

# WORKFORCE INVESTMENT ACT

## STATE PLAN for Program Year 2009-10



DETW-16462-P(N. 1/2009)



State of Wisconsin  
Department of Workforce Development

## Wisconsin Workforce Investment Act State Plan Modification Spring 2010

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## **Introduction**

The U.S. Department of Labor (DOL) approved Wisconsin's April 15, 2009, Workforce Investment Act (WIA) State Plan modification and the June 29, 2009, Addendum on the American Recovery and Reinvestment Act (ARRA). Since the completion of those detailed documents, several major changes have transpired requiring a state plan modification per 20 CFR §661.230.

Specifically, the methodology used to determine local allocation of funds has been adjusted from the previous state plan. The formula allocation adjustment is explained in detail in this modification along with a new Allocation Guide.

Governor Doyle is appreciative of the state waiver approvals from the DOL. With the November 13, 2009, guidance letter, the state has proceeded to implement these waivers to help implement streamlined service delivery at the local level and expand employer engagement. This modification includes an update on the state's waivers, and adds several new state policies.

Governor Doyle also wants to acknowledge the time and efforts of staff at the Department of Workforce Development (DWD) and the Employment and Training Administration Region V on common measures performance goals. Included in this document are the final negotiated levels for program year 2009-2010.

## **Public Review and Comment**

The State has provided an opportunity for public comment on and input in this state plan modification. The Council on Workforce Investment (CWI) was informed of the development of a modification at their December 18, 2009, meeting which provided an early input opportunity. This was also an agenda item on the January 22, 2010, Council's Executive Committee meeting. On January 6, 2010, DWD staff notified the Workforce Development Board Directors on the development of this modification at their Wisconsin Association of Job and Training Executive's (WAJTE) meeting. The draft modification was issued on February 8, 2010, to representatives of business, labor organizations, chief local elected officials, and the full array of workforce investment partners across the state for a 30-day review and comment period. Two comments were received that did not alter the draft document. The public comments are in Attachment A. The CWI completed the State Plan Modification process at their March 19, 2010, meeting.

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## Modification on Methodology of Formula Allocation

Modification to

- (a) State Plan Modification, April 15, 2009, Pages 31- 32, VIII.E. 1 - 4
- (b) State Plan ARRA Addendum, June 29, 2009, Attachment E

### **VIII. E. Allocation Formulae:**

#### **VIII. E. 1. Methods and Factors**

Wisconsin uses the with-in state allocation method described at Sec. 128(b)(2) for WIA Youth funds. The Youth discretionary allocation methodology described at Sec. 128 (b)(3) is not used.

With-in state allocation of Adult funds complies with Sec.133 (b)(2).

Wisconsin does not use the Adult employment and training discretionary allocations methods described at Sec. 133 (b)(3).

For a detailed description of Wisconsin's allocation process, see Attachment B "Wisconsin WIA Allocation Process: *The Operational Guide, Protocols & Checklist to Develop the Annual Allocations for Workforce Development Areas* "

#### **VIII. E. 2. Equitability**

WIA funds are distributed equitably and significant funding shifts among Workforce Development Areas (WDA) are minimized by adhering to the funding methods described in WIA Sec. 128(b)(2) and Sec.133(b)(2) for Youth and Adult programs respectively. As provided for in these sections, Wisconsin ensures that each WDA receives a minimum 90% of its prior two-year average allocation percentage. This process is known as the 90% hold-harmless provision.

Additionally, Wisconsin uses a hold-harmless provision for dislocated worker programs. In PY2000, the Executive Committee on behalf of the CWI agreed to extend the hold-harmless provision from the Job Training Partnership Act's Dislocated Worker program into the WIA program. The provision ensures that each WDA receives 85% of its allocation percentage from the prior year.

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**VIII. E. 3. Formula**

Sixty percent of WIA funds allotted for Dislocated Worker programs will be distributed to WDAs using the formula established by the Governor. The Governor’s Dislocated Worker formula addresses the six elements outlined in Section 133 (b)(2)(B). The following chart illustrates the formula:

<b>Allocation Factor</b>	<b>Weight Assigned In Formula</b>	<b>Data Source(s) and Time Period</b>
Unemployment Concentrations	25%	A WDA had to meet or exceed the state unemployment rate or have 10% or more of the unemployed workers in the state in order to qualify for this factor. Qualifying WDAs receive a prorated share based on the total number unemployed located in WDAs meeting the threshold.
Declining Industries	25%	Each WDA receives a prorated percentage of the decline in employment by industry based on its share of the state’s total decline in employment. Employment decline is measured by comparing WDA employment by industry in the comparison year (the most recent year for which data is available) to WDA employment by industry in a reference year (5 years prior to the comparison year).
Farm Hardship	12.5%	WDAs receive a prorated percentage of the total loss in the number of farms from a 1982-84 base period to the most recent year for which data is available.
Plant Closing/ Mass Layoff	12.5%	Each WDA receives a prorated percentage based on the relative number of persons reported as receiving notice of lay off in Plant Closing/Mass Lay off notices in the WDA compared to the total reported for the state.
Long-Term Unemployment	18.75%	Each WDA receives a prorated percentage of the total number of persons who received unemployment compensation payments for at least 15 weeks in a benefit year.
Insured Unemployment	6.25%	Each WDA receives a prorated percentage based on the relative number of persons living in the WDA who have established an Unemployment claim as compared to the number of claimants in the state.

**VIII. E. 4. State Board Involvement in Development of Allocations**

The original WIA allocation policy was reviewed by the then CWI Ad Hoc WIA Committee in 2000 with input from WAJTE and local elected officials through the Wisconsin Counties Association.

Local Elected Officials and CWI members will receive notice of the revised allocation process for PY2010 for review and comment. The underlying policy established by the CWI in 2000 is not changing though the definitions and data sources for the dislocated worker formula are being updated.

