**WorkforceGPS**

**Transcript of Webinar**

**Discussion on Sub-State Allocations & State Plans - Workforce Innovation and Opportunity Act (WIOA)**

**Wednesday, December 4, 2019**

*Transcript by*

*Noble Transcription Services*

*Menifee, CA*

LAURA CASERTANO: I want to welcome everyone to today's "WIOA Within-State Allocations: A Discussion of the Formulas For The State Plan Submission" webinar. I'm going to turn things over to your moderator today, Andy Ridgeway. He's the unit chief for Adult Services, the Office of Workforce Investment with the Employment and Training Administration. Andy, take it away.

ANDY RIDGEWAY: Thanks, Laura. And thanks, everyone joining us this afternoon. It looks like from the poll that we have a good mix of people who work on some of the data at the state level – some who actually execute the allotments for the local areas, some that are interested, and some that are in our regional offices.

We have a good mix today, so we're excited about that. Today we'll be doing a deep dive into what WIOA allows States to do with their WIOA Title I formulas for the adult dislocated worker and youth formula programs. So that's what we're going to be focusing on today.

I know people are from all kinds of different programs on the webinar. And that's great. But I just wanted to let people know ahead of time that's what we're going to be focusing on today. I'll try and get out of your way pretty quickly in this presentation. The stars of the show – and I'll introduce them now real quick – are my colleagues in ETA's Office of Financial and Administrative Services, David Litvin and Anita Harvey. Very quickly, I'll wrap up my part of the presentation and get it to them so that we can get into the real meat of the presentation and why we're here.

What are we going to cover today? It's real quick. Today we're going to go over the WIOA requirements on within-state allocations, how the within-state allocations should be addressed in the upcoming state plan submission for 2020, some of the common questions and challenges we have seen so far with WIOA within-state allocations, as well as a discussion of allocation methodologies. Before we get too far along, I encourage you to submit any questions you may have into the chat box any time throughout the presentation.

We do have a plan to go over some of the questions at the end of the presentation. I will flag, though – because the topic is complex, we may not be able to answer your question on the spot. But we will have a path forward for you to be able to get your questions answered one way or the other. So please do throughout the presentation today type in questions that you may have as they come up. And we will work to get those addressed throughout the presentation or sometime shortly after.

Tapping into today, as I mentioned before, we're discussing the allotments process for the WIOA Title I adult dislocated worker and youth formula programs. As you may be aware, states can reserve up to 15 percent of the funds they receive from DOL for Statewide activities. Additionally, states can reserve up to 25 percent of the dislocated worker funds they receive for rapid response activities.

So what we're talking about today is what's left of those dollars. So after the states take the 15 percent for the governor's reserve and the 25 percent for rapid response, or up to those amounts, how does the money get from the state to the local area? And we're going through that process. That's where we're narrowing into today.

Just for everyone's benefit, we do have a quick slide on how everything flows. This is a little bit of how a goal becomes a law and how that involves money moving down the chain. So as you're probably aware, Congress and the president sign an annual appropriation. Sometimes that's a full budget before October 1, and sometimes it's a series of continuing resolutions, which we're currently in right now. Those have different impacts on our ability to get things out. But ultimately, they are the things that fund our programs. And then generally, the appropriation makes available funds for the youth program beginning on April 1 of the following year.

So, say, October 1, 2019, there's a budget passed. April 1, 2020, the youth funds can become available. The adult and dislocated worker funds are awarded in two increments based on the appropriation – the July 1 base and the October 1 advance. These dates are a little fluid, so I will just refer to them as July and October money just for whatever reason. It takes a few days here or there to be able to actually clear the accounts. But these are always discussed at our annual allotments TEGL, which DOL releases every year, which provides the funds for the states, our methodologies, any other add-ons that Congress puts on to our programs.

If you're familiar with the allotments TEGL, that's really at the state level and local level, the document you should look at for all the instructions for how the money was awarded and is to be accessed. So this year it's TEGL 16-18. And then there was a change of one because of a revision in funding to that as well.

