

**To:** Indiana's Workforce System

**From:** Indiana Department of Workforce Development (DWD)

**Date:** May 20, 2022

**Subject:** DWD Memorandum 2021-22  
PY 2022 Workforce Innovation and Opportunity Act (WIOA) Formula  
Allocations

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## Purpose

This memo outlines the methods and factors used to distribute 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(b), 133, 134(a), and 182(e)
- 20 CFR § 683.120
- 20 CFR § 683.205
- Training and Employment Guidance Letter (TEGL) 09-21, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2022; PY 2022 Allotments for the Wagner-Peyser Act Employment Service (ES) Program; and PY 2022 Allotments of Workforce Information Grants to States*

## 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 2022 (PY 2022) WIOA Allotments to states and territories on May 6, 2022 via TEGL No. 9-21.<sup>1</sup> Indiana's PY 2022 federal allocation is \$43,189,433, which represents a 9.06% decrease from PY 2021. LWDBs will find their allocations in **Attachment A**.

## Formula Methodology

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<sup>1</sup> [https://wdr.doleta.gov/directives/attach//TEGL/TEGL\\_09-21.pdf](https://wdr.doleta.gov/directives/attach//TEGL/TEGL_09-21.pdf)

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 a statutorily prescribed methodology 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 09-21 reiterates the reserve limitations for PY 2022. 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.<sup>2</sup>

### **Adult Formula**

Adult funds are to be distributed according to the following formula:<sup>3</sup>

- 33 1/3% based on the number of unemployed for Areas of Substantial Unemployment (ASUs) averages for the 12-month period immediately preceding new program year, as provided by the Bureau of Labor Statistics;
- 33 1/3% based on 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 the ASU unemployed data; and
- 33 1/3% based on the number of economically disadvantaged adults (aged 22-72, excluding college students in the workforce and military) from special tabulation data available from the American Community Survey (ACS).

### **Youth Formula**

Youth funds are to be distributed according to the following formula:<sup>4</sup>

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<sup>2</sup> WIOA Sec. 128

<sup>3</sup> The state follows WIOA Sec. 133(b)(2)(A)(i) and TEGL 09-21 to formula allocate funding for adult activities.

<sup>4</sup> The state follows section 128(b)(2)(A)(i) and TEGL 09-21 to formula allocate funding for youth activities.

- 33 1/3% based on the number of unemployed for Areas of Substantial Unemployment (ASUs) averages for 12-month period immediately preceding new program year as provided by the Bureau of Labor Statistics;
- 33 1/3% based on 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 the ASU unemployed data; and
- 33 1/3% based on the number of economically disadvantaged youth (aged 16-21, excluding college students in the workforce and military) from special tabulation data available from the American Community Survey (ACS).

### **Dislocated Worker Formula**

Dislocated Worker funds are to be distributed according to the following formula:<sup>5</sup>

- 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).

The Governor's Workforce Cabinet (GWC), as the Governor's designee, will examine how this weighting impacts local distribution and if adjustments are needed. Dislocated Worker formula weights are included in the WIOA State Plan and are consistent with TEGL 9-21.

### ***Timing of Funding Availability***

Consistent with Section 182(e) of WIOA, sub-state allocations must be made available not more than 30 days after the date the funds are made available to DWD or, alternatively, 7 days after the local plan for the area is approved.

### ***Transfer Authority***

WIOA provides that a local area must seek the approval of the Governor to transfer WIOA formula allocations.<sup>6</sup> Governor Holcomb is providing blanket approval to all LWDBs to transfer up to 100% of PY 2022 Adult and Dislocated Worker funds at their discretion if the funds to be transferred have not already been drawn down or expended. No funds may be transferred to or from the WIOA Youth program.

## **Attachments**

**Attachment A** – PY 2022 WIOA Formula Allocations

## **Additional Information**

Questions regarding the content of this publication should be directed to DWD Policy, [policy@dwd.in.gov](mailto:policy@dwd.in.gov).

<sup>5</sup> The state follows WIOA Sec. 133(b)(2)(A)(i) and TEGL 09-21 to formula allocate funding for Dislocated Worker activities.