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### **Waiver Update**

Modification to:

- (a) State Plan Modification, April 15, 2009, Attachment F
- (b) State Plan ARRA Addendum, June 29, 2009, Attachment L

DOL issued a response to the State's waiver plans on November 13, 2009, that included approvals, disapprovals and explicit implementation guidance. Based on that issuance, the waivers approved for program year 2009-2010 with conditions are:

- Common performance measures, WIA Section 136(b)
- Extending the period of initial eligibility of training providers, 20 CFR § 663.530
- Transfer authority up to 50% between the Adult and Dislocated Worker funding streams allocated to a local area, WIA Section 133(b)(4)
- The use of up to 10% of local Adult funds and up to 10% of local Dislocated Worker funds for incumbent worker training only as part of a lay-off aversion strategy, along with other conditions such as training restricted to skill attainment activities, WIA Section 134
- Partial waiver of the competitive procurement process for youth providers only for specific elements along with other prescriptive guidance, WIA Section 123
- Ability to increase the employer reimbursement for on-the-job training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(31)(B)
- Ability to reduce the 50% employer match for customized training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(8)(C)

The DOL letter of August 13, 2009, approved with conditions for the following waiver:

- Youth performance measures for out-of-school youth ages 18-24 who are in work experiences outside the summer months through March 31, 2010, served with the ARRA funds, WIA Sections 136(b);129(c)(2)(I);129(c)(1)(A);129(c)(1)(B)

The State has been able to respond to the Workforce Development Board's waiver requests since the November 13, 2009, issuance, and forwarded letters with implementation instructions to the local areas. In order to reflect DOL's conditions and training service program changes, a revised state waiver policy, and new state policies for on-the-job training and customized training were drafted. They are included in this modification below.

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### **Revised State Policy for Waiver Implementation to be Issued as an Adm Memo**

*To:* WDB Directors  
Job Service Managers

*From:* Ron Danowski, Administrator  
Division of Employment and Training

*Subject:* **State Policy Update 09-09 on Workforce Investment Act Title I Waivers**

#### **Introduction**

The Division of Employment and Training (DET) had previously issued two waiver policies based on U.S. Department of Labor (DOL) waiver issuances. This updated policy is based on DOL's November 13, 2009, issuance on the State's waiver requests for program year 2009-10. It makes clear the statewide waiver implementation of five of the approved waivers, and lists the three waivers that still require WDB waiver plans for DET approval due to the prescriptive nature of DOL's waiver/conditional approvals. The waiver plan elements and process steps remain the same as in the previous policies. With full implementation of waivers for this program year, the State will be required to address DOL's performance outcome's questions in the Workforce Investment Act (WIA) Annual Report. Therefore, explicit performance and reporting expectations have been added to this policy.

#### **Purpose**

- I. Provides the November 13, 2009, U.S. Department of Labor's responses to the State's WIA Title I Waiver Plans  
[http://dwd.wisconsin.gov/dwdwia/PDF/state-plan-py2009%20\\_gov\\_letter111309.pdf](http://dwd.wisconsin.gov/dwdwia/PDF/state-plan-py2009%20_gov_letter111309.pdf)
- II. Identifies the State waiver approvals for statewide implementation and those that will require WDB waiver plans
- III. Rescinds policy updates 08-02 and 09-02
- IV. Reiterates the required waiver plan elements and processes from earlier policies, and adds further information on performance and reporting expectations

#### **Background**

WIA provides continuing authority for DOL to grant waivers to states in implementing reforms in the workforce development system. The waiver authority also provides an important opportunity for the state and Workforce Development Boards (WDBs) to create a more nimble workforce infrastructure and expand innovative services to meet the needs of business and WIA participants.

#### **Legislative/Regulatory References**

- WIA of 1998, 189(i)(4) PL 105-220
- 20 CFR § 661.400- 661.420
- November 13, 2009 U.S. Department of Labor Issuance

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### **Waiver Update**

DOL issued a response to the State's waiver plans on November 13, 2009, that included approvals, disapprovals and explicit implementation guidance.

Based on that issuance, these are the waivers approved for statewide implementation for program year 2009-2010 that will not require individual WDB waiver plans:

- Common performance measures, WIA Section 136(b)
- Extending the period of initial eligibility of training providers, 20 CFR § 663.530
- This is available for all WDBs if they want to have the ability to increase the employer reimbursement for on-the-job training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(31)(B)
- This is available for all WDBs if they want to have the ability to reduce the 50% employer match for customized training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(8)(C)

Based on the November 13, 2009, DOL letter, these are the waivers approved for program year 2009-2010 that will require individual WDB waiver plans and approval by DET prior to implementation:

- Transfer authority up to 50% between the Adult and Dislocated Worker funding streams allocated to a local area, WIA Section 133(b)(4)
- The use of up to 10% of local Adult funds and up to 10% of local Dislocated Worker funds for incumbent worker training only as part of a lay-off aversion strategy, along with other conditions such as training restricted to skill attainment activities, WIA Section 134
- Partial waiver of the competitive procurement process for youth providers only for specific elements along with other prescriptive guidance, WIA Section 123

The DOL letter of August 13, 2009, approved with conditions for the following waiver that has been implemented statewide for program year 2009-2010, and does not require individual WDB waiver plans:

- Youth performance measures for out-of-school youth ages 18-24 who are in work experiences outside the summer months through March 31, 2010, served with the American Recovery and Reinvestment Act funds, WIA Sections 136(b);129(c)(2)(I);129(c)(1)(A);129(c)(1)(B)

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### **Summary of State Policy**

In order to waive an allowable WIA provision, the State must submit a Waiver Plan as part of the required WIA State Plans to DOL for approval, disapproval or modification. WDB waiver plans may be submitted to the Department of Workforce Development - DET at any time. Once DOL responds to a State waiver issue, the State is then able to approve, disapprove, or modify a WDB's waiver plan. If the WDB is authorized to implement a waiver for a given program year, the WDB must submit the waiver plan request annually if the WDB wants to extend the waiver. If a WDB requests a waiver that DOL has not authorized the State to implement, then DET determines if such a waiver would be beneficial to improve service delivery and, if so, submits a Waiver Plan to DOL.

The following outline details what is included in this policy:

- Required Waiver Plan elements on each WIA provision
- Process steps when the
  - a. WDB submits a Waiver Plan on an issue that the State has a DOL waiver approval, and
  - b. WDB submits a Waiver Plan on an issue that the State does not have a DOL waiver approval
- Performance and Reporting Expectations

### **Required Waiver Plan Elements**

Consistent with the intent to encourage local and regional responsiveness and innovative service delivery through waiver applications, the State has not added additional parameters to the DOL conditions for WDB waiver requests related to the DOL-approved issues. However, the State may apply conditions to WDB waivers as part of the DET approval process.

