

## Appendix II – WIOA Adult Allotment Activities

### **State Adult Employment and Training Activities Funds: Title I--Chapter 3--Adult and Dislocated Worker Employment and Training Activities.**

- A. State Allotments. The total appropriated funds for Adult Activities in PY 2024 is \$885,649,000. After reducing the appropriated amount by \$2,351,000 for set asides authorized by the Act, \$883,298,000 remains for Adult Activities, of which \$881,089,755 is for states and \$2,208,245 is for outlying areas. Attachment E shows the PY 2024 Adult Employment and Training Activities allotments and a state-by-state comparison of the PY 2024 allotments to PY 2023 allotments.

The three formula data factors that the Department uses to distribute WIOA Adult Activities funds among the states are the same as those used for the Youth Activities formula, except that data is used for the number of disadvantaged adults (age 22 to 72, excluding college students not in the workforce and military), rather than the number of disadvantaged youth. Since the total amount available for the Adult Activities program for states in PY 2024 is below the required \$960 million threshold specified in WIOA sec. 132(b)(1)(B)(iv)(IV), as was also the case in PY 2023, the WIOA additional minimum provisions (See Attachment B) are not applicable. Instead, as required by WIOA, the minimums of 90 percent of the prior year allotment percentage and 0.25 percent state minimum floor apply. Like for the Youth program, WIOA also provides that no state may receive an allotment that is more than 130 percent of the previous year allotment percentage for the state.

- B. PY 2024 Funding WIOA Agreement/NOAs. For PY 2024, Congress appropriated funds for this program in two portions: \$173,649,000 is available for obligation on July 1, 2024 (PY 2024), and \$712,000,000 is available for obligation on October 1, 2024 (FY 2025). After reductions associated with evaluations and program integrity, the amount available for Adult Activities on July 1, 2024 (PY 2024) is \$173,649,000, and on October 1, 2024 is \$709,649,000. The Department prorated allotments to states and outlying areas based on these total amounts and will issue two NOAs (subject to the state submitting an approved State Plan under secs. 102 or 103 of WIOA). The first NOA covers the period starting July 1, 2024, under the PY 2024 WIOA grant agreement, and the other for October 1, 2024, also under the PY 2024 WIOA grant agreement (see Attachment F).
- C. Sub-State Allocations. States must distribute WIOA Adult Activities funds for PY 2024 allotments among local workforce areas (subject to reservation of the 15 percent limitation for statewide employment and training activities) in accordance with the provisions in WIOA section 133 and the approved State Plan. States must calculate the up to 15 percent available for statewide activities on the total allotment for PY 2024. In allocating WIOA Adult funds to local areas for PY 2024, states may use either the allocation formula described in WIOA sec. 133(b)(2)(A) or the discretionary allocation formula in WIOA sec. 133(b)(3). Also, states must ensure the state policy articulated in the approved WIOA Unified or Combined State Plan remains consistent with this

guidance. **See Attachment C** for a description of sub-state allocation formulas.

1. Allocation Formula. Thirty-three and 1/3 percent of the total funds available for local allocations are allocated based on each local area's relative share of each data factor listed below.
  1. The relative 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, July 2022 to June 2023.
  2. 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. See the definition of "excess number" below which requires a comparison of the excess unemployed in ASUs with excess unemployed in all areas. For this factor, the timeframe for comparison is the 12-month period, July 2022 to June 2023.
  3. The relative number of disadvantaged adults (age 22 to 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.

For purposes of identifying ASUs for the Adult Activities sub-state allocation formula, states should use data made available by BLS (as described in LAUS Technical Memorandum No. S-23-12).

The term "excess number" means, used with respect to the excess number of unemployed individuals within a local area, the higher of (i) 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 (ii) 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.

