Distribution of WIOA Title I-B Formula Funds, Recapture and Reallocation Policy Updated September 10, 2025

Introduction

The Idaho Workforce Development Council (WDC), acting as the Local Workforce Development Board, is issuing Local Area policy and procedures for the distribution, recapture and reallocation of *Workforce Innovation and Opportunity Act* (WIOA) Title I-B formula funds.

Funds distribution, recapture and reallocation are applicable to Adult, Youth, and Dislocated Worker funds allocated by formula to Local Workforce Development Areas (Local Areas) and, subsequently, to local Service Delivery Areas (SDAs).

References

- WIOA Sections 127 and 132
- WIOA Sections 128 and 133
- Title 2 *Code of Federal Regulations* (CFR) Part 200.1
- WIOA Final Rule at 20 CFR 683.140
- 2 CFR Part 2900
    - 2900.4 – Adoption of 2 CFR Part 200
- TEGL 28-10: Federal Financial Management and Reporting Definitions

Background

On an annual basis, Congress provides funding to the U.S. Department of Labor (DOL), which is the federal agency which administers the WIOA Title I-B programs. The Secretary of Labor allocates these funds to the states. On receipt of funds, the Governor of Idaho, through the Administrative Entity, allocates them to the Local Areas by formula according to State and Local Workforce Board policy.

In conjunction with the Governor's Executive Order 2019-08 and a USDOL-approved waiver, the Workforce Development Council serves as the State and Local Workforce Board, supporting an integrated workforce development system in the state. In particular, the WDC assists in consolidating job training, employment and employment-support services, to achieve an efficient and effective delivery of services and to allocate funds to local workforce development areas for the purpose of meeting or exceeding statewide performance targets, as consistent with federal and state program requirements.

At the time of the WIOA implementation, Idaho's workforce development system for Title I-B programs consisted of six Service Delivery Areas (SDAs) within the state, with SDA 6 comprising the East-Central District and SDA's 1 through 5 comprising the Balance of State – which, combined, fulfill the two Local Areas as designated by the Governor.

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Each SDA is described below, with counties identified per SDA, as used in the Local Area allocation and SDA distribution formulas:

East-Central District

SDA 6 – Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison and Teton

Balance of State

SDA 1 – Benewah, Bonner, Boundary, Kootenai and Shoshone
SDA 2 – Clearwater, Idaho, Latah, Lewis and Nez Perce
SDA 3 – Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley and Washington
SDA 4 – Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls
SDA 5 – Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida and Power

It is the intent of the Local Workforce Areas to further distribute WIOA Title I-B funds (for Adult, Dislocated Worker and Youth programs) to these six workforce SDA's to engage in efforts that result in the analysis of the SDA labor markets, establishment of service strategies, development and implementation of sector initiatives for in-demand industry sectors or occupations, and the coordination of services with economic development needs.

Allocation and Distribution Model

1. When Idaho receives its program year allotment, the following set asides are made to support statewide activities:
   - Up to 15% is set aside for the Governor's Reserve
   - Up to 25% of Dislocated Worker funding is set aside for Rapid Response

2. The remaining funds are distributed to the two Local Areas using the Local Area allocation methodology as described in Attachment A and mirrored in the Combined State Plan. The Local Areas reserve the right to set aside funding for the following Local Area activities:
   - One-Stop Operator costs
   - Shared One-Stop infrastructure costs
   - Up to 10% for administration
   - Evaluations and activities related to program integrity
   - Research and labor market analysis
   - Local plan development
   - Promote business representation on the local Workforce Development Board
   - Develop employer engagement
   - Develop career pathways
   - Identify proven and promising practices and initiatives for meeting needs of employers, workers and jobseekers in the local workforce development system
   - Develop strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, workers and jobseekers

- Conduct program oversight
- Negotiate local performance accountability measures
- Selection of local service providers
- Coordination with education providers
- Assessment of physical and programmatic accessibility for individuals with disabilities

3. Following Local Area set asides, the remaining funds are distributed to Service Delivery Areas as described in the Background section above and using the same Local Area allocation methodology as described in Attachment A and mirrored in the Combined State Plan.

