



# Montana Department of LABOR & INDUSTRY

1 Division: Workforce Services Division  
2 Category: WIOA  
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5 Policy No.: 02-18

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## WIOA Funding Allocation Policy

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

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

18 **Scope:** This policy applies to the Workforce Services Division (WSD) as the state administrative entity; all  
19 service providers operating WIOA Title I; and the State Workforce and Innovation Board (SWIB). This policy is  
20 effective July 1, 2023.

### 21 Policy:

#### 22 Statewide Activity Support:

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

#### 30 Federal Adult and Youth Allocation Formula:

- 31 • WIOA Adult and Youth program funding is allocated to each local area based on the following SWIB-  
32 approved federal formula that includes the following required criteria:
  - 33 ○ 1/3 - relative share of unemployed in areas of substantial unemployment (Areas of Substantial  
34 Unemployment - ASUs: a contiguous area with an average unemployment rate of 6.5% or  
35 greater);

- 36 ○ 1/3 – relative share of excess unemployed greater than 4.5%;
- 37 ○ 1/3 – relative share of the total number of disadvantaged individuals.
- 38 ● A local area may not receive an allocation percentage that is less than 90 percent of the average
- 39 allocation percentage of the past 2 years.
- 40 ● Subrecipients/service providers who do not obligate at least 80 percent of its program year’s funding
- 41 distribution for the adult and youth funding streams by the end of the current program year will be
- 42 subject to recapture and reallocation.

43 **State Adult and Youth Allocation Process:**

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

52 **Federal Dislocated Worker Allocation Formula:**

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

<b>Montana WIOA Dislocated Worker Funding Formula</b>		
<b>Federally Required Data Factor</b>	<b>Weight</b>	<b>How the Data Factor is Measured</b>
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

- 55 ● A local area may not receive an allocation percentage that is less than 90 percent of the average
- 56 allocation percentage of the past 2 years.
- 57 ● Subrecipients/service providers who do not obligate at least 80 percent of its program year’s funding
- 58 distribution for the adult and youth funding streams by the end of the current program year will be
- 59 subject to recapture and reallocation.
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62 **State Dislocated Worker Allocation Process:**

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

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67 **Transfer of Funds:**

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

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72 **References:**

- 73 • [20 CFR 683.125\(a\) Minimum Funding Provisions](#)  
74 • [20 CFR 683.140 State Reallocation Procedures](#)  
75 • [Map of MACo Districts and Related Counties](#)  
76 • [TEGL 09-21 WIOA Adult, Dislocated Worker, and Youth Activities Program Allotments](#)