In order to determine the number of disadvantaged adults for the sub-state Adult formula, states must use the special tabulations of ACS data available at <https://www.dol.gov/agencies/eta/budget/formula/disadvantagedyouthadults>. ETA obtained updated data for use in PY 2023 and the same data must be used in PY 2024. ETA published this information in [TEGL No. 1-23](#), *Updated Disadvantaged Youth and Adult Data for use in Program Year (PY) 2023 and future Workforce Innovation and Opportunity Act (WIOA) Youth and Adult Within-State Allocation Formulas*.

States must utilize a minimum percentage (or stop loss) to ensure that no local area receives an allocation percentage that is less than 90 percent of the average allocation

percentage of 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 percent 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.

States must not use a maximum percentage (or stop gain).

In accordance with sec. 182(e) of WIOA, states must make sub-state allocations available to local areas not later than 30 days after the date funds are made available to the state, or 7 days after the date the local plan for the area is approved, whichever is later.

2. Discretionary Formula. Alternatively, a state may use a discretionary formula. When using a discretionary formula, a state distributes a portion that is at least 70 percent of the funds according to the allocation formula described in subparagraph C.1 of this Appendix, and the remainder on the basis of a formula that incorporates additional factors related to:
  1. excess poverty in urban, rural, and suburban areas, **and**
  2. excess unemployment above the state average in urban, rural, and suburban local areas.

Of the portion of funds distributed according to the allocation formula described in subparagraph C.1, a state must not assign unequal percentages to the ASU, excess unemployment, and disadvantaged data factors. These three data factors carry equal weights and must total at least 70 percent of the formula.

Of the remainder, states may determine the percentage to allocate to data factors reflecting excess poverty and excess unemployment above the state average.

States also have flexibility in choosing the data they want to use related to poverty and excess unemployment above the state average. States **may not** reuse the allocation formula data factors (ASU, excess unemployment, and disadvantaged adults) to distribute the remainder. Using data factors not directly describing poverty or excess unemployment may be acceptable, but the state must articulate how such factors relate to the statutory requirements in the State Plan.

The discretionary formula must also employ a minimum percentage, as described in subparagraph C.1 on the allocation formula. The minimum percentage may be applied to the 70 percent (or greater) portion or to the entire allocation.

The State Board must develop the discretionary formula, and the Secretary must approve it as part of the State Plan.

- D. Transfers of Funds. WIOA sec. 133(b)(4) provides the authority for local workforce areas, with approval of the Governor, to transfer up to 100 percent of the Adult Activities funds for expenditure on Dislocated Worker Activities, and up to 100 percent of Dislocated Worker Activities funds for expenditure on Adult Activities.
- E. Re-allotment of Funds. WIOA sec. 132(c) requires the Secretary of Labor to recapture and reallocate Adult Activities program formula funds based on state obligation levels at the end of the first program year of use (ETA reallocates in accordance with 20 CFR 683.135). PY 2023 funds are only available for Federal obligation until the end of the program year, and so the Secretary does not have authority to re-obligate PY 2023 funds after the first program year. Therefore, any re-allotment of funds requires the use of PY 2024 funds. In other words, re-allotment of PY 2024 funds is based on obligation levels of PY 2023 funds at the end of PY 2023.
1. The obligation threshold a State must meet to avoid recapture under WIOA sec. 132(c)(2) is 80 percent. The term obligation is defined at 2 CFR 200.71. The funds that a state allocates to a local area are state obligations. WIOA requires states to allocate at least 85 percent of Adult Activities funds to local areas. Therefore, by making the required local allocations, the state has obligated more than 80 percent of its PY 2023 funds and no further action is required regarding re-allotment of PY 2024 funds.
  2. States report aggregate allocations to the local areas on the Local Adult ETA 9130 (D) financial reports, along with obligations by local areas of those funds. Additional guidance and information on the access and use of the PMS Financial Reporting System for the submission of future ETA-9130 quarterly financial reports is provided in TEN No. 16-22. The PMS Financial Reporting System training sessions will be recorded and available for future reference.