

To: Indiana's Workforce System

From: Indiana Department of Workforce Development (DWD)

Date: May 24, 2024

Subject: DWD Memorandum 2023-17
PY 2024 Workforce Innovation and Opportunity Act Formula Allocations

Purpose

This memo outlines the methods and factors used to distribute Workforce Innovation and Opportunity Act (WIOA) allocations to local workforce development areas. It also provides 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
- 20 CFR 683.205
- TEGL 12-23, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, and Youth Activities Program Allotments for Program Year (PY) 2024; PY 2024 Allotments for the Wagner-Peyser Act Employment Service (ES) Program; and PY 2024 Allotments of Workforce Information Grants to States and Outlying Areas*

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, the Department of Workforce Development (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) provided Program Year 2024 (PY 2024) WIOA Allotments to states and territories on May 8, 2024, via TEGL 12-23.¹ Indiana's PY 2024 federal allocation is **\$39,388,670**, which represents a **0.4% decrease** from PY 2023. LWDBs will find their allocations in **Attachment A**.

¹ <https://www.dol.gov/agencies/eta/advisories/tegl-12-23>.

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 uses the sub-state allocation methodology outlined in TEGL 12-23 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 12-23 reiterates the reserve limitations for PY 2024. 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

In addition, 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:
 - 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

² WIOA Sec. 128.

³ The state follows WIOA Sec. 133(b)(2)(A)(i) and TEGL 12-23 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 ASUs in such local area; and
- 33 1/3% based on the number of economically disadvantaged adults (aged 22-72, excluding college students 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);
- 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 12-23.

⁴ The state follows section 128(b)(2)(A)(i) and TEGL 12-23 to formula allocate funding for youth activities.

⁵ The state follows WIOA Sec. 133(b)(2)(B)(i) and TEGL 12-23 to formula allocate funding for Dislocated Worker activities.

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 to transfer funds between Adult Activities and Dislocated Worker Activities.⁶ Indiana's Governor is providing blanket approval to all LWDBs to transfer up to 100% of PY 2024 Adult and Dislocated Worker funds at their discretion if the funds to be transferred have not already been drawn down or expended. TEGL 12-23 specifies that no funds may be transferred to or from the WIOA Youth program.

Attachments

Attachment A – PY 2024 WIOA Formula Allocations

Additional Information

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

⁶ WIOA Sec. 133(b)(4).

Attachment A
PY 2024 WIOA Formula Allocations

2024 WIOA Allocations	Adult	Youth	DW	Total
State Allotments	\$ 12,605,374	\$ 14,430,689	\$ 12,352,607	\$ 39,388,670
State Admin	630,269	721,534	617,630	1,969,433
Governor's Discretionary	1,260,537	1,443,069	1,235,261	3,938,867
Rapid Response	-	-	617,630	617,630
Total Allocated to WDB's	\$ 10,714,568	\$ 12,266,086	\$ 9,882,086	\$ 32,862,740
Workforce Development Boards				
Region 01	\$ 3,392,747	\$ 3,874,170	\$ 1,179,891	\$ 8,446,808
Region 02	750,215	858,525	1,129,830	2,738,570
Region 03	800,146	908,596	923,582	2,632,324
Region 04	640,520	850,124	604,724	2,095,368
Region 05	876,869	906,415	1,070,881	2,854,165
Region 06	535,597	647,489	474,923	1,658,009
Region 07	445,217	516,364	861,893	1,823,475
Region 08	498,404	657,887	355,982	1,512,274
Region 09	477,436	498,368	330,052	1,305,856
Region 10	450,057	460,189	400,145	1,310,392
Region 11	561,634	621,794	457,135	1,640,563
Region 12	1,285,727	1,466,165	2,093,046	4,844,938
Total	\$ 10,714,568	\$ 12,266,086	\$ 9,882,086	\$ 32,862,740

July 2024 Allocation	Adult	Youth	DW	Total
State Allotments	\$ 2,521,075	\$ 14,430,689	\$ 2,717,574	\$ 19,669,337
State Admin	126,054	721,534	135,879	983,466
Governor's Discretionary	252,107	1,443,069	271,757	1,966,934
Rapid Response	-	-	135,879	135,879
Total Allocated to WDB's	\$ 2,142,914	\$ 12,266,086	\$ 2,174,059	\$ 16,583,059
Workforce Development Boards				
Region 01	\$ 678,548	\$ 3,874,170	\$ 259,575	\$ 4,812,293
Region 02	150,043	858,525	248,563	1,257,131
Region 03	160,029	908,596	203,188	1,271,813
Region 04	128,104	850,124	133,039	1,111,267
Region 05	175,374	906,415	235,594	1,317,383
Region 06	107,119	647,489	104,483	859,091
Region 07	89,043	516,364	189,617	795,024
Region 08	99,681	657,887	78,316	835,884
Region 09	95,487	498,368	72,611	666,466
Region 10	90,011	460,189	88,032	638,232
Region 11	112,327	621,794	100,570	834,691
Region 12	257,145	1,466,165	460,470	2,183,780
Total	\$ 2,142,911	\$ 12,266,086	\$ 2,174,058	\$ 16,583,055

October 2024 Allocation	Adult	Youth	DW	Total
State Allotments	\$ 10,084,299	\$ -	\$ 9,635,033	\$ 19,719,333
State Admin	504,215	-	481,751	985,967
Governor's Discretionary	1,008,430	-	963,504	1,971,933
Rapid Response	-	-	481,751	481,751
Total Allocated to WDB's	\$ 8,571,654	\$ -	\$ 7,708,027	\$ 16,279,681
Workforce Development Boards				
Region 01	\$ 2,714,199	\$ -	\$ 920,316	\$ 3,634,515
Region 02	600,172	-	881,267	1,481,439
Region 03	640,117	-	720,394	1,360,511
Region 04	512,416	-	471,685	984,101
Region 05	701,495	-	835,287	1,536,782
Region 06	428,478	-	370,440	798,918
Region 07	356,174	-	672,276	1,028,450
Region 08	398,723	-	277,666	676,390
Region 09	381,949	-	257,441	639,390
Region 10	360,046	-	312,113	672,160
Region 11	449,307	-	356,565	805,873
Region 12	1,028,582	-	1,632,576	2,661,157
Total	\$ 8,571,657	\$ -	\$ 7,708,028	\$ 16,279,685