4. Generally, Youth program funding is distributed on a July 1 – June 30 (Federal Program Year) timeframe. Adult and Dislocated Worker program funding is distributed on an October 1 – September 30 (Federal Fiscal Year) timeframe, with a contract amendment provided for funding made available from USDOL for July 1.

Additional Policies and Procedures

Transfer of Funds

WIOA (Workforce Innovation and Opportunity Act) program funds may only be transferred between the Adult and Dislocated Worker programs within the same Local Area, not transferred to a different Local Area. Local workforce areas, with the approval of the Governor, may 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. WIOA does not have a similar provision allowing for the transfer of Title I-B Youth program funds.

The WDC reserves the right to adjust any of the Title I-B program funds distributed to Service Delivery Areas, within a single Local Area, as appropriate. Adjustments will be made based on an SDA's enrollment and expenditure levels compared to the planned levels within their annual agreement. Enrollment or expenditures 10 percent (10%) under planned levels will trigger the WDC to consider adjustments. Although this exercise does not require the Governor's approval, the WDC will consult with the Administrative Entity and service provider to address participant needs and prevent underspending before shifting funds.

Carryover and Recapture

Subawards for provision of services shall be made to service providers selected through a competitive process. Service providers will be required to meet performance, expenditure, data collection and reporting targets as defined in the procurement process and subsequent subaward agreements. Subrecipients must ensure that at least 80 percent (80%) of its program year's funding distribution for each of the Youth, Adult, and Dislocated Worker funding streams are obligated by the end of the subject program year (PY).

If a subrecipient's unobligated balances within an SDA for the Youth, Adult or Dislocated Worker formula distributions exceed twenty percent (20%) at the end of any PY or FY period of performance, the Local Board, in consultation with the respective subrecipient and Administrative Entity, will conduct an analysis to determine the need for fund recapture and reallocation. Only program funds are subject to recapture and reallocation. The Governor's approval is not required for this action to take place.

The Local Board, at its discretion, may use recaptured funds for the following purposes:

a. For Local Area activities described in section 2 above; or

b. To redistribute to other eligible subrecipients within the impacted SDA, first, and Local Area, second, that have obligated at least 80% of their funds, by program, for the subject program year.

- Carry-in balances will be pooled and redistributed to those SDAs complying with b. above based on that PY's allocation methodology/share of funding. Those who do not meet this requirement will not be eligible for this distribution.

It is the Local Area's responsibility to establish, maintain and exercise ongoing controls to ensure compliance with these requirements.

Attachment A
Funding Allocation Methodology for Distribution to Local Areas, Service Delivery Areas

Current Local Board policy has identified the methodology below for substate allocation of program funds, and as currently described in the Idaho Combined State Plan. The WDC may elect to use the available discretionary allocation methodology, defined at the end of this Attachment. Use of the discretionary allocation methodology requires an update to Idaho's WIOA Combined State Plan, including public comment period, and approval by USDOL.

All allocation factors described below are determined by compiling and calculating county data as they relate to each Service Delivery Area**.**

Youth activities in accordance with WIOA section 128(b)(2) or (b)(3)
All Youth program funds will be allocated using the three required factors of substantial unemployment, excess unemployment, and economically disadvantaged individuals.

- 1/3 of the funds allocated on the number of unemployed residing in areas of substantial unemployment (6.5% or higher unemployment)
- 1/3 of the funds allocated on excess unemployment (number of unemployed over 4.5%)
- 1/3 of the funds allocated on the number of economically disadvantaged youths (age 16-21)

The hold-harmless provisions defined under WIOA are applied to the Youth program allocations. Hold-harmless levels are based on 90% of an area's average relative share of the previous two years of funding.

