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DEPARTMENT OF LABOR AND EMPLOYMENT
OFFICE OF THE EXECUTIVE DIRECTOR

633 17th Street, Suite 1200
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April 4, 2014

Mr. Nicholas Lalpui
Acting Regional Administrator, Region IV
US Department of Labor, Employment and Training Administration
525 Griffin St., Room 317
Dallas, TX 75202
ATTN: Frank Stluka and Amanda Denogean

Dear Mr. Lalpui,

On behalf of the Colorado Department of Labor and Employment, the state operational entity for the Workforce Investment Act (WIA), I am respectfully requesting approval for modification of our Within State Dislocated Worker Formula. Our intent is to ensure that funds are distributed to the regions that engage in the most successful strategies to address the needs of their local labor market.

The Dislocated Worker formula change request was developed per WIA Sec. 133(b)(2)(B)(i – ii) – Within State Allocations, and incorporates both the standard formula factors as well as factors related to program year 2012 expenditure and enrollment outcomes for the State's nine federally recognized workforce regions. Because we are preparing to use the revised formula for the first time in May 2014, we are asking for approval of the change effective May 1, 2014 through the June 30, 2017, end date of our current WIA state plan.

We appreciate the opportunity to submit Colorado's formula change request, and look forward to receiving the Secretary's approval. If you have any questions, please do not hesitate to contact Nina Holland at 303-318-8806, or by email at nina.holland@state.co.us.

Respectfully,

Auster Coakle for Ellen Golombek
Deputy Executive Director

Ellen Golombek
Executive Director

State of Colorado
WIA Dislocated Worker Within State Formula Change Request
April 4, 2014

Per Workforce Investment Act Sec. 133(b)(2)(B)(i and ii): Within State Allocations, Colorado is proposing to change its Dislocated Worker (DW) formula for distribution of DW funds to its nine federally recognized workforce regions. The purpose for the change is to ensure that the regions demonstrating the most successful or least successful expenditure and enrollment strategies receive an appropriate proportionate share of the limited funding available. Because we are preparing to use the revised formula for the first time in May 2014, we are asking for approval of the change effective May 1, 2014 through the June 30, 2017 end date of our current WIA state plan.

The formula that was selected differs from the standard WIA DW formula as follows:

WIA DW Formula	Colorado Proposed DW Formula
49% insured unemployed	20% insured unemployed
1% mass layoffs	0% mass layoffs (data no longer available)
15% declining industries	10% declining industries
5% farms in crisis	5% farms in crisis
25% claims 15 weeks plus	25% claims 15 weeks plus
5% total unemployed	5% total unemployed
--	20% number enrolled in DW programs
--	15% percent of DW funds expended

In addition, a 90% hold harmless is applied to both formulas to ensure that no region receives larger than a 10% cut of its share of the formula funds being distributed.

Attached is a series of charts that document the methodology and rationale for determining Colorado's proposed formula, as well as the raw data utilized for the enrollment and expenditure factors that were added. Attachments 3-6 contain yellow highlighting to underscore the regions identified for reduction in funds based on enrollments and expenditures.

- Attachment 1 – PY13 Dislocated Worker Allocation: This detailed allocation spreadsheet demonstrates the potential distribution of \$1,549,305 using the standard DW formula
- Attachment 2 – Proposed Dislocated Worker Allocation: This detailed allocation spreadsheet demonstrates the potential distribution of \$1,549,305 using the proposed DW formula
- Attachment 3 – PY12 Data Chart: Contains the enrollment and expenditure data for PY12 used in the proposed formula, and yellow highlights the regions with a lower percentage of the statewide total served than their percentage of the total funding available. These are the regions that were initially identified for a lower proportionate share of the allocation. The remaining regions were identified for a higher proportionate share of the allocation.
- Attachment 4 – PY13 Data Chart: Contains enrollment and expenditure data for PY13 through January, 2014, for purposes of demonstrating the continuing trend of low and high enrollment

and expenditure outcomes. Yellow highlighted regions would be expected to receive less funding; all others would be expected to receive higher allocations.

