#### U. S. Department of Labor Employment and Training Administration

## Workforce Investment Act (WIA) and Wagner-Peyser Act Statutory Formulas for State Allotments

## **Formula Descriptions**

# WIA Youth Activities

- *Formula:* 1/3: State relative share of total unemployed in areas of substantial unemployment (ASU) (average 12 months ending 6/30)
- 1/3: State relative share of excess unemployed (average 12 months ending 6/30)
- 1/3: State relative share of economically disadvantaged youth (Census 2000)

### Minimums:

- (a) If total amount available for States is \$1 billion or less:
  - State allotment cannot be less than
  - (1) 90% of State relative share of prior year funding
  - (2) 0.25% of total available funds for States
- (b) If total amount available for States exceeds \$1 billion: State allotment cannot be less than
  - (1) 90% of State relative share of prior year funding
  - (2) 1998 allotment amount
  - (3) 0.3% of first \$1 billion plus 0.4% of amount over \$1 billion

### Maximum:

130% of State relative share of prior year funding

#### WIA Adult Activities

- Same as Youth Activities, except
- (a) Formula uses economically disadvantaged ADULTS instead of YOUTH
- (b) Threshold for selecting minimum provisions is \$960 million instead of \$1 billion

### WIA Dislocated Workers

- Formula:
- 1/3: State relative share of total unemployed (average 12 months ending 9/30)
- 1/3: State relative share of excess unemployed (average 12 months ending 9/30)
- 1/3: State relative share of long-term unemployed (average previous published calendar year)
- Minimum: none

### Maximum: none

### **Employment Service (Wagner-Peyser Act)**

Formula for 97% of funds:

- 2/3: State relative share of civilian labor force (average 12 months ending 9/30 (preliminary) or 12/31 (final))
- 1/3: State relative share of total unemployment (average 12 months ending 9/30 (preliminary) or 12/31 (final)) *Minimums:* 
  - (a) 90% of State relative share of prior year funding
  - (b) 0.28% of total available funds for States

Maximum:

### Distribution of 3% of funds:

- (1) States with civilian labor force below 1 million and under the national median civilian labor force density receive an amount which when added to their share of the 97% portion will result in an amount equal to 100% of their relative share of the prior year funding
- (2) Remaining States losing in relative share receive a share of the remaining funds prorated based on
  - the amount needed to achieve 100% of their relative share of prior year funding.

### **Formula Data Factor Definitions**

#### WIA Youth and Adults Programs

ASU: contiguous areas with unemployment rate of 6.5% or more

- Excess unemployed: higher of:
  - (1) excess unemployed (unemployment in excess of 4.5%) in ASU's; or
  - (2) excess unemployed (unemployment in excess of 4.5% ) in all areas
- Economically disadvantaged adults: individuals age 22-72 meeting (or member of family meeting): OMB poverty level or
  - 70% of lower living standard income level (LLSIL).
- Economically disadvantaged youth: individuals age 16-21 meeting (or member of family meeting): OMB poverty level or
  - 70% of lower living standard income level (LLSIL).

#### WIA Dislocated Workers Program

Excess unemployed: unemployment in excess of 4.5% Long-term unemployed: number unemployed 15 or more weeks

#### **Employment Service (Wagner-Peyser):**

Self-explanatory