



INDIANA  
**WORKFORCE**  
DEVELOPMENT  
AND ITS **WorkOne** CENTERS

**TO:** State Workforce Innovation Council Chairperson  
Balance of State Workforce Investment Board Chairperson  
Indianapolis Private Industry Council Chair, and IPIC's President and CEO  
Regional Workforce Board Chairs  
Regional Operators

**FROM:** Scott Sanders   
Chief Financial Officer, Indiana Department of Workforce Development

**DATE:** June 18, 2010

**SUBJECT:** DWD Policy 2009-14  
Final Program Year 2010 Workforce Investment Act Adult, Youth, and  
Dislocated Worker Formula Allocations

**Purpose**

To announce the Final Program Year 2010 Workforce Investment Act (WIA) Adult, Youth, and Dislocated Worker formula allocations received from the U. S. Department of Labor Employment and Training Administration, and to explain the policy for distribution of the funding to Indiana's two local workforce investment boards and to Indiana's eleven Regional Workforce Boards. The Marion County Workforce Investment Board and each Regional Workforce Board are required to submit an annual budget to the Director of Budget and Accounting by July 1, 2010 that details each board's intended use of its Program Year 2010 funds. The program year runs from July 1, 2010 through June 30, 2011.

The Strategic Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act, July 1, 2005 through June 30, 2011, as submitted for the Indiana Department of Workforce Development (DWD), explains that Indiana is comprised of two workforce service areas, Marion County and the Balance of State, each with a local workforce investment board. The state board is Indiana's State Workforce Innovation Council. Indiana's Balance of State Workforce Investment Board (BOS WIB) serves 91 of Indiana's 92 counties in its workforce service area. Within that area are eleven distinct economic growth regions, each overseen by a Regional Workforce Board. The second workforce service area is Marion County which is served by the Indianapolis Private Industry Council (IPIC), the Marion County Workforce Investment Board.

**Rescission**

None

Mitchell E. Daniels, Jr., *Governor*  
Mark W. Everson, *Commissioner*

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## **Content**

Before distributions are made of Indiana's Workforce Investment Act formula funds, the Indiana Department of Workforce Development, acting in its capacity as staff to the State Workforce Innovation Council, is required by the Workforce Investment Act to reserve funding at the state level for two purposes and to develop a schedule of allocations to the state's two local workforce investment boards. First, Statewide Employment and Training Activities funding, also known as Governor's Discretionary funding, is calculated by reserving not more than 10 percent for statewide activities from the total funding available for adults, youth, and dislocated workers. An additional 5 percent is withheld from that total funding for statewide activities administration. Statewide Employment and Training activities explained in the Workforce Investment Act, Section 134(a)(2)(B) include:

- Disseminating the State list of eligible training providers, information identifying eligible providers of on-the-job training and customized training, and performance information and program cost of such providers;
- Publishing a list of youth providers;
- Conducting evaluations of activities;
- Providing incentive grants;
- Providing technical assistance to local areas for failing standards;
- Assisting in the establishment and operation of the one-stop system;
- Providing additional assistance to local areas with high concentrations of youth; and
- Operating a fiscal and management accountability information system.

Second, not more than 25 percent of the funding available for dislocated workers may be reserved for statewide rapid response activities. Mandatory rapid response activities are explained in the Workforce Investment Act Section 134(a)(2)(A) and include:

- Providing rapid response activities in local areas by the state or an entity designated by the state, in coordination with the local boards and chief elected officials in the local area; and
- Providing additional assistance in local areas that experience disasters, mass layoffs or plant closings, or other events that increase the numbers of unemployed individuals, carried out by the state or an entity designated by the state, in coordination with the local boards and chief elected officials in the local areas.

## **WIA Adult, Youth and Dislocated Worker Formula Allocations to Indiana's Balance of State Workforce Investment Board and the Marion County Workforce Investment Board**

At its May 13, 2010 meeting, the State Workforce Innovation Council approved that the WIA Title I Adult, Youth, and Dislocated Worker Program Year 2010 allotments be formula allocated to Indiana's two local workforce investment boards. The calculations used to do so follow.