And then after DOL gives it the funds for the states, the states provide it to the local area generally within 30 days from their receiving it from DOL, or within 7 days of a local plan being approved, whichever is further out. That is what we're focusing on today is once the state gets the money, how does the state get it to the local level? Or what does WIOA say about getting it to the local level?

So I threw a lot at you there. So real quick, where are all these requirements found? We put in place the citations in WIOA on the left for how the funding allotments work. And then on the right, we have the different sections from the current allotment TEGL where you can find more information about how the allotments are provided for the current program year. One last thing that I'll go over before handing it over is States are required to provide their policies, their formulas, and anything else dealing with the methods and factors used to distribute funds to local areas as part of their state plan submission.

As you may be aware, we're coming up on the 2020 state plan submission cycle. This is something that we will be looking for, for states to submit a narrative on how they are providing local area allocations. We definitely wanted to shine a spotlight on this that we will be taking a look at that during the state plan review process.

State plans are available for public comment. So, of course, your local area, you may have an interest in that process. So that process is playing out in the next several months of 2019 and 2020. So we definitely want to shine a light for you on that area. Again, as part of your submission, it should be addressed as part of your state plan.

So with that, I will turn it over to my colleague David Litvin who will start to get into more of the weeds on what WIOA says about within-state allocations, regional formula programs, and what States can do and what locals can do. And we'll go from there. So, David, I'll turn it over to you.

DAVID LITVIN: All right. Thank you, Andy. Hi, everyone. We just put up a graphic for the youth and adult sub-state allocations to local areas. States must follow either the formula allocation on the left, or the discretionary allocation on the right describing WIOA. Please remember that states must identify the formula option they are using in their state plan.

The formula allocation on the left must be equally split by 33 1/3 percent of the total funds available for local allocations and are allocated base fund each local area's relative share of each of the following data factors. They are areas of substantial unemployment, or ASUs, excess unemployment, and disadvantaged adult or disadvantaged youth, depending on the formula program.

A minimum percentage, often called a stop loss, applies to this formula allocation. A local area may not receive an allocation percentage that is less than 90 percent of the average allocation percentage of the past two years. Alternatively, a state may use a discretionary formula shown on the right. No less than 70 percent of the funds must be distributed as stated in the statutory formula. This part of the discretionary formula is the same as the formula allocation on the left.

The remainder – which must be no more than 30 percent of the remaining funds – will be distributed using any ratio using additional data related to both excess unemployment above the state average in urban, rural, and suburban local areas and excess youth poverty or excess poverty, depending on whether it's the youth or adult formula program, urban, rural, and suburban local areas.

The state average of the excess unemployment data component I just mentioned can be unique to the state. This means it could be 3 percent instead of the 4.5 percent in the formula allocation. So it's flexible. States have flexibility in choosing what data they want to use related to youth poverty and excess unemployment above the state average or the similar adult factors. However, states may not reuse the allocation formula data factors that are no more than 30 percent section of the discretionary formula.

The statutory formula minimum must be applied to the 70 percent or greater funds, or to the entire allocation. A local area may not receive an allocation percentage that is less than 90 percent of the average allocation percentage of the past two years. A maximum percentage, often called a stop gain, is not allowed in the youth and adult allocations. Now I have a question for you. Before this presentation, had you seen this diagram from the TEGL illustrated the options for how it allocated adult and youth funding within the state?

MR. RIDGEWAY: OK. We'll give everyone a minute here to fill it out. It looks like there's some familiarity with it. But for a lot, this may be the first they're seeing it, David. So any additional thoughts on that?

ANITA HARVEY: Interesting. This is Anita Harvey. We would encourage people to make sure anyone who's involved in this part of the formula process in their State to consult it, because we think it's a useful graphic for helping to make sure that you're staying on point. The law can be really difficult to understand, and this was a way of trying to visualize what the law says.

MR. LITVIN: OK. Next we are moving on to the dislocated worker sub-state allocation graphic, which is not in the TEGL. Governors prescribe the dislocated worker formula for sub-state allocations. And under WIOA, states must use the following six data factors using the most appropriate data available. These include insured unemployment data, unemployment concentrations, plant closing and mass layoff data, declining industries data, farmer-rancher economic hardship data, and long-term unemployment data. States must describe the formula and rationale for data factor weights and their unified or combined state plan under WIOA.

