	Oregon Workforce Talent and Development Board Policy		
	Subject: Dislocated Worker Formula Funding		
	Number/Reference: WIOA sec.133 (B)(i)	Effective Date: 6/9/2017	Revision # 1

Overview

The Workforce Innovation and Opportunity Act (WIOA) requires the Governor, with assistance from the state board (WIOA sec. 101(d)(9)), to develop allocation formulas for the distribution of funds for employment and training activities to local areas as permitted under sections 133(b)(1)(B) of WIOA. The following policy and procedures have been adopted to provide for the establishment of the formula for in-state allocation of WIOA Title I Dislocated Worker Funds.

Policy Statement

The Workforce Innovation and Opportunity Act (WIOA) requires the state to consider six factors in developing its in-state Dislocated Worker program allocation. The factors include:

- Insured Unemployment
- Unemployment Concentration
- Plant Closing/Mass layoff
- Declining Industries
- Farmer-rancher Economic Hardship
- Long Term Unemployment

The formula for the State of Oregon Dislocated Worker program allocation in this policy meets the principles of fairness, recognition of urban/rural differences, program stability, and customer responsiveness. Multiple analyses were completed to determine these facts:

- An analysis of the validity of the available data was done to predict the types of customers the system would serve based on future dislocations.
- The analysis suggests that the best predictor of the types of people who would be served using prior customer data was the total number of unemployed.
- In this analysis, no weight is given to the farmer/rancher factor since the only data that is available is based on gross sales and it has very little relationship to the dislocations at an area level.
- The analysis confirmed that the formula adequately accounts for rural dislocations since it uses other factors that reflect these concerns.

It is the policy of the State of Oregon to allocate dislocated worker funds based on the average distribution of the data that reflects the following factors as they relate to the workforce areas (this average distribution assumes all factors are weighted equally):

- Total Unemployed
- Excess Unemployed
- Exhaustees
- Total UI Claimants
- Declining Industries

The resulting average distribution per workforce area will be applied to the formula dollars the state will distribute to the areas. After the initial allocation is figured, a hold-harmless formula will be applied in accordance with the requirements in WIOA.

Hold-harmless: 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 2 preceding fiscal years. Amounts necessary for increasing such allocations to local areas to comply with the hold-harmless shall be obtained by ratably reducing the allocations to be made to other local areas.

Action(s)

The state will use this formula for Dislocated Worker funds for in-state allocations starting on 7/1/2017. This policy will be revisited every two years after consultation with chief elected officials and local boards in the local areas.

Attachments

None