
DWD Memorandum 2025-11: PY2026 Workforce Innovation and Opportunity Act Formula Allocations

To: Indiana's Workforce System
From: Indiana Department of Workforce Development (DWD)
Date: May 15, 2026

PURPOSE

To outline the methods and factors used by the Department of Workforce Development (DWD) to distribute Workforce Innovation and Opportunity Act (WIOA) allocations to local workforce development areas and to provide WIOA allocation amounts for each region for Adult, Dislocated Worker, and Youth programs.

REFERENCES

- WIOA Sections 127, 128, 129, 132, 133, 134, and 182
- 20 CFR 683.120 and 683.205
- TEGL 10-25: *Workforce Innovation and Opportunity Act Adult, Dislocated Worker, and Youth Activities Program Allotments for Program Year 2026; Program Year Allotments for the Wagner-Peyser Act Employment Service Program; and Program Year 2026 Allotments of Workforce Information Grants to States and Outlying Areas*¹

CONTENT

WIOA requires the Governor of each state to distribute employment and training formula funds to local workforce development boards (LWDBs) and chief elected officials (CEOs) who have responsibility for oversight and management of these funds. In Indiana, DWD is the agency designated by statute to receive these federal allocations, distribute them to LWDBs, and to then monitor the LWDBs to ensure their use of the federal funds complies with federal and state law. The process by which DWD distributes these funds to LWDBs for the Adult, Dislocated Worker, and Youth programs is outlined below.

The U.S. Department of Labor (USDOL) announced Program Year 2026 (PY2026) WIOA Allotments to states and territories on April 28, 2026, via TEGL 10-25. Indiana's PY2026 federal allocation is \$44,154,998, which represents a 6.81% increase from PY2025. LWDBs will find a summary of the USDOL allotments to Indiana and their PY2026 allocations in **Attachment A**.

Formula Methodology

DWD receives funding from the USDOL for WIOA Adult, Dislocated Worker, and Youth programs based on a statutorily prescribed formula for each of the programs. Then, DWD

¹ <https://www.dol.gov/agencies/eta/advisories/tegl-10-25>.

uses the sub-state allocation methodology outlined in TEGL 10-25 to make allocations to LWDBs.

Consistent with Sections 127, 128, 132, and 133 of WIOA, and as outlined in 20 CFR 683.205, the State is permitted to hold back or reserve certain percentages of allocated funds to support state administration, Rapid Response activities, and other mandatory statewide workforce education and training activities. TEGL 10-25 reiterates the reserve limitations for PY2026. Reserve amounts and funding sources are as follows:

- State administration
 - 5% of Adult funds
 - 5% of Dislocated Worker funds
 - 5% of Youth funds
- Rapid Response
 - 5% of Dislocated Worker funds
- Mandatory statewide workforce education and training activities
 - 10% of Adult funds
 - 10% of Dislocated Worker funds
 - 10% of Youth funds

Additionally, states must establish and use a minimum percentage (or stop loss) to ensure that no local area receives a total allocation percentage that is less than 90% of the average allocation percentage received by the local area for the previous two years. An allocation percentage is the local area's share or percentage of funds allocated to all local areas. States must not use 90% of the average amount allocated to the local area for the last two years. States must obtain amounts necessary to increase allocations to local areas to comply with the minimum percentage requirement by proportionately reducing the allocations to be made to other local areas.²

Adult Formula

Adult funds are to be distributed according to the following formula:³

- 33 1/3% based on the number of unemployed individuals in Areas of Substantial Unemployment (ASUs) in each local area compared to the total number of unemployed individuals in ASUs in all local areas in the state. For this factor, the timeframe for comparison is the 12-month period immediately preceding the new program year;
- 33 1/3% based on the relative excess number of unemployed individuals in each local area compared to the total excess number of unemployed individuals in all local areas in the state. For this factor, the timeframe for comparison is the 12-month period immediately preceding the new program year.
 - The term “excess number” means, used with respect to the excess number of unemployed individuals within a local area, the higher of:

² WIOA Sec. 128.

³ The state follows WIOA Sec. 133(b)(2)(A)(i) and TEGL 10-25 to formula allocate funding for adult activities.