### Adult Formula Allocations to Indiana's Two Local Workforce Investment Boards

The state follows Section 133(b)(2)(A)(i) of the Workforce Investment Act to formula allocate funding for adult activities. The following data are used in computing the allotments:

- The number of unemployed for Areas of Substantial Unemployment (ASUs), averages for the 12-month period, July 2008 through June 2009, using data provided by the Bureau of Labor Statistics
- The number of excess unemployed individuals or the ASU excess (depending on which is higher), averages for the same 12-month period as used for ASU unemployed data, and
- The number of economically disadvantaged adults (age 22 to 72, excluding college students and military), from special 2000 Census tabulations.

Also, the State applies the hold harmless provision contained in Workforce Investment Act Section 133(b)(2)(A)(ii.) The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the Workforce Investment Act Adult allocation:

- The allocations are available for obligation beginning July 1, 2010. (20 CFR Part 667.100)
- Workforce Investment Act adult cost limitations are allocation-based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2011 for Program Year 2010 Workforce Investment Act allocations. (Workforce Investment Act Section 133(c))
- 70 percent of IPIC's program and administrative allocation including the transfer activities must be expended in the first year.
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2012 for Program Year 2010 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Workforce Investment Act Section 128(b)(4) and 20 CFR Part 667.210)
- A workforce investment board may transfer up to 30 percent of the Program Year 2010 adult allocation and up to 30 percent of the Program Year 2010 dislocated worker allocation between the two programs. Approval must be provided before making any such transfer. (Workforce Investment Act Section 133(b)(4))

#### Youth Formula Allocations to Indiana's Two Workforce Investment Boards

The formula for the youth allocation to Indiana's two local workforce investment boards follows Section 128(b)(2)(A)(i) of the Workforce Investment Act in formula allocating funding for youth activities. The following data are used in computing the allocations:

- The number of unemployed for Areas of Substantial Unemployment (ASUs), averages for the 12-month period, July 2008 through June 2009, using data provided by the Bureau of Labor Statistics
- The number of excess unemployed individuals or the ASU excess (depending on which is higher), averages for the same 12-month period as used for ASU unemployed data, and
- The number of economically disadvantaged youth (age 16 to 21, excluding college students and military), from special 2000 Census tabulations.

Also, the State applies the hold harmless provision contained in Workforce Investment Act Section 128(b)(2)(A)(ii) is enacted. The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the Workforce Investment Act Youth allocation:

- Allocations are available for obligation beginning July 1, 2010. (20 CFR Part 667.100)
- Cost limitations for Workforce Investment Act youth allocations are allocation based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2011 for Program Year 2010 Workforce Investment Act allocations. (Workforce Investment Act Section 128(c))
- 70 percent of IPIC’s program and administrative allocation including the transfer activities must be expended in the first year.
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2012 for Program Year 2010 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent.(Workforce Investment Act Section 128(b)(4) and 20 CFR Part 667.210)
- Workforce investment boards cannot transfer funds to or from the Workforce Investment Act youth program. (Workforce Investment Act Section 133(b)(4))
- Not less than 30 percent must be expended on services to out-of-school youth. (Workforce Investment Act Section 129(c)(4))

Dislocated Worker Formula Allocations to Indiana’s Two Workforce Investment Boards

The state follows the Workforce Investment Act Section 133(b)(2)(B) in allocating funds for activities for dislocated workers. The legislation mandates the factors that must be used in the local formula, but permits states’ discretion in determining data sources and weights assigned each factor.

The following data are used by the State of Indiana to compute the allotments.

