



To: WDB Board Chairs and Executive Directors

From: Fred Payne, Commissioner, Indiana Department of Workforce Development

Subject: PY18 WIOA Allocation Estimates

Date: April 6, 2018

The US Department of Labor (DOL) has provided ESTIMATES of PY18 WIOA Allocations to the states and territories. For planning purposes, we want to provide you information about projected allocations to our twelve regions, along with accompanying documentation. We expect actual numbers in mid to late April and, historically, these numbers do not deviate significantly from the initial estimates.

The DOL plans to allocate a total of \$2.908 billion for WIOA in PY18 (\$2.920 billion in PY17) to states and territories. Indiana's estimated allocation is \$39,976,273 (TEGL 13-17, Attachment A), a 10% decrease from PY17.

As you are aware, WIOA funding is based on state unemployment rates, using a set formula established by the DOL with Bureau of Labor Statistics (BLS) data (Exhibit B). This formula was established to assist states with larger numbers of out of work individuals. As Indiana's unemployment rate continues at record lows, the DOL formula dictates less reliance on WIOA funding.

Indiana will also receive reduced funding in other areas. Wagner Peyser funding is projected to decrease by 5% from the previous year. Unemployment Insurance (UI) funding is being reduced by 2%. Other reductions in the Labor Market Information (LMI) area are projected as well.

Although these reductions demonstrate Indiana's strong work environment (February unemployment rate of 3.2), the challenges for serving some of our hardest to reach populations still exist. Accordingly, the need to partner amongst and within the regions in progressive and creative ways is essential. Continuing to evolve the way we engage and connect people and employers within our changing workforce environment will allow us to move our total workforce system forward.

Our goal is to move as many people and employers to their "Next Level" by connecting them to jobs and training. Accordingly, we plan to assist you with transforming operations to meet these workforce challenges. I am traveling to each Region to better understand your situation to help determine, along with the Governor's Workforce Cabinet, how to best assist the evolution of our workforce system.

Thank you for your dedication and passion.

Sincerely,

Frederick D. Payne, Commissioner

**U. S. Department of Labor
Employment and Training Administration
Planning Estimate: PY 2018 WIOA Youth, Adult, and Dislocated Worker State Allotments**