A minimum percentage also applies to this formula allocation. A local area may not receive an allocation percentage that is less than 90 percent of the average allocation percentage of the past two years. A maximum percentage is not required but may apply in the dislocated worker allocation. Please note that weighting a factor zero is not permitted unless the rationale is presented in an approved state plan. Now I'm going to hand this over to Anita.

MS. HARVEY: Hi. My name's Anita Harvey. I work in the Employment and Training Administration's budget office. And David and I work on these formulas for distributing the funds amongst the states, which gives us a greater insight maybe than most others around the department for what the state's sub allotments, or their within-state allocation formulas, what's required in order to be doing those correctly. And a lot of times when a state has a question, we get involved in the technical assistance provided there.

What David provided was kind of a 101 of what the WIOA says about how these within-state allocation formulas should work. It's the overview. Everything else from here on out is based on the questions that we have received from States. A lot of things have come in as unemployment had started declining – issues with, how should I implement this formula considering I've got no data in this data factor?

So that's what we're trying to address in the remainder of this presentation, as well as some of the things that came up in the course of the state plan review that was conducted in program year 16 so that we could help better prepare people for what they ought to be executing at the state level when we do the revised state plan.

This first slide is talking about the definitions of what is an area of substantial unemployment, or ASU, and excess unemployed. So these two data factors are common between the youth and the adult formula. And the definitions apply to both the state formulas that we execute here at the National Office and to the local allocations or the sub-state allocations that the states would be executing at their level. An area of substantial unemployment, or ASU, is – and this is our summarized version of the definition – it's a contiguous area with an unemployment rate of 6.5 percent or more.

That area has to be of sufficient size and scope to sustain a program of workforce investment activity to carry it out under this title. It's up to you to decide what an area of sufficient size and scope is. But that's the definition in WIOA. Now, the main point that we wanted to get across with this slide related to the definition of excess unemployment, because this is an area where we have a lot of questions.

And you can see from the slide that this data factor is actually a comparison. It is the higher of excess unemployed in an ASU, or excess unemployed in all areas where the unemployment is in excess of 4.5 percent.

So if I was talking about, for the purposes of the within-state formula, excess unemployment for a local area is the higher of either excess unemployment in the local area's area of substantial unemployment, or the excess unemployment in all areas of the local area, or the local area overall. The way we do it here is we do a comparison of each State. And whichever methodology has the higher number, that's the number that's assigned for that State, and something similar to be executed at the state level when they're evaluating each local area.

So having described the definitions a little bit, I want to talk about a question that has come up frequently in the last few years as unemployment has declined. So we find that states sometimes come and say, look, I've got no local areas with areas of substantial unemployment. How should this impact our formula?

One of these data factors has not got any data populating it. So even if there are no local areas with ASU data, states must still calculate the distribution of 1/3 of the funding by each of the three data factors. So that means that for the data factor with no data, they're not going to get any funding for that 1/3.

You can't change the weighting of the data factor so that it's 50/50. Each of those three data factors is still required to have 1/3 weighting. So once you have executed your formula with the 1/3 weight to each data factor, or one of your data factors may end up having no weight at all, you're probably going to have really low allocations. In which case, in Step 2, you would let the stop loss or the minimum provision raise local areas up to the minimum level of funding that they are required to get.

And as Dave has described, there is an average of the prior two years' allocation percentages that would dictate what that minimum funding level is. And once you've done that, you may still wind up with excess funding available.

So what you do in Step 3 is distribute any remaining funds among the local areas according to their formula-driven allocation percentage, which relies on or is based on the two data factors that do have data. So we're often doing a lot of shares of the total, and that's how you're coming up with these allocation percentages.

And the last point that I wanted to make about this is because the excess unemployment is a comparison data factor, when local areas have excess unemployment is not limited by having no local areas with ASUs. So if no areas have ASUs, it doesn't mean that your excess unemployment data factor should be zero as well, because you're doing a comparison of excess unemployment or employment above 4.5 percent in your whole area. Whereas, ASUs, you're looking at only contiguous areas that have unemployment at 6.5 percent.

