



Montana Department of LABOR & INDUSTRY

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2 Division: Workforce Services Division
3 Category: WIOA
4 Effective Date: 02/07/2018
5 Last Revised: N/A
6 Policy No.: 02-18

WIOA Funding Allocation Policy

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

10 **Scope:** This policy applies to all service providers operating WIOA Title I, WIOA Title I program manager(s),
11 WIOA fiscal officers, the Statewide Innovation and Workforce Board (SWIB), and the Division Management
12 Services Bureau (DMS). This policy is effective February 7, 2018

13 Policy:

14 WIOA Adult and Youth Funding:

- 15 • Montana has one local area. WIOA funding is allocated to the area based on the following formula:
 - 16 ○ 1/3 unemployed in the Areas of Substantial Unemployment (ASU – a contiguous area with an
 - 17 average unemployment rate of 6.5% or greater);
 - 18 ○ 1/3 excess unemployed greater than 4.5%;
 - 19 ○ 1/3 total number of individuals in Montana who are economically disadvantaged.
- 20 • The state is broken into Montana Association of Counties (MACo) districts and each MACo district is
- 21 allocated a portion of the WIOA funding based upon the formula above.
- 22 • Funding is allocated to the MACo districts by first applying a base of 9% for youth and 35% for adult.
- 23 Base funding is subtracted from total funding for each program. The remainder of un-allocated funds
- 24 are allocated using ratios of the formula above.
- 25 • The WIOA adult and youth funds are then contracted by the SWIB to the service providers. The SWIB
- 26 conducts a Request for Proposal (RFP) for all WIOA providers. These contracts are valid for seven years
- 27 provided the service provider is meeting performance standards and has no serious issues with
- 28 compliance.

29 Minimum Percentage Hold Harmless:

- 30 • Each MACo district in Montana is guaranteed to receive an allocation percentage for the current fiscal year
- 31 that is no less than 90% of the average allocation percentage of what that district received for the prior two
- 32 fiscal years.
- 33 • Amounts necessary to increase allocations to districts must be obtained by ratably reducing the allocations
- 34 to be made to other districts.
- 35 • If the amounts of the WIOA funds appropriated in a fiscal year are not sufficient to provide the amount as
- 36 specified in 20 CFR 683.125(a), the amounts allocated to each district must be ratably reduced.

1 **WIOA Dislocated Worker Funding:**

- 2 • WIOA dislocated worker funding is based on the six criteria in the following formula:
- 3 ○ Insured unemployed, using data for regular UI claims and UCFE claims;
 - 4 ○ Excess unemployed greater than 4.5%. The excess number equals the higher of the number of
 - 5 unemployed individuals in excess of 4.5% of the civilian labor force within Montana, or the
 - 6 number of unemployed individuals in excess of 4.5% of the civilian labor force in areas of
 - 7 substantial unemployment;
 - 8 ○ Economically disadvantage;
 - 9 ○ Declining employment using annual average employment data from the Quarterly Census of
 - 10 Employment and Wages;
 - 11 ○ Agricultural unemployment;
 - 12 ○ Long term unemployed.
- 13 • WIOA dislocated worker program is a statewide program and the funds are not restricted to each MACo
- 14 district. Funds are allocated based upon need.

15 **Rapid Response Funding:**

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

18 **References:**

- 19 • [20 CFR 683.125\(a\) Minimum Funding Provisions](#)