THESE AMOUNTS ARE NOT THE FINAL AMOUNTS AVAILABLE FOR PY 2018

State	WIOA Youth Activities	WIOA Adult Activities	WIOA Dislocated Workers	Total
Total with Evaluations and PI	\$873,416,000	\$815,556,000	\$1,241,719,000	\$2,930,691,000
Total	\$866,560,920	\$809,155,220	\$1,231,974,405	\$2,907,690,545
Alabama	16,193,450	15,681,118	18,881,278	50,755,846
Alaska	3,129,584	2,919,960	4,799,076	10,848,620
Arizona	21,320,428	20,155,453	22,697,587	64,173,468
Arkansas	6,318,318	6,022,520	6,251,682	18,592,520
California	117,927,789	113,215,265	151,114,303	382,257,357
Colorado	9,012,702	8,357,736	9,931,857	27,302,295
Connecticut	9,764,945	8,998,766	14,318,917	33,082,628
Delaware	2,128,572	2,017,831	2,402,580	6,548,983
District of Columbia	3,245,971	2,868,045	6,331,221	12,445,237
Florida	49,049,343	49,405,243	52,429,191	150,883,777
Georgia	24,748,175	23,707,995	39,487,280	87,943,450
Hawaii	2,128,572	2,017,831	1,582,116	5,728,519
Idaho	2,373,019	2,204,058	1,922,513	6,499,590
Illinois	41,165,226	38,633,501	61,423,644	141,222,371
Indiana	13,753,071	12,471,675	13,751,527	39,976,273
Iowa	4,604,254	3,258,784	4,045,512	11,908,550
Kansas	4,981,195	4,184,470	4,561,200	13,726,865
Kentucky	13,264,852	13,195,759	17,344,824	43,805,435
Louisiana	16,535,647	15,987,846	20,249,198	52,772,691
Maine	2,586,000	2,348,579	2,619,167	7,553,746
Maryland	12,016,761	11,151,770	14,974,603	38,143,134
Massachusetts	12,568,773	11,211,781	15,504,161	39,284,715
Michigan	27,561,902	25,092,475	29,222,475	81,876,852
Minnesota	9,724,276	8,136,609	8,500,217	26,361,102
Mississippi	9,684,327	9,297,702	12,474,772	31,456,801
Missouri	13,549,936	12,584,100	13,815,417	39,949,453
Montana	2,128,572	2,017,831	1,524,397	5,670,800
Nebraska	2,558,639	2,017,831	2,341,552	6,918,022
Nevada	8,921,942	8,678,951	13,593,087	31,193,980
New Hampshire	2,128,572	2,017,831	1,717,012	5,863,415
New Jersey	20,066,711	19,387,744	31,278,144	70,732,599
New Mexico	8,840,066	8,548,526	13,346,736	30,735,328
New York	48,379,923	47,415,034	50,313,692	146,108,649
North Carolina	26,714,029	25,303,014	29,472,588	81,489,631
North Dakota	2,128,572	2,017,831	792,946	4,939,349
Ohio	35,020,650	32,442,658	38,745,824	106,209,132
Oklahoma	9,225,898	8,715,141	7,543,448	25,484,487
Oregon	9,220,904	8,824,904	11,396,070	29,441,878
Pennsylvania	37,972,832	34,908,991	52,263,246	125,145,069
Puerto Rico	25,579,776	26,712,572	43,423,747	95,716,095
Rhode Island	3,224,256	2,759,343	4,034,220	10,017,819
South Carolina	12,539,614	12,072,447	15,149,307	39,761,368
South Dakota	2,128,572	2,017,831	1,135,744	5,282,147
Tennessee	16,861,523	16,345,732	18,654,693	51,861,948
Texas	73,171,456	69,058,709	60,657,647	202,887,812
Utah	3,522,722	2,753,454	4,291,990	10,568,166
Vermont	2,128,572	2,017,831	839,505	4,985,908
Virginia	12,675,959	11,785,962	13,657,006	38,118,927
Washington	18,413,501	17,299,701	26,149,016	61,862,218
West Virginia	5,622,782	5,579,588	7,323,854	18,526,224
Wisconsin	10,786,897	9,288,172	11,492,752	31,567,821
Wyoming	2,128,572	2,017,831	1,073,159	5,219,562
State Total	851,428,600	807,132,332	1,012,847,700	2,671,408,632
American Samoa	227,760	215,479	328,076	771,315
Guam	773,087	731,402	1,113,592	2,618,081
Northern Marianas	422,385	399,609	608,422	1,430,416
Palau	75,000	75,000	114,191	264,191
Virgin Islands	635,674	601,398	915,655	2,152,727
Outlying Areas Total	2,133,906	2,022,888	3,079,936	7,236,730
Native Americans	12,998,414	0	0	12,998,414
National Reserve	0	0	216,046,769	216,046,769
Evaluations set aside	2,488,000	2,323,000	3,536,000	8,347,000
Program Integrity set aside	4,367,080	4,077,780	6,208,595	14,653,455

The amounts provided in this table can be used to get a general idea of the funding that could be available to each state if funding levels for these programs are exactly the same as announced at the beginning of PY 2017 (see TEGL 27-16). In this table, the total dollars estimated to be available for PY 2018 were distributed among states according to the updated data factors for PY 2018. A number of decisions that have yet to be made could impact the final amounts obligated to each state.

