
Plant Closings and Mass Layoff Data	5%	Share of number of firms making layoffs of 50 or more people in the same month over the last year (includes seasonal layoffs)
Declining Industries Data	10%	Percent of employment in declining industries in base year (5 years ago), with declining industries defined as those that lost statewide employment compared to five years prior
Farmer-Rancher Economic Hardship Data	2%	Number of Chapter 12 bankruptcies in most recent year
Long-term Unemployment Data	10%	Share of UI claims lasting 16 weeks or longer

- A local area may not receive an allocation percentage that is less than 90 percent of the average allocation percentage of the past 2 years.

State Dislocated Worker Allocation Process:

- The local areas have 18 months (July 1 – December of the following year) to spend down their WIOA program funds. Any unexpended funds are returned to the State and will be used for statewide activities or other approved purposes.

Transfer of Funds:

- With the Governor's approval, we may transfer up to 100 percent of the adult program funds for dislocated worker activity expenditures and up to 100 percent of dislocated worker program funds for adult activity expenditures.

References:

- [20 CFR 683.125\(a\) Minimum Funding Provisions](#)
- [20 CFR 683.140 State Reallocation Procedures](#)
- [Map of MACo Districts and Related Counties](#)
- [TEGL 09-21 WIOA Adult, Dislocated Worker, and Youth Activities Program Allotments](#)