



Montana Department of LABOR & INDUSTRY

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2 **Division: Workforce Services Division**
3 **Category: WIOA**
4 **Original Effective Date: 02/07/2018**
5 **Last Revised: 04/16/2019**
6 **Policy No.: 02-18**

WIOA Funding Allocation Policy

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

11 **Scope:** This policy applies to all service providers operating WIOA Title I, WIOA Title I program manager(s),
12 WIOA fiscal officers, the State Workforce and Innovation Board (SWIB), and the Division Management Services
13 Bureau (DMS). This policy is effective April 16, 2019.

14 **Policy:**

15 **WIOA Adult and Youth Funding:**

- 16 • Montana has two local areas. Local Area 1 consists of Montana Association of Counties (MACo) districts
17 8, 12, and Meagher County (part of MACo district 9). Local Area 2 consists of the remainder of the state
18 of Montana.
- 19 • WIOA funding is allocated to each area based on the following formula:
 - 20 ○ 1/3 – relative share of unemployed in areas of substantial unemployment (ASU – a contiguous
21 area with an average unemployment rate of 6.5% or greater);
 - 22 ○ 1/3 – relative share of excess unemployed greater than 4.5%;
 - 23 ○ 1/3 – relative share of the total number of individuals who are economically disadvantaged.
- 24 • A local area may not receive an allocation percentage that is less than 90 percent of the average
25 allocation percentage of the past 2 years.
- 26 • Once the allocation is determined by local area, funding is distributed to each MACo district by
27 calculating the average percentage of funds received by that MACo district, compared to the respective
28 local area, in the past 2 years.
- 29 • The WIOA Adult and Youth funds are contracted by the SWIB to service providers. The SWIB conducts a
30 Request for Proposal (RFP) for the Adult and Youth programs. These contracts are valid up to seven
31 years or the number of years specified in the current RFP, provided the service provider is meeting
32 performance standards and has no serious issues with compliance.

33 **WIOA Dislocated Worker Funding:**

- 34 • WIOA Dislocated Worker funding is based on a formula including insured unemployment data,
35 unemployment concentrations, plant closings & mass layoff data, declining industries data, farmer-
36 rancher economic hardship data and long-term unemployment data.

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- The SWIB approved the following criteria measurements and weights to determine the amount of funding that is allocated to Local Area 1 and Local Area 2 in Montana.

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

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- 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.
- WIOA Dislocated Worker funds are contracted by the SWIB to one service provider that can provide services throughout the state in both local areas. Funds are not restricted by MACo district and can be used in each area based upon need. The SWIB conducts a Request for Proposal (RFP) for the Dislocated Worker program. This contract is valid up to seven years, or the number of years specified in the current RFP, provided the service provider is meeting performance standards and has no serious issues with compliance.

48 **Rapid Response Funding:**

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- Rapid Response funding is 25% of the total WIOA Dislocated Worker funding at the beginning of each year. The funds are allocated statewide based upon need. The Rapid Response program is operated by the state.

52 **References:**

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- [20 CFR 683.125\(a\) Minimum Funding Provisions](#)
- [Map of MACo Districts and related counties](#)