- The number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the local area; or
 - The number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in ASUs in such local area; and
- 33 1/3% based on the number of economically disadvantaged adults (aged 22-72, excluding college students not in the workforce and military) in each local area, compared to the total number of disadvantaged adults in all local areas in the state. The Census Bureau collected the data used in the special tabulations for disadvantaged adults between January 1, 2016, and December 31, 2020.

Youth Formula

Youth funds are distributed according to the following formula:⁴

- 33 1/3% based on the number of unemployed individuals in ASUs in each local area compared to the total number of unemployed individuals in ASUs in all local areas in the state. For this factor, the timeframe for comparison is the 12-month period immediately preceding new program year;
- 33 1/3% based on the relative excess number of unemployed individuals in each local area compared to the total excess number of unemployed individuals in all local areas in the state. For this factor, the timeframe for comparison is the 12-month period immediately preceding the new program year.
 - The term “excess number” means, used with respect to the excess number of unemployed individuals within a local area, the higher of:
 - The number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the local area; or
 - The number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in ASUs in such local area; and
- 33 1/3% based on the relative number of economically disadvantaged youth (age 16 to 21, excluding college students not in the workforce and military), in each local area, compared to the total number of disadvantaged youth in all local areas in the state. This information is collected from special tabulation data available from the American Community Survey (ACS). The Census Bureau collected the data used in the special tabulations for disadvantaged youth between January 1, 2016, and December 31, 2020.

Dislocated Worker Formula

Governors prescribe the Dislocated Worker formula for sub-state allocations. Indiana’s Dislocated Worker funds are to be distributed according to the following formula:⁵

- Insured Unemployment Data for the preceding Calendar Year (30% weight);
- Unemployed Concentration Data for the preceding Program Year (30% weight);
- Plant Closing and Mass Layoff Data for the preceding Calendar Year (15% weight);

⁴ The state follows WIOA Sec. 128(b)(2)(A)(i) and TEGL 10-25 to formula allocate funding for youth activities.

⁵ The state follows WIOA Sec. 133(b)(2)(B)(i) and TEGL 10-25 to formula allocate funding for Dislocated Worker activities.

- Declining Industries Data for the preceding Calendar Year (10% weight);
- Farmer/Rancher Economic Hardship Data for the preceding Calendar Year (2% weight); and
- Long-term Unemployment Data for the preceding Calendar Year (13% weight).

Dislocated Worker formula weights are included in the WIOA State Plan and are consistent with TEGL 10-25.

Timing of Funding Availability

Consistent with Section 182(e) of WIOA, sub-state allocations must be made available no later than 30 days after the date the funds are made available to the state, or 7 days after the date the local plan for the area is approved, whichever is later.

Transfer Authority

WIOA provides that a local area must seek the approval of the Governor/designee to transfer funds between Adult Activities and Dislocated Worker Activities. Indiana is providing blanket approval for LWDBs to transfer up to 100% of PY2026 Adult and Dislocated Worker funds at their discretion if the funds to be transferred have not already been drawn down or expended. LWDBs remain responsible for meeting negotiated performance measures regardless of fund transfers. TEGL 10-25 specifies that no funds may be transferred to or from the WIOA Youth program.

ATTACHMENTS

Attachment A – Summary of USDOL Allotments to Indiana and PY2026 WIOA Formula Allocations

ADDITIONAL INFORMATION

Questions regarding the content of this publication should be directed to policy@dwd.in.gov.

ATTACHMENT A

SUMMARY OF USDOL ALLOTMENTS TO INDIANA AND PY2026 WIOA FORMULA ALLOCATIONS

Summary of USDOL Allotments to Indiana

USDOL Allotments to Indiana for WIOA Programs								
PY	Adult	PY Chg	Dislocated Worker	PY Chg	Youth	PY Chg	Total	PY Chg
2026	\$ 15,974,117	12.47%	\$ 10,029,749	-9.77%	\$ 18,151,132	13.30%	\$ 44,154,998	6.81%
2025	\$ 14,202,901	12.67%	\$ 11,115,373	-10.02%	\$ 16,020,894	11.02%	\$ 41,339,168	4.95%
2024	\$ 12,605,374	-2.70%	\$ 12,352,607	-1.17%	\$ 14,430,689	2.39%	\$ 39,388,670	-0.40%
2023	\$ 12,955,282	-8.41%	\$ 12,498,913	-8.29%	\$ 14,093,876	-8.57%	\$ 39,548,071	-8.43%
2022	\$ 14,145,314	-9.27%	\$ 13,628,787	-8.92%	\$ 15,415,332	-8.99%	\$ 43,189,433	-9.06%