So I hope you see what I mean when I say that this part of the presentation is not the 101 part of the presentation. It has a whole lot more requirements that maybe you're working in it to understand the kind of issues that we're coming up with.

We have a poll question next. And this is probably one where if you don't work in these formulas, we completely understand that you might be saying, I have no idea what you're talking about. So we are going to wait and see. We're having problems advancing the slide, so we're going to take a moment here before we post that polling question.

OK. Here it is. So for program year 2019, the local areas for my state had no data for the area of substantial unemployment data factor in the within-state allocation formula. You could say yes, no, or I don't know – I have no idea what you're talking about. And I would say that based on what we saw in terms of people's response about what they're association with the allocation formulas that this is probably a reasonable. Most people don't really know whether their State has this situation. And there's a handful that say they did.

And so those are definitely the people that we're interested in reaching, because we want to make sure that you have a methodology for how to deal with this. And if you have any questions about the nitty-gritty of how to do this, we welcome you to work with your region in order to get in touch with us. A lot of times it's a lot easier to have these kinds of conversations when we're looking at each other's files. And even working in this realm, sometimes the conversation about how to make these formulas run right can be difficult.

So if you are in a state that has encountered this, and you haven't already had a discussion with your region or with us about how to manage it or what we described in these previous couple of slides about how we would recommend that the formula be implemented, please feel free to reach out to that regional point of contact to get in touch with us for some further conversations.

The next polling question is similar in that we're asking whether you in program year 19 local areas for my state had no data for the excess unemployment data factor in the within-state allocation formula – yes, no, or I don't know.

I'm assuming that we'll get something similar. And that right now looks like what we're looking at – most people aren't familiar with this. And we've got a few that say no, and then a handful, a small minority that say, yeah, this situation has come up. So the problem is that as unemployment keeps getting lower, it's more likely that this is a situation that comes up.

But if you're implementing the formulas properly, there is a way to manage it so that it doesn't have a strange impact on your results. There's always winners and losers in these formulas. It is inevitable that that's going to happen. But the minimum provision is intended to help mitigate the swings and prevent people from losing a whole lot of money.

David and I were around back when the recession hit back in 2008 and '09. And back then we saw a different shift in the data where a whole lot of states were starting to have data in the area of substantial unemployment data factor.

And when that happened, some of the states that had chronic high unemployment were in the middle of a rescission. And these States with chronic high unemployment saw significant – like multimillion, 10s of million dollar drops in their allotment each year. And we had to do a lot of explaining as to how the formula winds up causing that kind of thing to happen.

But it is associated with the unemployment data and the fact that everybody – when we're talking about the national level and it's all the states have a share of that data, just like at the within-state level each local area has a share of data. And so every local area in your State is going to impact what every other local area gets. And it's a very challenging thing to predict how it's going to impact you until that data is in and you're finally running the formulas. And the measure that we have available to mitigate those swings is the minimum provisions.

So we are going to go on to the next slide. This is dealing with definitions. This is just another common question we get. It's not something that leads to be part of things you address in state plans. But it addresses the fact that the ages for people that can be served by WIOA are different from the ages of the formula data factors.

So, as you can see on the slide, the service provision ranges are listed there. And I would point out that there's a lot of overlap in the age ranges for the different service provision categories of out-of-school youth, in-school youth, and adult.

I also want to point out that the two data factors used in the youth and adult formulas, two of those factors used in the adult and youth formulas are the same – the area of substantial unemployment and the excess unemployment data factors. The only data factor that's different is the disadvantaged youth and adult data factor. And you can see the age ranges for those two factors are listed. They're 16-21 for youth and 22-72 for adult. And they don't overlap with what the service provision ranges are. There's no getting away from this. This is what WIOA dictates. And so this is how the data factors are executed.

So that one was maybe a little bit more simple to cover. And I am going to go out on a high note and turn things back over to David to cover a few more of the things that come up in the course of questions that we've been responding to and things associated with state plan that we would appreciate if everyone would pay attention to.

MR. LITVIN: All right. Thank you, Anita. So for the discretionary allocation, states have flexibility in choosing what data they want to use related to youth poverty and excess unemployment above the state average or the similar adult factors. States must articulate how such factors relate to the statutory requirements in the state plan.