The following information must be substantively addressed in the waiver plan in a concise manner:

- Identify the statutory or regulatory requirements that are requested to be waived and the goals that the WDB(s) or state, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the strategic plan goals;
- Describe the actions that the local area(s) or state, as appropriate, has undertaken to remove state or local statutory or regulatory barriers;
- Describe the goals of the waiver and the expected programmatic outcomes if the waiver request is granted. Specify how the success and/or progress on outcomes will be measured or determined, including how the baseline will be/has been established and what data sources will be used;
- Describe the individuals affected by the waiver;
- Describe the process that will be used to monitor the progress in implementing such a waiver; and
- Describe the process the WDB(s) used to post public review and comment notices that ensure meaningful public comment. Include all comments received on the requested waiver(s), and modify the waiver plan as appropriate in response to the public input.

Where documentation (e.g. statistical information, reports, and focus groups) is available, reference it to correspond with statements made in the waiver plan.

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### **Process Steps Outlined Depending on the Waiver Issue Status**

As noted in the Summary first paragraph on the previous page, the State must first acquire a waiver approval from DOL before DET can entertain individual WDB waiver requests. WDBs may request a waiver that either has been approved by DOL, or, that the State would need to attain DOL approval. The following outlines the process steps when the:

- WDB submits a Waiver Plan on an issue that the State has a DOL waiver approval
- WDB submits a Waiver Plan on an issue that the State does not have a DOL waiver approval

#### WDB submits a Waiver Plan on an issue that the State has a DOL waiver approval

1. WDBs may submit waiver requests to DET at any time during the program year. WDBs are also provided an opportunity to request waivers via the local plan process. WDBs may explore waiver requests informally with DET prior to a formal submittal of a waiver plan. If a WDB intends to develop a waiver plan, they must notify DET and all other WDB Executive Directors of their intentions for purposes of possible statewide coordination and inclusion of other local areas in the plan.
2. WDBs will submit to DET their waiver plan request(s) with detailed explanations to meet the WIA required elements.
3. Describe the process the WDB(s) used to post public review and comment notices that ensure meaningful public comment. Include all comments received on the requested waiver(s), and modify the waiver plan as appropriate in response to the public input.
4. DET will review the waiver request, and respond to the WDB within 30 days with an approval, disapproval, modification, or pending status per DOL. The state may apply conditions to an approval, and, WDBs may need to modify their local plans.

#### WDB submits a Waiver Plan on an issue that the State does not have a DOL waiver approval

1. WDBs may submit waiver requests to DET at any time during the program year. WDBs are also provided an opportunity to request waivers via the local plan process. WDBs may explore waiver requests informally with DET prior to a formal submittal of a waiver plan.
2. WDBs will submit to DET their waiver plan request(s) with detailed explanations to meet the WIA required elements.
3. Within 30 days after the review and comment period, DET will either:
  - a. submit the waiver plan from the Governor to DOL;
  - b. request WDB modification of the waiver plan; or
  - c. not transmit the waiver plan to DOL, and provide a letter of explanation to the WDB. DET may convey the issue of concern to DOL for future consideration.
4. Upon receipt of the State's waiver plan, DOL has 90 days for review and notification to the State on approval, disapproval or modification.
5. Modifications to the local or State plan(s) may be required if DOL approves the waiver plan request. DET will notify the WDB(s) of the DOL decision as well as any required modifications.

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### **Performance and Reporting Expectations**

All participants served through the approved WDB waiver activities must be WIA eligible participants and meet any additional conditions specific to each waiver activity in the November 13, 2009, DOL letter.

The WDB is required to report performance outcomes for any individual served under each waiver in the Workforce Investment Act Standardized Record Data system. Therefore, all participants must be recorded in Automated System Support for Employment and Training (ASSET). The customized training and on-the job (OJT) service can be found in the Manage Services Menu. For adults and dislocated workers, the service is a training service. For youth, the service is OJT. A new code will be added for the incumbent worker training waiver that should be used only if it is part of a lay-off aversion and restricted to skill attainment activities. Also, an edit will be added in ASSET to prevent associating customized training and OJT training services with Individual Training Account services.

In addition to the WDB annual performance data reporting, the State must address the impact these waivers had on the State's performance in the WIA Annual Report. WDBs will be asked to explain how the waiver(s) has changed the activities of the local areas, and how activities carried out under the waiver(s) have directly or indirectly affected local area performance outcomes.

Specific to the waivers on Incumbent Worker Training for lay-off aversion, OJT, and Customized Training, the WDBs will need to provide a narrative annually to:

- Identify what sector partnerships were involved in training activities as part of the Industry Sector Partnership Initiative as well as the employer size;
- Discuss whether the sliding scales were effective for increased employer participation (for OJT and Customized Training if waivers were used), and if the training helped the employer maintain a competitive advantage;
- What/how were the factors that contributed to the success of these programs; and
- Identify how many participants were hired as a result of these waiver trainings.

**Action Required:** The policy is effective with this issuance.

**Submittal Information:** If a WDB waiver plan(s) is not included in the local plan, forward your waiver request(s) to your Local Program Liaison.

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### **Revised State Policy on Customized Training to be issued as an Admin Memo**

**To:** Workforce Development Board Directors  
Job Service Directors

**From:** Ron Danowski, Administrator  
Division of Employment and Training

**Subject:** State Policy 09-08 on Workforce Investment Act Customized Training

**Purpose** To provide the State policy and procedures for customized training with the State waiver under the Workforce Investment Act (WIA) for statewide implementation.

#### **Legislative/Regulatory References**

- WIA 1998 Public Law 105-220, section 101(8)
- WIA 1998 Federal Rules and Regulations, sections 663.199, 663.700 - 663.730 and 667.268
- November 13, 2009 Department of Labor Letter on Wisconsin's Waiver Requests

#### **Background**

Customized training is designed to meet the specific training needs of an employer or group of employers, through a training curriculum that is "customized" to a WIA participant's skill needs. Under the terms of a customized training contract, an employer agrees to employ a participant upon successful completion of training. The U.S. Department of Labor (DOL) has approved a sliding scale for the employer contribution based on the State's waiver request. [The WIA provision that is waived is the employer 50% match of the cost of the participant's training]. Customized training may be developed for an employer who is hiring new employees as well as those currently employed by the employer. This form of training is an exception to the requirement under WIA to establish an Individual Training Account for eligible individuals to finance training services.