<b>Allocation Factor</b>	<b>Data Source &amp; Time Period</b>	<b>Weight</b>
Insured Unemployment Data	Annual report of unemployment compensation claimants – unemployment insurance data for Calendar Year 2009	30%
Unemployment Concentration Data	Labor force for counties report – labor market information for Program Year 2008	30%
Plant Closing & Mass Layoff Data	Plant closure/mass layoff report – WARN Notices for Calendar Year 2009	15%
Declining Industries Data	County employment patterns report – labor market information for Calendar Year 2008	10%
Farmer/Rancher Economic Hardship Data	Census of Agriculture – county data for Calendar Year 2007	5%
Long-term Unemployment Data	Annual report of unemployment compensation claimants with 15 or more weeks claimed – unemployment insurance data for Calendar Year 2009	10%

The following are important facts concerning the Workforce Investment Act Dislocated Worker allocation:

- The Program Year 2010 allocation is available for obligation beginning July 1, 2010. (20 CFR Part 667.100)
- Workforce Investment Act Dislocated Worker cost limitations are allocation-based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2011 for Program Year 2010 Workforce Investment Act allocations. (Workforce Investment Act Section 133(c))
- 70 percent of IPIC's program and administrative allocation including the transfer activities must be expended in the first year.
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2012 for Program Year 2010 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Workforce Investment Act Section 128(b)(4) and 20 CFR Part 667.210)
- There is no hold harmless provision for dislocated worker funding.
- A workforce investment board may transfer up to 30 percent of the Program Year 2010 adult allocation and up to 30 percent of the Program Year 2010 dislocated worker allocation between the two programs. Approval must be provided before making any such transfer. (Workforce Investment Act Section 133(b)(4))

#### **Allocations to the Balance of State Workforce Investment Board's Eleven Regional Workforce Boards**

On May 13, 2010, the Balance of State Workforce Investment Board voted to allocate the Program Year 2010 BOS WIB's Workforce Investment Act funding for adult, youth, and dislocated workers to the eleven Regional Workforce Boards. An allocation process very similar to that used for Indiana's two local workforce investment boards was utilized to determine allocations to the Regional Workforce Boards.

To compute WIA adult allocations to the Regional Workforce Boards, the following data was used:

- The number of unemployed for Areas of Substantial Unemployment (ASUs), averages for the 12-month period, July 2008 through June 2009, using data provided by the Bureau of Labor Statistics
- The number of excess unemployed individuals or the ASU excess (depending on which is higher), averages for the same 12-month period as used for ASU unemployed data, and
- The number of economically disadvantaged adults (age 22 to 72, excluding college students and military), from special 2000 Census tabulations.

To compute WIA youth allocations to the Regional Workforce Boards, the following data was used:

- The number of unemployed for Areas of Substantial Unemployment (ASUs), averages for the 12-month period, July 2008 through June 2009, using data provided by the Bureau of Labor Statistics
- The number of excess unemployed individuals or the ASU excess (depending on which is higher), averages for the same 12-month period as used for ASU unemployed data, and
- The number of economically disadvantaged youth (age 16 to 21, excluding college students and military), from special 2000 Census tabulations.

To compute WIA dislocated worker allocations to Regional Workforce Boards, the following data was used:

<b>Allocation Factor</b>	<b>Data Source &amp; Time Period</b>	<b>Weight</b>
Insured Unemployment Data	Annual report of unemployment compensation claimants – unemployment insurance data for Calendar Year 2009	30%
Unemployment Concentration Data	Labor force for counties report – labor market information for Program Year 2008	30%
Plant Closing & Mass Layoff Data	Plant closure/mass layoff report – WARN Notices for Calendar Year 2009	15%
Declining Industries Data	County employment patterns report – labor market information for Calendar Year 2008	10%
Farmer/Rancher Economic Hardship Data	Census of Agriculture – county data for Calendar Year 2007	5%
Long-term Unemployment Data	Annual report of unemployment compensation claimants with 15 or more weeks claimed – unemployment insurance data for Calendar Year 2009	10%

The following are important facts concerning the Workforce Investment Act regional allocations:

- The allocations are available for obligation beginning July 1, 2010.
- Workforce Investment Act cost limitations are allocation-based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were allocated – June 30, 2011 for Program Year 2010 Workforce Investment Act allocations.
- 70 percent of each Regional Workforce Board’s program and administrative allocation for adults, youth and dislocated workers including transfer activities must be expended in the first year.
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2012 for Program Year 2010 Workforce Investment Act allocations.
- Regional administration is limited to a maximum of 10 percent.
- A Regional Workforce Board may transfer up to 30 percent of the Program Year 2010 adult allocation and up to 30 percent of the Program Year 2010 dislocated worker allocation between the WIA adult and WIA dislocated worker programs. Approval must be provided before making any such transfer.
- Funds cannot be transferred to or from the Workforce Investment Act youth program.
- Not less than 30 percent of allocated WIA youth funds must be expended on services to out-of-school youth.

**Effective Date**  
 July 1, 2010

**Ending Date**  
 June 30, 2013

DWD Policy 2009-14

June 18, 2010

Page 7 of 8

**Ownership**

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**Action**

Workforce Investment Board and Regional Workforce Board administrators shall distribute the information contained in this communication to appropriate staff.

**Attachment**

Workforce Investment Act Program Year 2010 Allocations

## Workforce Investment Act Program Year 2010 Allocations

Program Year 2010 Catalog of Federal Domestic Assistance Number	Adult 17.258	Youth 17.259	DW 17.260	Total
<b>State Allotments</b>	<b>\$17,396,927</b>	<b>\$19,697,136</b>	<b>\$27,257,656</b>	<b>\$64,351,719</b>
>State Admin	\$ 869,846	\$ 984,857	\$ 1,362,883	\$ 3,217,586
>Governor's Discretionary	\$ 1,739,693	\$ 1,969,714	\$ 2,725,766	\$ 6,435,172
>Rapid Response	-	-	<u>\$ 6,814,414</u>	<u>\$ 6,814,414</u>
>Amount to be allocated to the workforce investment boards	<u>\$14,787,388</u>	<u>\$16,742,566</u>	<u>\$16,354,594</u>	<u>\$47,884,547</u>
<b>Workforce Investment Boards</b>				
Marion County	\$ 2,807,355	\$ 2,738,742	\$ 2,533,458	\$ 8,079,555
Balance of State	\$11,980,033	\$14,003,824	\$13,821,136	\$39,804,993
<b>Total</b>	<b>\$14,787,388</b>	<b>\$16,742,566</b>	<b>\$16,354,594</b>	<b>\$47,884,548</b>
Balance of State				
Region 1	\$ 1,899,167	\$ 1,997,739	\$ 1,648,406	\$ 5,545,312
Region 2	\$ 1,757,640	\$ 2,101,286	\$ 1,853,715	\$ 5,712,641
Region 3	\$ 1,839,794	\$ 2,140,819	\$ 2,222,014	\$ 6,202,627
Region 4	\$ 1,084,506	\$ 1,502,994	\$ 1,547,272	\$ 4,134,772
Region 5	\$ 1,291,009	\$ 1,372,959	\$ 2,260,034	\$ 4,924,002
Region 6	\$ 899,346	\$ 1,111,870	\$ 1,102,489	\$ 3,113,705
Region 7	\$ 579,578	\$ 673,407	\$ 467,163	\$ 1,720,148
Region 8	\$ 631,387	\$ 889,477	\$ 538,678	\$ 2,059,542
Region 9	\$ 671,869	\$ 700,156	\$ 932,249	\$ 2,304,274
Region 10	\$ 569,274	\$ 573,541	\$ 518,995	\$ 1,661,810
Region 11	\$ 756,463	\$ 939,576	\$ 730,121	\$ 2,426,160
<b>Balance of State Total</b>	<b>\$11,980,033</b>	<b>\$14,003,824</b>	<b>\$13,821,136</b>	<b>\$39,804,993</b>