Using data factors such as high school dropout rate may be an acceptable reflection of youth poverty, but the state must articulate how such factors relate to youth poverty in the state plan. Likewise, using data factors not directly describing poverty where excess unemployment may be acceptable that the state must articulate how such factors relate to the statutory requirements in the state plan.

Also, states may not reuse the allocation formula data factors – those being ASU, excess unemployment, and disadvantaged youth or adult – to distribute the remainder. WIOA does not permit the following: the use of more than three data factors or unequal weight among the three data factors in the allocation formula, or the greater than or equal to 70 percent part of the discretionary formula.

For example, a weighting of 10, 15, and 40 of the three data factors isn't allowed. Because of the prescriptive nature of the language in WIOA adult and youth formula, our legal office has interpreted that WIOA does not allow for the use of a stop gain in either of those two formulas.

Whereas, in the within-state allocation formula for dislocated worker, our legal office has a plan that the flexibility WIOA provides the governor in determining this formula allows for the use of a stop gain if desired, but it is not required.

The minimum for youth, adult, and dislocated worker in a local area may not receive an allocation percentage that is less than 90 percent of the average allocation percentage of the preceding two years. Let's clarify fiscal years or program years. Throughout WIOA, you will often see the term "fiscal year" used, but the program runs on a program year. The TEGL simply states here that is no reference to fiscal or program.

Because we feel there is sufficient support for the interpretation, but the intent was for this comparison of the average allocation percentage of the preceding two years to line up by program year. An allocation percentage is the local area's share or percentage of funds allocated to all local areas. States must obtain the amounts necessary to increase allocations to local areas to comply with the minimum percentage requirement by proportionately reducing the allocations to be made to the other local areas.

Going on the prior slide, some challenges encountered on the minimum for youth, adult, and dislocated worker include the following: the calculation based on the average amount allocated to the local area instead of the average allocation percentage, the calculation based on only the previous year instead of the average of the preceding two years, or didn't use a minimum at all. Challenges encountered on the dislocated worker formula include not addressing all six required data factors. Weighting a factor zero is not permitted unless a rationale is presented in an approved state plan.

For example, mass layoff and plant closing data is no longer produced by the Bureau of Labor Statistics. Some of the weights of the six data factors not equaling 100 percent, so they must add up to 100 percent. There is also guidance in TEGL 16-18 on mass layoff and plant closing data. Also, here is more information on weighting a data factor at zero. The state may find zero weight for a factor only when the state is able to demonstrate it does not have an appropriate data source to accurately reflect state leads for a given data factor. For example, the Bureau of Labor Statistics no longer produces plant closing and mass layoff data, one of six factors WIOA requires.

ETA recognizes that an accurate source of such data is no longer available at the national level. Some states have sub-state administrative data available, and others do not.

In order to assign a weight of zero to a data factor, such as the plant closing and mass layoff data factor, the state must include the following in their state plan: an inventory of available national or state-level data sources into the data factor, a discussion of why the available data sources are inadequate for purposes of assigning a weight to a given data factor, and the description of how the governor's formula is appropriate to distribute funds equitably throughout the state.

Note that weighting a data factor zero is not allowable under any other circumstance. Please have clear plans for allocations in the state plan. When referencing WIOA, indicate exactly the specific sections of WIOA. Use the within-state allocation section instead of the state allotment section. At this point, I would like to thank you for your time. And I'll go ahead and hand this back to Andy.

MR. RIDGEWAY: OK. Thanks, David. We do have the links to the relevant TEGLs that we've been discussing today – TEGL 16-18 and change 1 to TEGL 16-18. They are accessible via the links in this presentation.

We also have the TEGL relating to the updated disadvantaged youth and adult data, which is used for the youth and adult formula allotments. So we did get a few questions in. We'll try and address those as they come in. Feel free to continue to type as you come up with any throughout. I'll tackle the first one, and then we'll start handing them off from there.

We did get a question about, is the program solely focused on unemployment? Or does it deal with training for existing employees? I guess I wanted to clarify that this webinar is talking about how the money is provided and distributed within the state. It's weighted based on the unemployment.