#### **Policy**

The following guidelines are designed to assist staff in developing a customized training experience:

##### **A. Selection of Participants for Customized Training**

At a minimum, an individual must receive at least one intensive service, such as development of an individual employability plan with a case manager or individual counseling and career planning, before the individual may receive training services. An individual referred by an employer, including those who may already be employed by the employer, may be considered for customized training only after meeting eligibility requirements. In addition, the case file must contain a determination of need for training services.

##### **B. Customized training can be offered to incumbent workers under the following conditions:**

1. The employed individual is not earning a self-sufficient wage as determined by the local Board; and

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2. The training relates to the introduction of new technologies, new products or service procedures, upgrading to new jobs that require new skills, workplace literacy, or other purposes identified by the local Board.

### **C. Selection of Employers for Customized Training**

Potentially eligible employers able to participate in customized training contracts include: private-for-profit businesses, private non-profit organizations, and public sector employers.

WDBs should ensure that customized training contracts are not written with employers who have failed to provide agreed upon employment to previous participants completing required training. WDBs may take into consideration an employer's past history with On-the-Job Training contracts, finances, layoffs, relocations, labor disputes, as well as the occupational and industry outlook, as a basis for assessing an employer's viability for customized training contracts.

Customized training contracts shall not be written to provide skills for temporary or intermittent employment.

### **D. Occupational Eligibility**

Customized training is allowable for occupations which are consistent with the participant's capabilities, are in demand occupations which will lead to employment opportunities enabling the participant to become economically self-sufficient and which will contribute to the occupational development and upward mobility of the participant on a career pathway.

Occupations selected for customized training shall meet, at the time of completion or per company policy, the following:

1. Full time permanent positions (minimum of 32 hours per week);
2. All participants shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work. This will include unemployment compensation where the employer is normally required to provide such coverage to its employees.; and
3. The position provides the participant benefits per company policy which have a monetary value (i.e., insurance, paid leave, profit sharing) other than those required by law.

Occupations under which individuals may not participate in customized training include, but are not limited to the following:

1. Occupations depending on commission as the primary income source.
2. Professional occupations requiring licenses.
3. Occupations dependent on tips or gratuities as the primary income source.
4. An occupation that is not sufficiently skilled to normally require a training period of at least six weeks.

### **E. Pre-Award Review**

Prior to the development of a customized training contract, a pre-award review must be conducted to ensure that a business, or part of a business has not relocated from another location in the U.S., if the relocation results in any employee losing his or her job at the original location (see WIA Policy Update 09-05 for further information).

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### F. Customized training contract

The length of the training must be determined by an assessment of the job difficulty, the participants' skills, education, previous work experience, job accommodations that may be required, and discussions with the employer. Information gathered is used to design a training outline that will become the work statement of the agreement and followed as a guide when delivering the training. The customized training agreement must identify the occupation(s), the skills and competencies to be learned, and the length of time the training will be provided. In addition, the agreement should identify the total cost of the training (including those costs associated with accommodations, e.g. new software for such things as speech recognition, modified workstations, and workplace supports such as job coaching), which costs are extraordinary for the employer and thus will qualify as in-kind, and what must be paid by the employer in cash.

The employer may contribute in-kind costs to replace their cash contribution if the in-kind costs are above and beyond what the employer normally spends on training and operations. These costs must be specifically related to the customized training. Examples are:

1. Training rooms – If the employer had to rent a “special” room in which to specifically conduct the customized training versus one that is routinely available and requires no additional payment by the employer. That “special” room could count as in-kind costs because it is an extraordinary expense to the employer and is directly associated to the customized training.
2. Training materials – If these materials are developed specifically for the customized training and are not in the employer's possession for use after the training occurs, they may count as an in-kind contribution by the employer.
3. Training equipment – If additional equipment is purchased for the customized training, it cannot count as in-kind since the equipment would be a part of the employer's assets/inventory.

These in-kind contributions should be documented in the files just as cash contributions are for future audit purposes.

Customized training contracts must specify:

1. Name and address of requesting organization, business, or agency
2. Contact official, title, and telephone number
3. Cost of the proposed training
  - Total cost of the training
  - Total WIA funds requested
  - Total employer contribution (described in detail)
4. Description of proposed training
  - Need for training
  - Occupational demand for trained individuals
  - Type of training to be provided
  - Length of proposed training
  - Location of training site
  - Target group for training
  - Number of individuals to receive training
5. Training Plan
  - Objectives of the training
  - Specific skills to be learned
  - Method of instruction

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- Measurement of objectives and skill attainment of trainees
- 6. Qualifications of training staff
- 7. Employer involvement and commitment
  - Curriculum design meeting needs of employer
  - Commitment of the employer to employ participants who successfully complete the training
- 8. Budget
  - Provide a narrative explaining how the funds will be utilized
  - Provide an itemized budget
- 9. Special health or safety equipment or precautions required, if any
- 10. Special tools or uniforms required, if any, and whether or not the employer will supply them.

Customized training contracts are to contain appropriate assurances and certifications including:

1. Compensation for the participant at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills. Such rates may not be less than the highest of the federal or State minimum wage.
2. Provision of benefits and working conditions at the same level and extent as other employees of similar longevity and doing the same type of work. This will include unemployment compensation coverage where the employer is normally required to provide such coverage to employees. The employer must also secure worker's compensation or other insurance coverage for work-related injury of trainees.
3. Maintenance, retention, and access to records by the WDB, State, and Department of Labor personnel to support the training activity and associated reimbursements, i.e., time and attendance records, payroll records, invoice and reimbursement documents, and other information necessary to respond to monitoring reviews or audits (documentation of extraordinary costs are not required).
4. Prohibition on the use or proposed use of WIA funds as an inducement to a business or part of a business to relocate if the relocation results in any employee losing his/her job at the original location.
5. Prohibition on the use or proposed use of WIA training funds on any business or part of a business that has relocated from any location in the U.S., until the company has operated at the new location for 120 days, if the relocation resulted in any employee losing his/her job at the previous location.
6. A customized training contract cannot infringe upon the promotion of or displacement of any currently employed worker or a reduction in their hours.
7. Prohibition that the same or a substantially equivalent position is open due to a hiring freeze.
8. All customized training positions must be additions to the employer's workforce that would otherwise not be financed by the employer without financial assistance under WIA (maintenance of effort).
9. No participant shall be employed or job opening filled when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act or training paid for under an OJT subcontract.
10. Prohibition on customized training contracts if any person in the same or substantially equivalent position is on layoff, involved in a work stoppage or on strike.
11. No customized training contract shall impair: (a) existing contracts for services; or (b) existing collective bargaining agreements, unless the employer and labor organization concur in writing with respect to any elements of the proposed activities which affect such agreement.

