

To: Indiana's Workforce System

From: Indiana Department of Workforce Development (DWD)

Date: 5/23/2023

Subject: DWD Memorandum 2022-15
PY 2023 Workforce Innovation and Opportunity Act (WIOA) Formula
Allocations

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
- TEGL 15-22, *Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2023; PY 2023 Allotments for the Wagner-Peyser Act Employment Service (ES) Program; and PY 2023 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 2023 (PY 2023) WIOA Allotments to states and territories on April 21, 2023 via TEGL 15-22.¹ Indiana's PY 2023 federal allocation is **\$39,548,071**, which represents a **8.43%** decrease from PY 2022. LWDBs will find their allocations in **Attachment A**.

¹ <https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2022/15-22/TEGL%2015-22.pdf>

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 15-22 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 15-22 reiterates the reserve limitations for PY 2023. 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 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).

² WIOA Sec. 128

³ The state follows WIOA Sec. 133(b)(2)(A)(i) and TEGL 15-22 to formula allocate funding for adult activities.

Youth Formula

Youth funds are to be distributed according to the following formula:⁴

- 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: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).

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 15-22.

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.⁶ Indiana's Governor is providing blanket approval to all LWDBs to transfer up to 100% of PY 2023 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 2023 WIOA Formula Allocations

⁴ The state follows section 128(b)(2)(A)(i) and TEGL 15-22 to formula allocate funding for youth activities.

⁵ The state follows WIOA Sec. 133(b)(2)(B)(i) and TEGL 15-22 to formula allocate funding for Dislocated Worker activities.

⁶ WIOA Sec. 133(b)(4)

Additional Information

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

Attachment A
PY 2023 WIOA Formula Allocations

2023 WIOA Allocations	Adult	Youth	DW	Total
State Allotments	\$ 12,955,282	\$ 14,093,876	\$ 12,498,913	\$ 39,548,071
State Admin	647,764	704,694	624,946	1,977,404
Governor's Discretionary	1,295,528	1,409,388	1,249,891	3,954,807
Rapid Response	-	-	624,946	624,946
Total Allocated to WDB's	\$ 11,011,990	\$ 11,979,794	\$ 9,999,130	\$ 32,990,914
Workforce Development Boards				
Region 01	\$ 3,712,797	\$ 4,017,711	\$ 1,343,345	\$ 9,073,853
Region 02	788,246	860,878	826,262	2,475,386
Region 03	875,140	955,561	956,790	2,787,491
Region 04	615,827	695,246	673,096	1,984,169
Region 05	819,613	876,803	1,207,512	2,903,928
Region 06	555,283	614,036	529,361	1,698,680
Region 07	484,558	529,462	423,196	1,437,216
Region 08	480,396	543,065	396,031	1,419,492
Region 09	381,300	408,264	382,287	1,171,851
Region 10	366,293	390,463	444,045	1,200,801
Region 11	479,978	520,543	516,554	1,517,075
Region 12	1,452,559	1,567,762	2,300,651	5,320,972
Total	\$ 11,011,990	\$ 11,979,794	\$ 9,999,130	\$ 32,990,914

July 2023 Allocation	Adult	Youth	DW	Total
State Allotments	\$ 2,547,976	\$ 14,093,876	\$ 2,695,465	\$ 19,337,317
State Admin	127,398	704,694	134,773	966,865
Governor's Discretionary	254,797	1,409,388	269,546	1,933,731
Rapid Response	-	-	134,773	134,773
Total Allocated to WDB's	\$ 2,165,781	\$ 11,979,794	\$ 2,156,373	\$ 16,301,948
Workforce Development Boards				
Region 01	\$ 730,213	\$ 4,017,711	\$ 289,700	\$ 5,037,624
Region 02	155,028	860,878	178,188	1,194,094
Region 03	172,118	955,561	206,338	1,334,017
Region 04	121,118	695,246	145,157	961,521
Region 05	161,197	876,803	260,407	1,298,407
Region 06	109,210	614,036	114,160	837,406
Region 07	95,300	529,462	91,265	716,027
Region 08	94,482	543,065	85,408	722,955
Region 09	74,992	408,264	82,443	565,699
Region 10	72,041	390,463	95,761	558,265
Region 11	94,400	520,543	111,398	726,341
Region 12	285,682	1,567,762	496,148	2,349,592
Total	\$ 2,165,781	\$ 11,979,794	\$ 2,156,373	\$ 16,301,948

October 2023 Allocation	Adult	Youth	DW	Total
State Allotments	\$ 10,407,306	\$ -	\$ 9,803,448	\$ 20,210,754
State Admin	520,366	-	490,173	1,010,539
Governor's Discretionary	1,040,731	-	980,345	2,021,076
Rapid Response	-	-	490,173	490,173
Total Allocated to WDB's	\$ 8,846,209	\$ -	\$ 7,842,757	\$ 16,688,966
Workforce Development Boards				
Region 01	\$ 2,982,584	\$ -	\$ 1,053,645	\$ 4,036,229
Region 02	633,218	-	648,074	1,281,292
Region 03	703,022	-	750,452	1,453,474
Region 04	494,709	-	527,939	1,022,648
Region 05	658,416	-	947,105	1,605,521
Region 06	446,073	-	415,201	861,274
Region 07	389,258	-	331,931	721,189
Region 08	385,914	-	310,623	696,537
Region 09	306,308	-	299,844	606,152
Region 10	294,252	-	348,284	642,536
Region 11	385,578	-	405,156	790,734
Region 12	1,166,877	-	1,804,503	2,971,380
Total	\$ 8,846,209	\$ -	\$ 7,842,757	\$ 16,688,966