But that has nothing to do with the activities that the program provides. The program provides career services and training services, etc. So, again, this presentation just focuses on how the formula for the resources is provided. So I hope that answers that question and folks are aware of that. So with that, the next one I'll turn over to Anita.

MS. HARVEY: Right. We have a question that says, "Our state is using a rate of 6.451 percent when determining an area of substantial unemployment and sub-state allocations. Is that allowable?" The short answer is yes because 6.451 percent rounds up to 6.5 percent. The next question – so what if you don't have any areas of substantial unemployment or the excess unemployment of 4.5 percent? Would you apply sub laws and then apply the formula to the rest?

I feel like this was an opportunity for me to fix any problems with my delivery the first time. And I would say that if you are at a state level encountering this issue, it would probably be a good idea for us to talk, because there could be a circumstance when you don't have data under either data factor, I imagine in theory.

My gut reaction is to question whether you're properly evaluating the excess unemployment, because you would have to have no excess unemployment in any area. The whole local area would have to be under 4.5 percent because there's this comparison of ASU to the whole local area in general.

Usually you would – I guess you guys know your data better than I do, but my thought is that a lot of times you'll find some pocket where it does meet that either 4.5 in a local area or ASU in your local area that is at 6.5 percent. If that isn't the case, then you're basically running the formula on the one data factor that's left, which is the disadvantaged youth or disadvantaged adult data factor, assigning 1/3 of the funding based on that data factor.

That data factor then drives your local area's formula-driven allocation percentage. You would apply the minimum, raise them up, and you would apply any excess funding after that. You would distribute it based on that allocation factor that you had determined that was based on the one factor.

But that's saying that none of your local areas anywhere in the state have either ASU data or excess unemployment data. If even one local area has data that supports excess unemployment, then that local area winds up getting that 1/3 of the funding, is kind of how this works out. And then there may be other local areas that wind up having – they trigger their minimum provision.

So they get raised up. And if you don't have enough excess funding to raise them up, you have to radically reduce that area that wound up giving this big jump in funding because it's the only local area conceivably that's triggering one of those three data factors.

So I hope that helps illustrate how each local area can actually have an impact on what the funding is that is available to other local areas. And as you apply the minimum provisions, it can have a mitigating impact across the board on everybody. It's very, very difficult to talk about one local area overall. Just like we can't talk about what one state's going to get. It all depends on what all the 52 other state entities are getting.

MR. RIDGEWAY: OK. Thanks, Anita. Next one?

MS. HARVEY: The next question is, "What is the funding percent used for out-of-school youth versus in-school youth?" The funding isn't driven by whether they're in or out of school. The funding is driven by the three data factors. And out of that funding, there is a requirement in WIOA to spend a certain amount on out-of-school youth. And I think that's 75 percent.

MR. RIDGEWAY: Yes.

MS. HARVEY: Right. I'm hoping that is addressing the question that was asked. If not, you might want to try again. The next question is, "How was the 6.5 percent ASU set? How was the 4.5 percent set? Is it in law? Can this percentage be changed?"

The answer to that question is, it is in law. And the only way those percentages can be changed is by changing the law, which we might have an opportunity to do when WIOA is reauthorized. I do want to point out this is maybe a segue to talk about one thing regarding the discretionary formula.

In the discretionary formula, 70 percent of the funding or more has to go out based on this normal formula, the 3 factors that we've spent a lot of time talking about. Thirty percent or less can go out based on a discretionary formula.

One of those factors is – I think it's something like the excess unemployment above the state average. So where states have come to us and said, why can't we lower the excess unemployment percentage from 4.5 down to 2.5? Well, we can't because WIOA dictates it. But when you're talking about your state average, your state average is your state average.

And this may be a place that you should look at if you're struggling with the regular formula for figuring out how to mitigate some of the low unemployment that you're seeing. Take a look at the discretionary formula and try to understand it. If you have questions about it, reach out and ask us, because times of low unemployment may indicate that you would prefer to do something a little bit more flexible like the discretionary formula. OK.