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12. Assurance that adequate supervision will be provided at all time while the trainee is participating in the customized training.
13. Health and safety standards under Federal and State law equally applicable to customized training participants.
14. The employer must comply with civil rights law and regulations, including non-discrimination.
15. Prohibition on use of funds to assist, promote, or deter union organizing.
16. Prohibition against political activity and lobbying.
17. No officer, employee or other agent of the employer shall recommend hiring, decide hiring, establish salary/wage rate, or provide preferential supervisory treatment with respect to a trainee who is a member of the officer's, employee's or agent's immediate family.
18. Prohibition from being employed in the construction, operation or maintenance of any facility that is used for religious instruction or worship.
19. Prohibition on the use of funds for construction except for provision of reasonable accessibility and accommodation.
20. Modification conditions and requirements.
21. Contract termination conditions.

### G. Determining Length of Training

Customized training must be limited to the period of time required for the participants to become proficient in the occupation for which the training is being provided. The amount of training hours needs to take into account the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employability plan. The contracted training hours cannot include those types of training normally provided by the employer for new employees such as orientation to the job/business, safety procedures, etc. Training guides, such as provided in ONET, the SVP and others, can be used to help determine the length of training.

### H. Developing the Training Plan

The customized training contract must include a training plan. The training plan, including skills to be learned and the time necessary to learn each skill must be sufficiently specific to permit verification that training was provided in accordance with the contract. The following guidelines apply to the development of a training plan:

- Activities (the work statement) must be described clearly to show that the employer is obligated to conduct training.
- Skills to be learned (measurable) should be separately listed with training times estimated for each.
- Training times must be reasonable.
- Training times must be geared to both the complexity of the job and the abilities of the trainee.
- The training outline must identify the job title of the person(s) responsible for the training.
- The training outline must include measurement and evaluation procedures.
- The trainee, supervisor, and/or trainer should be knowledgeable about its contents.

### I. Employer Match Requirement

This sliding scale waives the WIA provision that requires the employer to pay for not less than 50 percent of the cost of the training. DOL approved the State's waiver request, and authorized the following employer contribution through a sliding scale based on the size of the business:

## **Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

- No less than 10% match for employers with 50 or fewer employees
- No less than 25% match for employers with 51-250 employees
- For employers with more than 250 employees, the current statutory requirement (50 percent contribution) continues to apply

When determining the funding source for customized training, the WDB must use the appropriate program funds for the appropriate WIA-eligible population. The WDB may provide customized training to low-income and eligible employed adults with WIA Adult funds, and may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

### **Monitoring**

The WDB must have policies and procedures in place to ensure that:

1. The training plan has measurable indicators of performance.
2. Evaluation of those indicators will occur to determine if skills identified in the training plan have been acquired.
3. Onsite visit(s) and other monitoring are conducted during the course of the training to determine compliance with WIA requirements, progress toward completion of the training plan and to resolve issues for the employer and/or participants.

### **Performance**

In addition to the WDB annual performance data reporting, the State must address the impact the customized training waiver had on the State's performance in the WIA Annual Report. WDBs will be asked to explain how the sliding scale for customized training contracts has changed the activities of the local area, and how activities carried out under the waiver have directly or indirectly affected the local area performance outcomes.

Specific to the customized training waiver, the WDB will need to provide an annual narrative to:

- Identify what sector partnerships were involved in training activities as part of the Industry Sector Partnership Initiative as well as the employer size;
- Discuss whether the sliding scale was effective for increased employer participation, and if the training helped the employer maintain a competitive advantage;
- What/how were the factors that contributed to the success of these programs; and
- Identify how many participants were hired as a result of the sliding scale waiver training.

### **Automated System Support for Employment and Training (ASSET) Reporting**

The WDB is required to report performance outcomes in the Workforce Investment Act Standardized Record Data System for all individuals served under the customized training waiver, and the State must report annually to DOL on this waiver. Therefore, all participants must be recorded in ASSET. The customized training service can be found in the Manage Services Menu. For adults and dislocated workers, the service is a Training Service. Also, an edit will be added in ASSET to prevent associating a customized training service with Individual Training Account services.

## **Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

### **Action Required**

The WDB must:

- Adjust their local policy to allow for the increased flexibility of the State waiver, and be consistent with the other elements of this policy;
- Train or communicate to staff and contractors on the new sliding scale, and explain how they intend to implement it locally;
- Establish or refine systems to evaluate the effect of the State waiver;
- Revise any marketing to employers; and
- Submit to the LPLs the results of the new service strategy with the State waiver no later than August 15, 2010.

### **Questions and/or Technical Assistance and Training**

If you need additional information regarding this policy, please contact the Local Program Liaison assigned to your area.

## **Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

### **Revised State Policy for On-the-Job Training to be Issued as an Admin Memo**

**To:** Workforce Development Board Directors  
Job Service Directors

**From:** Ron Danowski, Administrator  
Division of Employment and Training

**Subject:** **State Policy 09-03 on WIA On-the-Job Training**

**Purpose** To provide the State policy and procedures for On-the-Job Training (OJT) with the State waiver under the Workforce Investment Act (WIA) for statewide implementation.

#### **Legislative/Regulatory References**

- WIA 1998 Public Law 105-220, section 101(31)
- WIA 1998 Federal Rules and Regulations, sections 663.700 - 663.730 and 667.268
- Workforce Programs Guide, Part 1, II. I. and Part 2, II.K
- November 13, 2009 Department of Labor Letter on Wisconsin's Waiver Requests

#### **Background**

On-the-Job Training (OJT) can be an effective tool in assisting participants who, after receiving core and intensive services, have been unsuccessful in obtaining or retaining employment that allows for self-sufficiency. This form of training is an exception to the requirement under WIA to establish an Individual Training Account for eligible individuals to finance training services.