EXHIBIT B

WIOA Title I Allocation Parameters

Allocating Title 1 WIOA Funding

- The Law
 - WIOA sections 128 and 133 identify the factors to be used to determine the within-state allocation figures for the Adult, Youth, and Dislocated Worker programs. The within-state allocation figures are developed by applying the current Bureau of Labor Statistics (BLS) data (July 1 – June 30 of the prior year for Youth and Adult; October 1 – September 30 for DW):
 - The Adult and Youth allocations are based on the following three factors:
 - The relative number of unemployed individuals in areas of substantial unemployment in each local area compared to the total number of unemployed individuals in areas of substantial unemployment in all local areas (33.3%);
 - The relative excess number of unemployed individuals in each local area compared to the total excess number of unemployed individuals in all local areas (33.3%); and
 - The relative number of economically disadvantaged adults/youth in each local area, compared to the total number of disadvantaged adults/youth in all local areas (33.3%).
 - The Dislocated Worker allocations are based on the following six factors:
 - UI Data (30%);
 - UI Concentration Areas (30%);
 - Plant Closings (15%);
 - Declining Industries (10%);
 - Farmer Rancher Hardship data (2%); and
 - Long Termed Unemployed (13%).
 - A 90 percent hold harmless provision is applied to regional allocation figures. The hold harmless provision in WIOA states that a local area shall 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 preceding 2 fiscal years. Eleven of twelve regions (all but region 1) benefitted from the hold harmless provision in the youth and adult category in PY18. Two of the regions (2 and 11) benefitted from the hold harmless provision in the dislocated worker category in PY18.

EXHIBIT B (cont'd)

State Reserve Funding from WIOA Title I fund allotment (WIOA Admin & Set-Aside)

- Sections 128 and 133 of WIOA allows the state to reserve 15 percent from the Title I fund allotment:
 - 5% for administrative costs, and
 - 10% for statewide activities (set-aside), made up of:
 - Certain delineated required statewide activities, and
 - Certain delineated discretionary statewide activities.
- NOTE: According to sources at NASWA, all states reserve the maximum allowable amount but vary the ways in which they spend these dollars.
- Under WIOA, DWD has reserved 5% for administration annually.
 - Under WIOA, the state has reserved between 5-10% for required and discretionary statewide activities. The majority of the funding has been spent to the benefit of the regions:
 - Required activities such as ETPL, monitoring/oversight activities, and system evaluation.
 - Costs covered by the state that could be passed on to the regions such as ICE and TABE assessments, ICC/GEO Case Mgmt System, Business Consultant Contracts, etc..
 - Competitive grants directly to the WDBs for employer focused activities.

State Reserve Funding from WIOA Title I Dislocated Worker Funding (Rapid Response)

- WIOA allows a state to reserve up to 25% of dislocated worker funding for rapid response activities.
- Under WIOA, the state initially reserved 15% of the dislocated worker (DW) allotment in PY15 (versus the allowed 25%) but reduced that to 10% for PY16 and PY17. DWD is planning to reserve 10% for PY18:
 - The DW reserve allows DWD to provide funding to WDBs when a rapid response (RR) event occurs
 - Out of the \$1.5 million of DW reserves for PY17, DWD has allocated \$712,930 (47%) of the reserve back to the regions for RR events thus far.
 - Of this money, the regions have spent \$130,386 as of 2/28/18.

The WDB regional allocations that follow utilize the allocation methodology as described in WIOA and outlined above.

PY18 WIOA				
Estimated Allocations	Adult	Youth	DW	Total
State Allotments	\$ 12,471,675	\$ 13,753,071	\$ 13,751,527	\$ 39,976,273
>State Admin (5%)	623,584	687,653	687,576	1,998,813
>State Set-Aside (10%)	1,247,167	1,375,307	1,375,153	3,997,627
>Rapid Response (10%)	-	-	1,375,153	1,375,153
>Amount to be allocated to the workforce development boards	\$ 10,600,924	\$ 11,690,111	\$ 10,313,645	\$ 32,604,680
Workforce Development Boards				
Marion County - 12	1,454,971	1,528,688	2,023,584	5,007,243
Region 01	3,470,092	3,741,381	1,501,322	8,712,795
Region 02	686,793	786,067	754,900	2,227,760
Region 03	791,285	874,554	1,094,229	2,760,068
Region 04	554,106	722,845	691,163	1,968,114
Region 05	788,189	806,127	1,170,925	2,765,241
Region 06	645,570	758,264	615,953	2,019,787
Region 07	562,681	619,284	355,180	1,537,145
Region 08	557,552	728,113	510,348	1,796,013
Region 09	328,457	336,675	363,758	1,028,890
Region 10	313,301	307,972	539,249	1,160,522
Region 11	447,927	480,141	693,034	1,621,102
Total	\$ 10,600,924	\$ 11,690,111	\$ 10,313,645	\$ 32,604,680