- Attachment 5 – Summary Chart: Compares the standard DW formula with the proposed DW formula and yellow highlights the regions receiving a reduction in funds. All others would receive an increase in funds with the proposed formula.
- Attachment 6 – Comparison Chart: Shows which regions should get less or more money based on the two data charts, versus who actually gets more or less money using the proposed formula. Those in yellow have x's in all three categories for funding reductions; those in green have x's in all three categories for funding increases. Please note that the proposed formula limits the amount of change in funding for the remaining regions.

The proposed formula resulted in the highest and lowest performing regions receiving an appropriate proportion of funding, with mixed results for the regions in the middle range. However, these middle regions had a limited amount of change to their funding with the new formula. Experimentation with different formula options and weights consistently produced the same type of result – there were no perfect matches. After a detailed review by management, the proposed formula was deemed the closest match to the results the State was seeking. In addition, the State conferred with the workforce regional directors, who concurred with the State's decision to go forward with this DW formula change request.

As part of the standard process for modifications to the State Plan, Colorado will post the proposed formula change request for 30 days of public comment concurrent with submission of this request to USDOL. Any comments received will be forwarded to the regional and national offices.

Attachment 1														
DISLOCATED WORKER ALLOCATION														
PY13 Formula														
Region	49% Share of Insured Unemployment	Allocation for Insured UI	1% Share of Mass Layoff	Allocation for Mass Layoff	15% Share of Declining Industry	Allocation for Declining Industry	5% Share of Farm/ Ranch in Crisis	Allocation for Farm in Crisis	25% Share of UI Claims 15 Weeks +	Allocation for 15+Week Claims	5% Share of FFY Unemployment	Allocation for FFY UN	Allocation prior to Hold Harmless	Allocation w/ Hold Harmless
Adams	10.9%	\$82,548	9.1%	\$1,404	4.5%	\$10,535	0.0%	\$0	10.7%	\$41,610	9.9%	\$7,669	\$143,767	\$143,607
Arapahoe/Douglas	15.4%	\$117,108	7.6%	\$1,174	7.3%	\$16,878	0.0%	\$0	14.9%	\$57,605	16.2%	\$12,521	\$205,285	\$205,153
Boulder	4.3%	\$32,988	3.4%	\$531	6.9%	\$15,941	0.0%	\$0	3.9%	\$15,006	4.9%	\$3,803	\$68,268	\$68,118
Denver	13.3%	\$100,921	10.2%	\$1,580	15.7%	\$36,379	0.0%	\$0	14.3%	\$55,313	12.9%	\$9,975	\$204,167	\$203,991
El Paso/Teller	13.2%	\$100,454	14.1%	\$2,189	11.1%	\$25,738	9.1%	\$7,042	13.1%	\$50,577	13.1%	\$10,154	\$196,155	\$195,614
Larimer	4.8%	\$36,208	4.3%	\$668	4.8%	\$11,168	0.0%	\$0	4.3%	\$16,627	5.3%	\$4,094	\$68,765	\$68,639
Tri-County	10.5%	\$79,723	5.8%	\$895	7.4%	\$17,181	0.0%	\$0	10.1%	\$38,930	10.8%	\$8,388	\$145,117	\$144,992
Weld	4.6%	\$35,112	4.6%	\$710	3.1%	\$7,278	0.0%	\$0	4.5%	\$17,263	5.0%	\$3,863	\$64,225	\$66,413
Rural Consortium	22.9%	\$174,099	40.9%	\$6,343	39.3%	\$91,297	90.9%	\$70,423	24.4%	\$94,396	21.9%	\$16,999	\$453,556	\$452,779
TOTAL	100.0%	\$759,159	100.0%	\$15,493	100.0%	\$232,396	100.0%	\$77,465	100.0%	\$387,326	100.0%	\$77,465	\$1,549,305	\$1,549,305
Colorado Dept. of Labor and Employment														
3/13/2014														