What's the next question? Our issue was that only one local area had an excess unemployment. As a result, that local area got a 25 percent increase and others got 25 percent decrease in spite of the whole term.

And it is possible that that could happen. I was talking before about what happened when we were seeing the reverse calculations. Michigan is the example I always remember. They literally lost $10 million dollars one year and $10 million dollars the next year and then another $10 million dollars the year after that. And that's a big chunk of a state's expected budget. And it was all about these shifts. It's part of the reason why Congress implemented the stop loss on the dislocated worker formula to try to help mitigate these factors.

WIOA dictates what you can do in terms of the youth and adult formulas. You do have a dictated stop loss. You may not do a stop gain. On the other hand, with your dislocated worker formula, it is permissible to add a stop gain to prevent the runaway increases from happening. And there is the ability to move funding at the local level between the local dislocated worker and local adult formulas. So they're pots. So these types of flexibilities are what's available to help mitigate those sorts of situations.

MR. RIDGEWAY: I'll do the next one. Someone asked, "A state's allocation process is supposed to be a part of the state plan?" Yes. As I went over on Slide 10, the state plan information collection request, which is everything that has to be covered as part of the state plan submission, one of the things that needs to be submitted is a description of how the state will distribute funds for the core programs, of which the adult youth and dislocated worker programs are three of them.

As it says, you're required to describe the methods and factors the state will use in distributing funds under the core programs in accordance with the provisions authorizing such distributions.

For the Title I programs, it says to provide a description of the written policies and establish the state's methods and factors used to distribute the funds to local areas for the youth, adult, and dislocated worker programs, and address the weights and other issues with the data assigned. So I hope that answers the question.

As you're developing your state plan for 2020, definitely take a look at that part of the ICR, and make sure that you're up to date with it and that that's part of your submission as well. Any other questions on that, let us know. But it is supposed to be discussed as part of your state plan.

MS. HARVEY: I'm going to take the next one. "Is there a specific time period that the data factors must be from, like the previous quarter end or the previous calendar year end?" At the national level, we use particular periods of time that we always use that are designed to try to make sure that we have data available if Congress were to enact an appropriation October 1 of each year.

And in order to be consistent year to year, we don't change those time frames even if Congress decides not to enact an appropriation until April or May after the program year was supposed to have started.

The only thing that is limiting is that we can't require the area of substantial unemployment exercise to be executed more than once a year. And because the excess unemployment data factor requires a comparison of ASU and regular unemployment, for those two data factors, we always use July to June data.

That allows BLS enough time to get the ASU data compiled and to us in December or January after that time period ended, which allows us to maybe be getting the TEGL announcing the state allotments out. Our time frames are driven by the requirements that the ASU exercise only be executed once and the amount of time it takes to get everything together.

What States do is up to States. We would recommend that you stick to the same time frame each year, but WIOA doesn't require it. So I think I'm going to stop there with there are probably some practicalities involved that would push you one direction or another. But the only thing that we're not allowed to do with that, that ASU exercise be executed more than once a year.

If a state decided to execute their evaluation of local area ASUs more than once a year – once using our time frame of July to June and once using a more recent time frame – that's fine. I would not tell them that they can't do that. I can't require them to do that. So I hope I'm sufficiently answering the question on that one.

MR. RIDGEWAY: OK. And it looks like we have one last question so far. Feel free to type in any others if you have them. And we will try and address those. I think we're – is that the last one?

So the next one is a little complicated. We're going to take a look at it, so type in any other questions that you may have. And we will be back on momentarily to try and tackle what is currently our last question. But feel free to type in any others if you may have them. So we'll be back in one second.

MS. CASERTANO: While you guys are typing in more questions and while they're reviewing your questions, I just want to remind everyone that right now you can download the PowerPoint from the file share window on the left, the bottom left-hand corner. Also a reminder to everyone that you can find a copy of that PowerPoint as well as the transcript and the recording of today's session on WorkforceGPS in about three business days. But for right now, you guys can keep on asking your questions. And we'll get back to you soon.

MR. RIDGEWAY: OK. We're back. This one's a little complicated, so we may have to hedge a bit.