Adult and training activities in accordance with WIOA section 133(b)(2) or (b)(3)
All Adult program funds will be allocated using the three required factors of substantial unemployment, excess unemployment, and economically disadvantaged individuals.

- 1/3 of the funds allocated on the number of unemployed residing in areas of substantial unemployment (6.5% or higher)
- 1/3 of the funds allocated on excess unemployment (number of unemployed over 4.5%)
- 1/3 of the funds allocated on the number of economically disadvantaged adults (age 22-72)

The hold-harmless provisions defined under WIOA are applied to the Adult program allocations. Hold-harmless levels are based on 90% of an area's average relative share of the previous two years of funding.

Dislocated Worker employment and training activities in accordance with WIOA section 133(b)(2) and based on data and weights assigned
Dislocated Worker funding will be allocated to the Local Areas based upon information that will include insured unemployment data, unemployment concentrations, employer layoff data, declining industries data, farmer/rancher economic hardship data and long-term unemployment data. No other informational factors will be used. The data used and weight factors are:

- 0.320 Average number unemployed
- 0.320 Average number unemployed over the state's rate
- 0.320 Number of Unemployment Insurance (UI) claimants with 15 weeks claimed
- 0.020 Number of employers with 50 or more individuals laid off at one time
- 0.010 Industry employment declines by annual average monthly employment
- 0.010 Number of USDA Farm Loan borrowers who are bankrupt or delinquent
- 1.000 Total

To mitigate significant shifts in funding for Service Delivery Areas, the Governor defined hold-harmless levels for the WIOA Dislocated Worker funds. Hold-harmless levels are based on 90% of an area's relative share of the previous two years of funding.

DISCRETIONARY ALLOCATION METHODOLOGY FOR ADULT AND YOUTH PROGRAM FUNDS:

WIOA Youth Activities Formula

No less than 70 percent of the funds will be distributed as stated in the statutory formula:

- 1/3: Local Area relative share of total unemployed in areas of substantial unemployment (ASU) (average 12 months ending June 30th)
- 1/3: Local Area relative share of excess unemployed (average 12 months ending June 30th)
- 1/3: Local Area relative share of disadvantaged youth (age 16-21, American Community Survey 2016-2020)

No more than 30 percent of the remaining funds will be distributed using additional data related to **both:**

- Excess youth poverty in urban, rural, and suburban local areas; and
- Excess unemployment above the State average in urban, rural, and suburban local areas.

Minimums:
Statutory formula minimum must be applied to 70 percent or greater funds, or to the entire allocation.
Maximum: Not allowed.

WIOA Adult Activities Formula

Same as Youth Activities Formula, except uses disadvantaged ADULTS instead of YOUTH and EXCESS POVERTY instead of excess YOUTH poverty.

FORMULA DATA FACTOR DEFINITIONS

WIOA Adult and Youth Programs

- ASU – contiguous areas with unemployment rate of 6.5 percent or more
- Excess unemployed – higher of:
  - excess unemployed (unemployment in excess of 4.5 percent) in ASUs; or
  - excess unemployed (unemployment in excess of 4.5 percent) in all areas.
- Disadvantaged adults: individuals, age 22-72, meeting (or member of family meeting) Census poverty level or 70 percent of lower living standard income level (LLSIL).
- Disadvantaged youth: individuals, age 16-21, meeting (or member of family meeting) Census poverty level or 70 percent of lower living standard income level (LLSIL).

Attachment B
Recapture and Reallocation Timeline

Below is the recapture and reallocation timeline:

Funding Period	80% Obligated by	Obligations Reported by	Funds Recaptured	Funds Reallocated	Fund Expiration
PY (Youth)	June 30 of current PY	July 20 of new PY	August of the new PY	September/ October of new PY	PY funds expire by June 30 of new PY
FY (Adult/ Dislocated Worker)	September 30 of current FY	October 20 o new FY	November of the new FY	December/ January of new FY	FY funds expire by September 30 of new FY