PY17 Final Allocations				
	Adult	Youth	DW	Total
State Allotments	\$ 13,857,417	\$ 15,281,190	\$ 15,279,474	\$ 44,418,081
>State Admin (5%)	692,871	764,059	763,973	2,220,903
> State Set-Aside (10%)	1,385,741	1,528,119	1,527,947	4,441,807
>Rapid Response (10%)	-	-	1,527,947	1,527,947
>Amount to be allocated to the workforce development boards	\$ 11,778,805	\$ 12,989,012	\$ 11,459,606	\$ 36,227,422
Workforce Development Boards				
Marion County - 12	1,713,974	1,805,426	2,141,496	5,660,896
Region 01	2,947,038	3,164,741	1,644,973	7,756,752
Region 02	954,791	1,084,501	931,807	2,971,099
Region 03	1,053,421	1,163,533	1,244,620	3,461,574
Region 04	734,943	934,437	813,966	2,483,346
Region 05	996,294	1,031,302	1,416,999	3,444,595
Region 06	687,362	806,442	686,177	2,179,981
Region 07	632,222	696,475	389,969	1,718,666
Region 08	629,669	812,030	502,945	1,944,644
Region 09	434,016	450,117	386,732	1,270,865
Region 10	429,748	432,099	557,360	1,419,207
Region 11	565,327	607,909	742,562	1,915,798
Total	\$ 11,778,805	\$ 12,989,012	\$ 11,459,606	\$ 36,227,423

Differences PY18 vs PY17	Adult	Youth	DW	Total
State Allotments	\$ (1,385,742)	\$ (1,528,119)	\$ (1,527,947)	\$ (4,441,808)
>State Admin	(69,287)	(76,406)	(76,397)	(222,090)
> State Set-Aside	(138,574)	(152,812)	(152,795)	(444,181)
>Rapid Response	-	-	(152,795)	(152,795)
>Amount to be allocated to the workforce development boards	\$ -	\$ -	\$ -	\$ -
	\$ (1,177,881)	\$ (1,298,901)	\$ (1,145,962)	\$ (3,622,744)
Workforce Development Boards				
Marion County - 12	(259,003)	(276,738)	(117,912)	(653,653)
Region 01	523,054	576,640	(143,651)	956,043
Region 02	(267,998)	(298,434)	(176,907)	(743,339)
Region 03	(262,136)	(288,979)	(150,391)	(701,506)
Region 04	(180,837)	(211,592)	(122,803)	(515,232)
Region 05	(208,105)	(225,175)	(246,074)	(679,354)
Region 06	(41,792)	(48,178)	(70,224)	(160,194)
Region 07	(69,541)	(77,191)	(34,789)	(181,521)
Region 08	(72,117)	(83,917)	7,403	(148,631)
Region 09	(105,559)	(113,442)	(22,974)	(241,975)
Region 10	(116,447)	(124,127)	(18,111)	(258,685)
Region 11	(117,400)	(127,768)	(49,528)	(294,696)
Total	\$ (1,177,881)	\$ (1,298,901)	\$ (1,145,961)	\$ (3,622,743)

Percent Change

-10%

-10%

-10%

-10%

-10%

-12%

12%

-25%

-20%

-21%

-20%

-7%

-11%

-8%

-19%

-18%

-15%

-10%