MS. HARVEY: Yeah. I'm going to read this question and give you the partial response. "If a local area's comprised of six counties and one county within the local area has excess unemployment, but the average of excess unemployment for the local area still does not reach the 4.5 percent, would you still award the state's total share of excess unemployment to the local area based on one county's data?" That's a good question that requires much thought. I don't think we can answer that definitively at the moment.

All right. We've talked about this a little bit in the room. This is definitely the kind of question where it's really good to be looking at data together and seeing what it's showing. If there is a county within a local area that does have 4.5 percent but the local area overall does not reach 4.5 percent – this is like stump the chump. I think we better try to answer this talking through the region so that we have a little bit more time to kind of look at what you're talking about and think about it. This is what makes these kind of conversations so difficult to have over the phone.

MR. RIDGEWAY: OK. We did get one other question that came in. "If a state calculates its WIOA set aside at under 15 percent, does it need to be addressed in the state plan?" There isn't a place where we specifically ask for that, so you don't have to discuss that. So if you do 13 percent or 14 percent or 14.9 percent, I'm unaware of a place where you have to specifically address that. It's just once you've taken your up to 15 percent, just kind of your methodologies for providing what's left is important.

Of course, there's nothing stopping you from sharing that in your state plan. And to the extent that you're comfortable doing that and have a policy in place to do that, you, of course, can. But there's no specific question on that issue that I'm aware of. So I hope that answers that question.

So we got another question on the state plan in the meantime. "Are states required to follow the process that is in their state plan?" The state plan shouldn't be the driver of your policies. It should just be the place where you tell your policies and have them be available for public comment.

So if you have a different formula allocation than what's in your state plan, now you should update it for your submission. But normally, if you need to change what's in your state plan if your policy changed, you need to do a modification of your state plan to reflect the changes to your methodology.

So I hope that answers that question. It's really the state plan is the venue for sharing publicly how you're awarding the WIOA within-state allocations. It's not the driver of what your methodology is. I hope that answered the question.

MS. HARVEY: On the one where I paused with the county within a local area, I do not believe that you would award that county's 4.5 percent because you're really looking at the local area. I'm used to thinking a lot of state – (inaudible) – county is a local area, and that's where I started to pause and scratch my head about what we were talking about. But in this case, you've got a local area that is comprised of six counties. When you're looking excess unemployment, you're looking at that local area in its entirety.

If it's got excess unemployment above 4.5 percent, all of that excess unemployment counts. If you've got an area within that local area that qualifies as an ASU, then you can evaluate the excess unemployment just within that ASU and compare that. So if both are zero, then that local area is zero.

MR. RIDGEWAY: OK. So I think that's hopefully been addressed. Now thanks to the individual who provided their additional information on that. So we're almost done. I think we have time for potentially one last question. And then we will wrap up here. We're a little on the fly, but I think we can answer this one.

MS. HARVEY: Right. The question is, you mentioned the flexibility that states have in determining excess unemployment for themselves. And that was part of the discretionary formula where it says something like, excess unemployment above the state's average. That is covered in the TEGL, or least minimally covered in the TEGL. And if you were in – write this down – we're in TEGL 16-18. I'm looking at page 2 where we're talking about the youth formula, the sub-state allocation. And it's the discretionary formula section.

And it talks about that particular data factor, excess unemployment above the state's average in urban, rural, and suburban areas. So that's all WIOA says. And I would say that you have flexibility in determining what that excess unemployment data factor should be. It just should be associated with your State average.

MR. RIDGEWAY: I think with that, I think we actually did address all the questions, which is great. Thank you for continuing to send those in throughout the presentation. If you have additional questions, we'd like you to submit them to our dol.wioa@dol.gov inbox.

You can also reach out to your regional office with questions. But if you send it to this inbox, we can make sure that our experts, Anita and David, end up being able to review those questions.

And I just wanted to thank my colleagues Anita and David for their time in being willing to present on this topic. And thank you for your time in joining us this afternoon. With that, I hope you have a great rest of your day.

And, Laura, I guess I'll turn it over to you if there's any last-minute details that need to be shared.

MS. CASERTANO: Sure. Great. I just want to thank everyone.

(END)