

Title 1 Local Allocations Fact Sheet

Background

The allocation formula language in the Opportunity Act is essentially identical to the language in the previous Act. Under both Acts, the Governor determines the in-state distribution formula after consulting with locals. Changes to the formula may be made no more often than once a year.

“Adjustments to the formula” refers to weighting of the factors for each funding source, rather than changing the factors or creating new factors.

Under the previous Act, Employment Security distributed resources to local areas using the same distribution formula the Department of Labor used to allocate resources to the state.

Youth Formula Factors

- 1) The average number of unemployed individuals for Areas of Substantial Unemployment (ASUs) for the 12 month period (provided by Bureau of Labor Statistics),
- 2) The number of excess unemployed individuals or the ASU excess (depending on which is higher) averages for the same 12 month period, and
- 3) The number of economically disadvantaged Youth (age 16 to 21, excluding college students in the workforce and military) from the American Community Survey (ACS),
- 4) Subject to reservation of 8.75% for statewide workforce investment activities in accordance with the provisions Act and the approved State Plan.

Under WIA, these factors were given equal weight in the allocation formula to the locals.

Adult Formula Factors

The same as those for Youth, except the number of economically disadvantaged Adults (age 18 to 72, excluding college students in the workforce and military) rather than youth, subject to reservation of 8.75% for statewide workforce investment activities in accordance with the provisions of the Act and approved State Plan. Under WIA, these factors were given equal weight in the allocation formula to the locals.

Dislocated Worker

- 1) The number of unemployed, average for the 12 month period, weight of 1,
- 2) The number of excess unemployed, average for the 12 month period, weight of 1.5,
- 3) The number of long-term unemployed, average for the 12 month period, weight of 1, and
- 4) The number of dislocated worker population, average for the 12 month period, weight of 2,
- 5) Subject to the Governor’s reservation of up to 25 percent for statewide rapid response activities and 8.75% for statewide workforce investment activities in accordance with the provisions of the Act and the approved State Plan.

Please note: A local area shall not receive an allocation percentage that is less than 90 percent of the average allocation percentage of the local area for the 2 preceding fiscal years. Amounts necessary for

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increasing such allocations to local areas are obtained by ratably reducing the allocations to be made to other local areas.

Task Force Charge: the task force has been asked to “Establish Recommendations on the State’s WIOA Distribution Formula for Specific Program Activities” for Title 1 Youth, Adult and Dislocated Worker Funds. The task force could continue with current formula or change the weighting of factors in the formulas for each of the funding streams.

Considerations: Typically, formula changes are intended to achieve specific outcomes, such as creating greater funding equity across local areas, assuring local areas have sufficient funds to meet the needs of high need populations in their boundaries, etc. As with any formula, there are likely to be “winners” and “losers”: the size of the funding pot has not grown, therefore funding increases in one local area result in funding losses in another. Because of the requirement that funding for any local area not fluctuate more than 90% from the average of the previous two years, formula changes may have limited impact.

There is no requirement in the Opportunity Act to change the funding allocation formulas. Any changes must be vetted with the locals.

Task Force: Recommending Criteria on State's WIOA Distribution Formula for Specific Program Activities

Title 1 Youth, Adult, Dislocated
Worker



Overview

- WIOA funding formula same as WIA.
- Can change formula up to once/year.
- No requirement to change formula.
- Governor must vet formula changes locally.
- Factors for each formula are prescribed.
 - Changes relate to the weighting of these factors.
- Hold harmless - local area cannot receive 90% less than the average of the preceding 2 years.
- This is not about distributing new resources.
 - More \$ for one area means less \$ for the others.

Overview (cont'd)

Current practice:

- ESD allocates Title 1 resources to locals using the formula the feds use to distribute to states.

Task force options:

- Recommend keeping the current formula (no requirement to change).
- Recommend changes to the formula to achieve specific objectives:
 - Increase equity of distribution among local areas.
 - Increase resources for higher need populations (unemployed and people in poverty).