<sup>6</sup> WIOA Sec. 133(b)(4)

**Attachment A**  
**PY 2022 WIOA Formula Allocations**

<b>2022 Allocations per TEGL 19-21</b>	<b>Adult</b>	<b>Youth</b>	<b>DW</b>	<b>Total</b>
<b>State Allotments</b>	<b>\$ 14,145,314</b>	<b>\$ 15,415,332</b>	<b>\$ 13,628,787</b>	<b>\$ 43,189,433</b>
>State Admin (5%)	707,266	770,767	681,439	2,159,472
>Governor's Discretionary (10%)	1,414,531	1,541,533	1,362,879	4,318,943
>Rapid Response (5%)			681,439	681,439
>Amount to be allocated to the workforce investment boards	<b>\$12,023,517</b>	<b>\$13,103,032</b>	<b>\$10,903,030</b>	<b>\$36,029,579</b>
Workforce Investment Boards				
Region 01	\$4,406,642	\$4,785,399	\$1,428,081	\$10,620,122
Region 02	816,314	892,029	854,690	2,563,033
Region 03	905,977	991,970	1,047,150	2,945,097
Region 04	627,813	703,636	748,723	2,080,172
Region 05	851,505	915,941	1,295,705	3,063,151
Region 06	572,402	632,928	587,204	1,792,534
Region 07	508,914	554,657	430,577	1,494,148
Region 08	492,970	555,377	440,964	1,489,311
Region 09	375,209	404,547	392,371	1,172,127
Region 10	361,647	388,563	496,897	1,247,107
Region 11	483,899	525,750	557,562	1,567,211
Region 12	1,620,225	1,752,235	2,623,106	5,995,566
<b>Total</b>	<b>\$ 12,023,517</b>	<b>\$ 13,103,032</b>	<b>\$ 10,903,030</b>	<b>\$ 36,029,579</b>

<b>July Allocation</b>				
<b>July 2022 Allocation</b>	<b>Adult</b>	<b>Youth</b>	<b>DW</b>	<b>Total</b>
<b>State Allotments</b>	<b>\$ 2,586,532</b>	<b>\$ 15,415,332</b>	<b>\$ 2,740,669</b>	<b>\$20,742,533</b>
>State Admin (5%)	129,326	770,767	137,033	1,037,126
>Governor's Discretionary (10%)	258,653	1,541,533	274,066	2,074,252
>Rapid Response (5%)			137,033	137,033
>Amount to be allocated to the workforce investment boards	<b>\$2,198,553</b>	<b>\$13,103,032</b>	<b>\$2,192,537</b>	<b>\$17,494,122</b>
Workforce Investment Boards				
Region 01	805,774	4,785,399	287,179	\$5,878,352
Region 02	149,267	892,029	171,873	1,213,169
Region 03	165,662	991,970	210,576	1,368,208
Region 04	114,798	703,636	150,564	968,998
Region 05	155,701	915,941	260,559	1,332,201
Region 06	104,666	632,928	118,083	855,677
Region 07	93,057	554,657	86,587	734,301
Region 08	90,142	555,377	88,675	734,194
Region 09	68,608	404,547	78,904	552,059
Region 10	66,130	388,563	99,923	554,616
Region 11	88,483	525,750	112,123	726,356
Region 12	296,265	1,752,235	527,491	2,575,991
<b>Total</b>	<b>\$2,198,553</b>	<b>\$13,103,032</b>	<b>\$2,192,537</b>	<b>\$17,494,122</b>

October Allocation				
October 2021 Allocation	Adult	Youth	DW	Total
<b>State Allotments</b>	\$ 11,558,782	\$ -	\$ 10,888,118	\$ 22,446,900
>State Admin (5%)	577,940	-	544,406	1,122,346
>Governor's Discretionary (10%)	1,155,878	-	1,088,813	2,244,691
>Rapid Response (5%)			544,406	544,406
>Amount to be allocated to the workforce investment boards	\$9,824,963	-	\$8,710,493	\$18,535,456
Workforce Investment Boards				
Region 01	\$3,600,868	\$0	\$1,140,902	\$4,741,770
Region 02	667,047	0	682,817	1,349,864
Region 03	740,315	0	836,574	1,576,889
Region 04	513,015	0	598,159	1,111,174
Region 05	695,804	0	1,035,146	1,730,950
Region 06	467,736	0	469,121	936,857
Region 07	415,857	0	343,990	759,847
Region 08	402,828	0	352,289	755,117
Region 09	306,601	0	313,467	620,068
Region 10	295,517	0	396,974	692,491
Region 11	395,416	0	445,439	840,855
Region 12	1,323,960	0	2,095,615	3,419,575
<b>Total</b>	\$ 9,824,964	\$ -	\$ 8,710,493	\$ 18,535,457