OJT is defined as paid training by an employer that is provided to a participant while engaged in productive work. An OJT:

- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides reimbursement to the employer of up to fifty percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and
- Is limited in duration appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant.

Payments made to employers are considered to be reimbursements for costs of training, including lower productivity, which are over and above normal training that would be provided to non-WIA eligible new hires. Extraordinary costs are defined as the difference between the costs of training and the productivity associated with employing WIA participants to costs associated with others similarly employed. Employers are not required to document such extraordinary costs.

The following guidelines are designed to assist staff in developing an OJT position. These guidelines will also assist in meeting the federal regulations which require that, to be allowable, costs incurred in the OJT contracting process must be necessary and reasonable.

## **Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

### **On-the-Job Training**

#### **A. Identification of On-the-Job Training Need**

An OJT contract is appropriate when the participant lacks the skills necessary to obtain or retain employment with that specific employer. The need for any OJT should also be identified in the individual employment plan wherein the participant's interests, abilities, and needs are identified.

#### **B. Selection of Participants for OJT**

At a minimum, an individual must receive at least one intensive service, such as development of an individual employment plan with a case manager or individual counseling and career planning, before the individual may receive training services. The individual must also have been unsuccessful in obtaining or retaining employment that allows for self-sufficiency. In addition, the case file must contain a determination of need for training services as identified in the individual employment plan, comprehensive assessment, or through any other intensive service received.

In most cases, on-the-job training is not an appropriate activity for youth participants under age 18. However, per WIA 664.460 (d), WDBs may choose to use this service strategy for eligible youth when it is appropriate based on the needs identified by the objective assessment of an individual youth participant.

An individual referred to the program by an employer (reverse referral) may be considered for OJT with the employer if the following conditions are met:

1. The individual has not already been offered the job;
2. The individual lacks the skills necessary for the job;
3. Because of the lack of skills, the employer will only hire the individual under an OJT contract;
4. The job is open to any qualified applicant; and
5. The individual has met eligibility requirements for intensive services and has received an assessment, and for whom an individual employment plan has been developed.

OJT contracts may be written for eligible employed workers when:

1. The employed individual is not earning a self-sufficient wage as determined by the local Workforce Development Board (WDB); and
2. The OJT relates to the introduction of new technologies, new products or service procedures, upgrading to new jobs that require new skills, workplace literacy, or other purposes identified by the WDB.

Individuals who have completed formal training via an Individual Training Account (ITA), but are at risk of not achieving employment within 90 days of training completion, may be considered for OJT if it creates an opportunity for a positive outcome.

#### **C. Selection of Employers for OJT**

Potentially eligible employers able to participate in OJT contracting include: private-for-profit businesses, private non-profit organizations, and public sector employers.

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Employment and employee leasing agencies may be eligible for OJT contracts if all other requirements are met and they provide permanent on-going employment (not probationary, temporary, or intermittent) in a specific occupation and they place employees at the worksite of another employer to perform work for such employer.

An employer will not be eligible to receive WIA OJT training reimbursements if:

1. The employer has a history of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to other employees who have worked a similar length of time and who are doing the same type of work.
2. There is not a reasonable expectation of continuing employment in the occupation being trained for.
3. The employer is not in compliance with applicable assurances and certifications.

In addition:

1. WIA OJT is not an entitlement program for employers. The decision to enter into an OJT contract with an employer is at the discretion of the service provider.
2. Reimbursements for OJT are not intended to be wage subsidies to employers for normal hiring and training of employees; rather they are intended for extraordinary costs of training WIA participants. Some of these costs include more intense supervision, above average material wastage, abnormal wear on tools, down time, and a lower rate of production.
3. Payments made are reimbursement for regular "straight" time; for actual hours worked with no overtime premium, holiday pay, vacation, sick days, time spent on jury duty, or fringe benefits included.
4. OJT payments to employers may include scheduled pay raises or regular pay increases, comparable to similarly situated non-OJT employees.
5. DET recommends that participants under WIA OJT contracts comprise no more than 25% of the employer's employees. However, the WDB may make exceptions for a higher percentage on a case-by-case basis either for a particular employer or industry sector. A high percentage of OJTs at a single employer calls into question whether the funds are being used for business development/ subsidy without which the business would not exist/be sustainable. One requirement of OJT is to assess the participant's skills against the requirements of the job. If all/most of the trainees are OJT, it would be difficult to assess. In addition, the quality of training and supervision for a large number of OJT positions would be questionable.

### D. Occupational Eligibility

OJT is allowable for occupations which are consistent with the participant's capabilities, are in demand occupations which will lead to employment opportunities enabling the participant to become economically self-sufficient and which will contribute to the occupational development and upward mobility of the participant on a career pathway. Consideration should be given to the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, and the participant's individual employment plan.

Occupations selected for OJT shall meet, at the time of completion or per company policy, the following:

1. Full time permanent positions (minimum of 32 hours per week);
2. All participants shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same

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type of work. This will include unemployment compensation where the employer is normally required to provide such coverage to its employees; and

3. The position provides the participant benefits per company policy which have a monetary value (i.e., insurance, paid leave, profit sharing) other than those required by law.

Occupations under which individuals may not be placed under an OJT contract include, but are not limited to the following:

1. Occupations depending on commission as the primary income source.
2. Professional occupations requiring licenses.
3. Occupations dependent on tips or gratuities as the primary income source.
4. A low-skilled occupation that would generally require little or no training (i.e., less than six weeks), which is considered to be the normal training period for any new employee.

Generally, consideration of high turnover jobs should be avoided. In certain situations, where the returns on investment, potential earnings, or needs of the specific customer warrant it, such opportunities may be acceptable.

### **E. OJT Pre-Award Review**

Prior to the placement of an OJT participant, a pre-award review must be conducted to ensure that a business, or part of a business, has not relocated from another location in the U.S., if the relocation results in any employee losing his or her job at the original location (see WIA Policy Update 09-05 for further information).

### **F. Content of the OJT Contract**

OJT contracts must specify:

1. occupation for which training is to be provided;
2. name of the participant to be trained;
3. immediate supervisor's name;
4. wage rate;
5. method and maximum amount of reimbursement;
6. beginning and ending dates of the contract;
7. job description and a training plan including training hours by skill areas or tasks;
8. special health or safety equipment or precautions required, if any;
9. special tools or uniforms required, if any, and whether or not the employer will supply them; and
10. Any costs associated with reasonable accommodations for individuals with disabilities.

