

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.