Attachment 2 DISLOCATED WORKER ALLOCATION Proposed Alternate Formula																				
Region	20% Share of Insured Unemployment		20% Share of Number Served		15% % expended of whole		10% Share of Declining Industry		5% Share of Farm/ Ranch in Crisis		25% Share of UI Claims 15 Weeks +		5% Share of FFY Unemployment		Allocation for FFY UN		Allocation prior to Hold Harmless		Allocation w/ Hold Harmless	
	Allocation for Insured UI	Number Served	Allocation for Number Served	% expended of whole	Allocation for % expended	Share of Declining Industry	Allocation for Declining Industry	Share of Farm/ Ranch in Crisis	Allocation for Farm in Crisis	Share of UI Claims 15 Weeks +	Allocation for 15+Week Claims	Share of FFY Unemployment	Allocation for FFY UN	Allocation prior to Hold Harmless	Allocation w/ Hold Harmless					
Adams	10.9%	\$33,693	\$19,459	11.4%	\$26,439	4.5%	\$7,024	0.0%	\$0	10.7%	\$41,610	9.9%	\$7,669	\$135,893	\$135,278					
Arapahoe/Douglas	15.4%	\$47,799	\$77,144	13.9%	\$32,188	7.3%	\$11,252	0.0%	\$0	14.9%	\$57,605	16.2%	\$12,521	\$238,509	\$233,514					
Boulder	4.3%	\$13,464	\$13,927	12.2%	\$26,460	6.9%	\$10,628	0.0%	\$0	3.9%	\$15,006	4.9%	\$3,803	\$85,288	\$83,070					
Denver	13.3%	\$41,192	\$18,274	11.3%	\$26,330	15.7%	\$24,253	0.0%	\$0	14.3%	\$55,313	12.9%	\$9,975	\$175,336	\$183,639					
El Paso/Teller	13.2%	\$41,001	\$43,165	11.5%	\$26,786	11.1%	\$17,159	9.1%	\$7,042	13.1%	\$50,577	13.1%	\$10,154	\$195,885	\$194,052					
Larimer	4.8%	\$14,779	\$22,620	12.2%	\$28,253	4.8%	\$7,445	0.0%	\$0	4.3%	\$16,627	5.3%	\$4,094	\$93,818	\$90,848					
Tri-County	10.5%	\$32,540	\$34,275	9.3%	\$21,553	7.4%	\$11,454	0.0%	\$0	10.1%	\$38,930	10.8%	\$8,388	\$147,141	\$145,600					
Weld	4.6%	\$14,331	\$14,915	9.6%	\$22,283	3.1%	\$4,852	0.0%	\$0	4.5%	\$17,263	5.0%	\$3,863	\$77,507	\$75,868					
Rural Consortium	22.9%	\$71,061	\$66,081	8.7%	\$20,104	39.3%	\$60,865	90.9%	\$70,423	24.4%	\$94,396	21.9%	\$16,999	\$399,928	\$407,436					
TOTAL	100.0%	\$309,861	\$309,861	100.0%	\$232,396	100.0%	\$154,931	100.0%	\$77,465	100.0%	\$387,326	100.0%	\$77,465	\$1,549,305	\$1,549,305					
Colorado Dept. of Labor and Employment 3/13/2014																				

Dislocated Worker Formula Change Request – Attachment 3
PY12 Full Year Data for Funding, Expenditures and Number Served by Region
(Used in Proposed Formula Calculations)
March 13, 2014

Region	DW \$\$ Available For PY12 after Transfers	Amount Spent	% Spent	% of Total Available	Number Served	% of Total Served	% Total Available versus %Total Served
Adams	\$1,121,223	\$844,567	75.33%	9.68%	197	6.28%	-3.40%
Arapahoe	\$2,112,893	\$1,937,730	91.71%	18.24%	781	24.90%	6.66%
Boulder	\$345,409	\$280,078	81.09%	2.98%	141	4.49%	1.51%
Denver	\$1,293,916	\$970,702	75.02%	11.16%	185	5.90%	-5.26%
El Paso	\$950,063	\$725,130	76.32%	8.20%	437	13.93%	5.73%
Larimer	\$698,339	\$562,172	80.50%	6.03%	229	7.30%	1.27%
Tri-County	\$1,435,181	\$881,376	61.41%	12.39%	347	11.06%	-1.33%
Weld	\$682,543	\$433,337	63.49%	5.89%	151	4.81%	-1.08%
Rural	\$2,945,819	\$1,687,510	57.28%	25.43%	669	21.33%	-4.10%
Total	\$11,585,386	\$8,322,602	71.84%	100.00%	3137	100.00%	

Regions in yellow had a lower percentage of the total served than their percentage of the total funding available.