OJT contracts are to contain appropriate assurances and certifications including:

1. Compensation for the participant at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills. Such rates may not be less than the higher of the federal or State minimum wage.
2. Provision of benefits and working conditions at the same level and extent as other employees of similar longevity and doing the same type of work. This will include unemployment compensation coverage where the employer is normally required to provide such coverage to employees. The employer must also secure worker's compensation or other insurance coverage for work-related injury of trainees.

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3. Maintenance, retention, and access to records by the WDB, State, and Department of Labor personnel to support the training activity and associated reimbursements, i.e., time and attendance records, payroll records, invoice and reimbursement documents, and other information necessary to respond to monitoring reviews or audits (documentation of extraordinary costs are not required).
4. Prohibition on the use or proposed use of WIA funds as an inducement to a business or part of a business to relocate if the relocation results in any employee losing his/her job at the original location.
5. Prohibition on the use or proposed use of WIA training funds on any business or part of a business that has relocated from any location in the U.S., until the company has operated at the new location for 120 days, if the relocation resulted in any employee losing his/her job at the previous location.
6. An OJT contract cannot infringe upon the promotion or displacement of any currently employed worker or a reduction in their hours.
7. An OJT contract cannot be developed if the same or a substantially equivalent position is open due to a hiring freeze.
8. All OJT positions must be additions to the employer's workforce that would otherwise not be financed by the employer without financial assistance under WIA (maintenance of effort).
9. No participant shall be employed or job opening filled when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act or training paid for under an OJT contract.
10. Prohibition on OJT contracts if any person in the same or substantially equivalent position is on layoff, involved in a work stoppage or on strike.
11. No OJT contract shall impair: (a) existing contracts for services; or (b) existing collective bargaining agreements, unless the employer and labor organization concur in writing with respect to any elements of the proposed activities which affect such agreement.
12. Prohibition on use of funds to directly or indirectly assist, promote or deter union organizing.
13. Assurance that adequate supervision will be provided at all time while the trainee is on the job site.
14. Health and safety standards under Federal and State law are equally applicable to OJT participants.
15. The employer must comply with civil rights law and regulations, including non-discrimination.
16. Prohibition against political activity and lobbying.
17. No officer, employee or other agent of the employer shall recommend hiring, decide hiring, establish salary/wage rate, or provide preferential supervisory treatment with respect to a trainee who is a member of the officer's, employee's or agent's immediate family.
19. Prohibition on being employed in the construction, operation or maintenance of any facility that is used for religious instruction or worship.
20. Prohibition on the use of funds for construction except for provision of reasonable accessibility and accommodation.
21. Modification conditions and requirements.
22. Contract termination conditions.

### **G. Determining Length of OJT Contract**

An OJT contract must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. The amount of training hours needs to take into account the skill requirements of the occupation, the academic and occupational skill level of the participant, prior work experience, the participant's individual employability plan, job accommodations that may be required, and discussions with the employer. The contracted training hours cannot include those types of training normally

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provided by the employer for new employees such as orientation to the job/business, safety procedures, etc. In addition, consideration must be given to recognized reference materials such as ONET (see Guidance on last page for further details).

Generally, OJT contracts should not be done for less than six weeks or more than six months. Jobs that need less than six weeks training usually require no appreciable levels of training beyond periods of orientation that an employer would be expected to cover as part of their normal costs of doing business. Jobs that require more than six months of training to prepare a person for successful entry level employment usually are too costly to be suitable.

### **H. Developing the Training Plan**

The OJT contract must include a copy of the job description and the training plan. The job description and training plan, including skills to be learned on the job and the time necessary to learn each skill, must be sufficiently specific to permit verification that training was provided in accordance with the contract. The following guidelines apply to the development of a training plan:

- Activities (the work statement) must be described clearly to show that the employer is obligated to conduct training.
- Skills to be learned (measurable) should be separately listed with training times estimated for each.
- Training times must be reasonable.
- Training times must be geared to both the complexity of the job and the abilities of the trainee (see Attachment A for guidance in determining the length of training).
- Consideration must be given to recognized reference materials, such as ONET.
- The training outline must identify the job title of the person(s) responsible for the training.
- The training outline must include measurement and evaluation procedures.
- The trainee, supervisor, and/or trainer should be knowledgeable about the training plan.
- Consideration of reasonable accommodation(s), such as providing materials in an alternative format.
- Identification of supportive services necessary for the individual to optimize successful training.
- The training site is accessible for individuals with disabilities and/or other special needs.

### **I. Employer Reimbursement**

This sliding scale waives the WIA provision that allows reimbursement to employers of up to 50 percent of the wage rate of an OJT participant for the extraordinary costs of providing the training and additional supervision related to the OJT. DOL approved the State's waiver request, and authorized the following reimbursement rate to employers through a sliding scale based on the size of the business:

- Up to 90% for employers with 50 or fewer employees
- Up to 75% for employers with 51-250 employees
- The current statutory requirement of up to 50 percent for employers with over 250 employees

The appropriate program funds must be used for the appropriate WIA-eligible population: OJT may be provided to low-income adults with WIA Adult funds, and to dislocated workers with WIA dislocated worker funds. OJT provided with statewide funds must serve WIA eligible individuals.

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### **Monitoring**

The WDB must have policies and procedures in place to ensure that:

1. The training plan has measurable indicators of performance.
2. Evaluation of those indicators will occur to determine if skills identified in the training plan have been acquired.
3. Onsite visit(s) and other monitoring are conducted during the course of the OJT to determine compliance with WIA requirements, including section 188, progress toward completion of the training plan and to resolve issues for the employer and/or participant.

Monitoring should also ensure that the participant is receiving the training contracted for at the wages in the OJT contract, and that the participant is not required to engage in activities prohibited by WIA. Employer records should also be reviewed to assure that the participant is receiving proper wages and that the employer is withholding taxes and paying workers compensation (or equivalent) insurance.

### **Performance**

In addition to the WDB performance data reporting, the State must address the impact the on-the-job waiver had on the State's performance in the WIA Annual Report. WDBs will be asked to explain how the sliding scale for OJT contracts has changed the activities of the local area, and how activities carried out under the waiver have directly or indirectly affected the local area performance outcomes.

