

State of Arkansas Workforce Investment Act Funding Distribution Policy

The Arkansas Workforce Investment Board (WIB) coordinates and establishes policy for conducting all employment and training activities within the workforce investment system created by the federal Workforce Investment Act of 1998 and Arkansas Code §15-4-2201 through 15-4-2212, including all activities conducted in and through Arkansas's one-stop centers. The criteria for funding the programs included in this plan will be consistent with the federal and state laws governing those programs and are described in detail in the funding sections below.

The chief elected official or lead elected official in a local workforce investment area will serve as the local grant recipient for, and shall be liable for any misuse of, the grant funds allocated to the local area for youth, adult, and dislocated worker activities under Sections 128, 129, 133, and 134 of the Workforce Investment Act.

In a case in which a local workforce investment area includes more than one unit of general local government, the chief elected officials of such units will execute an agreement that specifies the respective roles of the individual chief elected officials, including responsibility for maintaining the integrity of the allocated funds. If, after a reasonable effort, the chief elected officials are unable to reach agreement about this responsibility, the Governor makes the determination. The local plan must include the agreement concerning this responsibility.

In order to assist in the disbursement of the grant funds, the chief elected official or lead elected official of a local workforce investment area may designate an entity to serve as a local grant subrecipient for such funds or as a local fiscal agent. Such designation shall not relieve the chief elected official or lead elected official of the liability for any misuse of grant funds.

The local grant recipient or subrecipient will disburse such funds for workforce investment activities at the direction of the local board. The local grant recipient or subrecipient will disburse the funds immediately on receiving such direction from the local board. The local board, in partnership with the chief elected official(s), will conduct oversight with respect to local programs of youth activities authorized under WIA Section 129, local employment and training activities authorized under WIA Section 134, and the One-Stop delivery system in the local area.

The Arkansas Workforce Investment Board met January 11, 2000, to discuss the implementation of the Workforce Investment Act of 1998 and solicit recommendations from the public for improving the workforce investment system. Recommendations regarding the criteria for allocating funds were included in this discussion.

The board's recommendations on funding were:

- Local workforce investment boards will be responsible for the administration of funds allocated to the workforce investment areas for conducting the local youth, adult, and dislocated worker activities described in WIA Sections 129 and 134.
- Local boards must describe in local plans how funds will be administered and how the activities described in WIA Sections 129 and 134 will be conducted with those funds.
- Local plans must be approved by the Arkansas Workforce Investment Board.

- In providing services to youth, adults, and dislocated workers, local workforce investment boards must ensure full and meaningful participation in the local One-Stop center by program operators, including adequate financial support of the center.
- Local boards must ensure that the needs of special population groups are met.
- Local boards must ensure that providers collect data for reporting on performance.
- Innovation and collaboration are to be encouraged, and duplication of services must be eliminated.
- The needs of employers must be assessed and action plans to meet these needs must be developed.
- The One-Stop centers must be aggressively marketed to employers and job seekers by all One-Stop partners.
- Lifelong learning must be encouraged, and workers must be encouraged to train for jobs in demand industries.
- Partnerships between the private enterprise and the two-year colleges must be encouraged, and the K-12 education must improve.

WIA Title I Youth Funding Allocation Formula

The in-state allotment of funds to local workforce investment areas for Title I youth activities under the Workforce Investment Act will be made using the formula described at Section 128(b)(2)(A)(i), as follows:

- 33 1/3 percent of the funds to the local workforce investment areas will be based on the relative number of unemployed individuals in areas of substantial unemployment in each workforce investment area compared to the total number of unemployed individuals in all areas of substantial unemployment in the state
- 33 1/3 percent of the funds based on the relative excess number of unemployed individuals in each workforce investment area compared with the total excess number of unemployed individuals in the state
- 33 1/3 percent of the funds based on the relative number of disadvantaged youth in each workforce investment area compared to the total number of disadvantaged youth in the state

To ensure that youth funds are distributed equitably and to avoid significant shifts in funding levels to local areas, a hold-harmless provision will be applied. Under this provision, consistent with WIA Section 128(b)(2)(A)(ii), a local area will 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 preceding sentence will be obtained by ratably reducing the allocations to be made to other local areas.

WIA Title I Adult Funding Allocation Formula

The in-state allotment of funds to local workforce investment areas for Title I adult activities under the Workforce Investment Act will be made using the formula described at Section 133(b)(2)(A), as follows:

- 33 1/3 percent of the funds to the local workforce investment areas will be based on the relative number of unemployed individuals in areas of substantial unemployment in each workforce investment area compared to the total number of unemployed individuals in all areas of substantial unemployment in the state
- 33 1/3 percent of the funds based on the relative excess number of unemployed individuals in each workforce investment area compared with the total excess number of unemployed individuals in the state
- 33 1/3 percent of the funds based on the relative number of disadvantaged adults in each workforce investment area compared to the number of disadvantaged adults in the state

To ensure that adult funds are distributed equitably and to avoid significant shifts in funding levels to local areas, a hold-harmless provision also will be applied. Under this provision, consistent with WIA Section 133(b)(2)(A)(ii), a local area will 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 preceding sentence will be obtained by ratably reducing the allocations to be made to other local areas.

WIA Title I Dislocated Worker Funding Allocation Formula

Funds for dislocated workers will be allocated based on an allocation formula prescribed by the Governor of Arkansas. This formula may be amended by the Governor not more than once for each program year. The formula will use the most appropriate information available to the Governor to distribute amounts to address Arkansas' worker readjustment assistance needs.

The in-state allotment of funds to local workforce investment areas for Title I dislocated worker activities under the Workforce Investment Act will be distributed by placing the following weights on six factors:

- 5 percent insured unemployment
- 15 percent unemployment concentrations
- 30 percent plant closings and mass layoffs
- 15 percent declining industries
- 5 percent farmer-rancher economic hardship
- 30 percent long-term unemployment

Not more than twenty-five percent of the total state allotment will be reserved for Rapid Response activities. Rapid Response activities in Arkansas are administered by Arkansas Department of Workforce Services as the lead agency of the Governor's Dislocated Worker Task Force.

Consultation with Chief Elected Officials

As consistent with federal law, the Arkansas Workforce Investment Board will assist the Governor by consulting on this formula with chief elected officials. Chief Elected Officials should submit any

comments they have on the funding formula no later than December 31 each year to the following address.

Arkansas Workforce Investment Board
Attn: Staff Director
P.O. Box 2981
Little Rock, AR 72203

Any comments submitted will be considered by the Arkansas Workforce Investment Board and Governor in deciding if a change to the funding formula is needed to the subsequent program year.