Dislocated Worker Formula Change Request – Attachment 4
PY13 Data for Funding, Expenditures and Number Served by Region
July 1, 2013 thru January 31, 2014

Region	DW \$\$ Available For PY12 after Transfers	Amount Spent	% Spent	% of Total Available	Number Served	% of Total Served	% Total Available versus % Total Served
Adams	\$802,449	\$338,849	42.23%	7.25%	153	8.10%	0.85%
Arapahoe	\$1,507,478	\$445,936	29.58%	13.62%	520	27.51%	13.89%
Boulder	\$381,340	\$111,037	29.12%	3.45%	92	4.87%	1.42%
Denver	\$1,641,966	\$453,554	27.62%	14.83%	149	7.88%	-6.95%
El Paso	\$938,499	\$447,937	47.73%	8.48%	156	8.25%	-0.23%
Larimer	\$638,614	\$339,626	53.18%	5.77%	172	9.10%	3.33%
Tri-County	\$1,380,501	\$416,525	30.17%	12.47%	167	8.84%	-3.63%
Weld	\$702,308	\$174,731	24.88%	6.35%	102	5.40%	-0.85%
Rural	\$3,074,669	\$841,185	27.36%	27.78%	379	20.05%	-7.73%
Total	\$11,067,824			100.00%	1890	100.00%	

Regions in yellow had a lower percentage of the total served than their percentage of the total funding available.

ATTACHMENT 5

DW Formula Summary Chart - Based on a \$1,549,305 Allocation

Region	PY13	PY13	Proposed	Proposed	Net Change	% Change
	Formula	share	Formula	Formula share	in \$\$	in \$\$
Adams	\$143,607	9.3%	\$135,278	8.7%	-\$8,328	-5.8%
Arapahoe/Douglas	\$205,153	13.2%	\$233,514	15.1%	\$28,361	13.8%
Boulder	\$68,118	4.4%	\$83,070	5.4%	\$14,952	22.0%
Denver	\$203,991	13.2%	\$183,639	11.9%	-\$20,352	-10.0%
El Paso/Teller	\$195,614	12.6%	\$194,052	12.5%	-\$1,562	-0.8%
Larimer	\$68,639	4.4%	\$90,848	5.9%	\$22,209	32.4%
Tri-County	\$144,992	9.4%	\$145,600	9.4%	\$608	0.4%
Weld	\$66,413	4.3%	\$75,868	4.9%	\$9,455	14.2%
Rural Consortium	\$452,779	29.2%	\$407,436	26.3%	-\$45,343	-10.0%
Total	\$1,549,305	100.0%	\$1,549,305	100.0%		
Insured unemployed						
Number served	20%					
% expended	20%					
Declining industry	15%					
Farms in crisis	10%					
Claims 15 weeks plus	5%					
Total unemployed	25%					
	5%					
3/13/2014						

DW Allocation Change Request - Attachment 6 Comparison Chart

- The chart below shows which regions should get less money or more money based on the expenditure and enrollment data, versus who actually gets more less or money using the proposed formula.
- There is not a perfect match, but it is highly unlikely that any formula will get us to a perfect match. The proposed formula does a good job of getting more money to the green highlighted regions and reducing funding for yellow highlighted regions. The formula also limits the funding changes for most of the remaining regions.

Region	PY12 Data – Get Less \$\$	PY13 Data – Get Less \$\$	Proposed Formula – Get Less \$\$		PY12 Data – Get More \$\$	PY13 Data – Get More \$\$	Proposed Formula – Get More \$\$
Adams	X		X			X	
Arapahoe					X	X	X
Boulder					X	X	X
Denver	X	X	X				
El Paso		X	X		X		
Larimer					X	X	X
Trico	X	X					X
Weld	X	X					X
Rural	X	X	X				