PY2026 WIOA Formula Allocations (TOTAL)

2026 WIOA Allocations	Adult	Youth	DW	Total
State Allotments	\$ 15,974,117	\$ 18,151,132	\$ 10,029,749	\$ 44,154,998
State Admin	798,706	907,557	501,487	2,207,750
Governor's Discretionary	1,597,412	1,815,113	1,002,975	4,415,500
Rapid Response	-	-	501,487	501,487
Total Allocated to WDB's	\$ 13,577,999	\$ 15,428,462	\$ 8,023,800	\$ 37,030,261
Workforce Development Boards				
Region 01	\$ 5,528,293	\$ 6,162,555	\$ 953,290	\$ 12,644,138
Region 02	817,151	932,377	900,285	2,649,812
Region 03	916,449	1,069,601	809,825	2,795,875
Region 04	683,408	982,494	597,122	2,263,024
Region 05	1,060,497	1,093,106	935,576	3,089,179
Region 06	581,519	691,550	365,101	1,638,170
Region 07	489,120	561,874	559,849	1,610,843
Region 08	532,067	681,583	252,958	1,466,609
Region 09	489,989	515,511	337,581	1,343,081
Region 10	463,607	479,532	451,676	1,394,816
Region 11	584,248	646,082	377,794	1,608,124
Region 12	1,431,651	1,612,197	1,482,742	4,526,590
Total	\$ 13,577,999	\$ 15,428,462	\$ 8,023,800	\$ 37,030,261

PY2026 WIOA Formula Allocations (JULY)

July 2026 Allocation	Adult	Youth	DW	Total
State Allotments	\$ 2,764,092	\$ 18,151,132	\$ 2,156,881	\$ 23,072,105
State Admin	159,741	907,557	100,297	1,167,596
Governor's Discretionary	319,482	1,815,113	200,595	2,335,190
Rapid Response	-	-	100,297	100,297
Total Allocated to WDB's	\$ 2,284,868	\$ 15,428,462	\$ 1,755,691	\$ 19,469,022
Workforce Development Boards				
Region 01	\$ 930,286	\$ 6,162,555	\$ 208,589	\$ 7,301,430
Region 02	137,508	932,377	196,992	1,266,877
Region 03	154,218	1,069,601	177,198	1,401,017
Region 04	115,002	982,494	130,657	1,228,153
Region 05	178,458	1,093,106	204,714	1,476,278
Region 06	97,856	691,550	79,888	869,294
Region 07	82,308	561,874	122,501	766,683
Region 08	89,535	681,583	55,350	826,468
Region 09	82,454	515,511	73,866	671,831
Region 10	78,015	479,532	98,832	656,379
Region 11	98,316	646,082	82,665	827,063
Region 12	240,914	1,612,197	324,439	2,177,550
Total	\$ 2,284,870	\$ 15,428,462	\$ 1,755,691	\$ 19,469,023

PY2026 WIOA Formula Allocations (OCTOBER)

October 2026 Allocation	Adult	Youth	DW	Total
State Allotments	\$ 13,210,025	\$ -	\$ 7,872,868	\$ 21,082,893
State Admin	638,965	-	401,190	1,040,154
Governor's Discretionary	1,277,930	-	802,380	2,080,310
Rapid Response	-	-	401,190	401,190
Total Allocated to WDB's	\$ 11,293,131	\$ -	\$ 6,268,109	\$ 17,561,239
Workforce Development Boards				
Region 01	\$ 4,598,007	\$ -	\$ 744,701	\$ 5,342,708
Region 02	679,643	-	703,293	1,382,936
Region 03	762,231	-	632,627	1,394,858
Region 04	568,406	-	466,465	1,034,871
Region 05	882,039	-	730,862	1,612,902
Region 06	483,663	-	285,213	768,876
Region 07	406,812	-	437,348	844,160
Region 08	442,532	-	197,608	640,141
Region 09	407,535	-	263,715	671,250
Region 10	385,592	-	352,844	738,437
Region 11	485,932	-	295,129	781,061
Region 12	1,190,737	-	1,158,303	2,349,040
Total	\$ 11,293,129	\$ -	\$ 6,268,109	\$ 17,561,238