Specific to the On-the-Job Training waiver, the WDB will need to provide an annual narrative to:

- Identify what sector partnerships were involved in training activities as part of the Industry Sector Partnership Initiative as well as the employer size;
- Discuss whether the sliding scale was effective for increased employer participation, and if the training helped the employer maintain a competitive advantage;
- What/how were the factors that contributed to the success of these programs; and
- Identify how many participants were hired as a result of the sliding scale waiver training.

### **Automated System Support for Employment and Training (ASSET) Reporting**

The WDB is required to report performance outcomes in the Workforce Investment Act Standardized Record Data System for all individuals served under the OJT waiver. Therefore, all participants must be recorded in ASSET. The OJT service can be found in the Manage Services Menu. For Adults and Dislocated Workers, the service is a Training Service. For Youth, the service is on-the-job training. Also, an edit will be added in ASSET to prevent associating an On-the-Job Training service with Individual Training Account services.

### **Action Required**

The WDB must:

- Adjust their local policy to allow for the increased flexibility of the State waiver, and be consistent with the other elements of this policy;
- Train or communicate to staff and contractors on the new sliding scale, and explain how they intend to implement it locally;
- Establish or refine systems to evaluate the effect of the State waiver;

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- Revise any marketing to employers; and
- Submit to the LPLs the results of the new service strategy with the State waiver no later than August 15, 2010.

### **Questions and/or Technical Assistance and Training**

If you need additional information regarding this policy, please contact the Local Program Liaison assigned to your area.

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### On-the-Job Training State Policy GUIDANCE ON USING SPECIFIC VOCATIONAL PREPARATION (SVP) SYSTEM TO DETERMINE LENGTH OF TRAINING

The amount of time needed for On-the-Job Training (OJT) depends on several factors regarding each trainee: (1) prior work experience and education; (2) skills, knowledge and abilities; and (3) any barriers that would affect the length of the training time. The training time cannot include those types of training normally provided by the employer for new employees such as orientation to the job/business, safety procedures, etc. The length of the training is then determined by assessing and documenting the above factors for each trainee and by determining the usual time that is needed to train for the occupation or job. The trainee assessment is completed through the individual employment plan process and the length of job training is determined by the Specific Vocational Preparation (SVP) system after an analysis of the tasks involved in the OJT job. The SVP is the amount of lapsed time required by a typical worker to learn the techniques, acquire the information, and develop the facility needed for average performance in a specific job-worker situation.

The job title should be specified by the employer. The case manager then enters this into the O\*Net system (<http://online.onetcenter.org>) to determine the SVP of the job. Entering the job title in the search box may bring up an array of job titles from which to choose the most applicable.

The job tasks can then be determined by reviewing the employer's job description and/or the job tasks listed on the O\*Net summary report for that occupation. Along with the employer, the case manager should pick out the 5 to 7 most important job tasks for which the trainee needs to be trained, and identify any reasonable accommodation(s) as appropriate for the individual. The trainee's assessment is then used to determine the skill level of each task and the length of the training plan.

#### Example:

The employer job title is bookkeeper but the job duties involve mostly payroll and timekeeping. Enter "bookkeeper" in the O\*Net search box and then pick Payroll & Timekeeping Clerk from the job titles and go to the Payroll & Timekeeping Clerk summary report. This page shows the O\*Net Code, 43-3051.00, which could be entered on the Training Plan form. The Job Zone section (lower on the same page) shows the SVP code for this occupation is 6.0 to 7.0.

The SVP hours can then be determined from the chart below. Since the SVP for a Payroll & Timekeeping Clerk is above the maximum allowed ("5" which translates to 26 weeks), the training plan period for this position is limited to 26 weeks. For a thorough discussion of the SVP system see <http://online.onetcenter.org/help/online/svp>

#### Maximum Hours:

The maximum hours for training according to the SVP Code are:

SVP	Maximum Hours	Minimum Weeks
1	0	0
2	240	6
3	520	13
4	800	20
5+	1,040	26

Note: The training hours noted on the scale above give the maximum allowable hours for a given SVP. The training time may be determined on the basis of the variables of the job, the actual

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demands of the job stated in the job description and the training plan, and the previous education, training, skills, and/or experience of the trainee. The training hours may also be adjusted for reasonable accommodation for persons with disabilities or other individual needs which may affect the number of hours the trainee needs to acquire the skill(s). The SVPs above represent the average amount of time required to learn the techniques, acquire information, and develop the facility needed for average performance in a specific job-customer situation. Training hours should generally not exceed the SVP hours unless special needs are documented; however, in no case may they exceed 1040 hours.

The training time and reimbursement rate must be negotiated with each employer on an individual basis, depending upon the employer needs and the training requirements of the trainee. In all cases, the case notes/case file for the participant should indicate the basis for determining the number of hours of training included in the OJT contract.

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### State Common Measures Performance Goals

Modification to:

- (a) State Plan Modification, April 15, 2009, Page 77, X.C.7, Attachment N
- (b) State Plan ARRA Addendum, June 29, 2009, Page 36

#### Wisconsin

#### Final Negotiated Program Year 2009 - 10 Goals for Workforce Investment Act Common Measures for Adult, Youth, Dislocated Worker and Employment Service

Performance Measures	Final Negotiated PY 09 Goals
<b>Adult</b>	
Adult Entered Employment	72
Adult Retention	84
Adult Average Earnings	\$9,800
<b>Dislocated Worker (DW)</b>	
DW Entered Employment	84
DW Retention	93
DW Average Earnings	\$14,400
<b>Youth</b>	
Youth Placement in Employment or Education	72
Youth Attainment of a Degree or Certificate	75
Literacy and Numeracy Gains	30
<b>Employment Service (ES)</b>	
ES Entered Employment	61
ES Retention	84
ES Average Earnings	\$12,500

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**Employment and Training Regional Administrator**

Region 5 Chicago/Kansas City

Byron Zuidema, Regional Administrator  
U.S. Department of Labor  
John Kluczynski Building  
230 South Dearborn Street, Room 638  
Chicago, Illinois 60604  
(312) 596-5400  
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**Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

**Program Administration Designees and Plan Signature**

**Name of WIA Title I Grant Recipient Agency:** Department of Workforce Development  
Address: 201 East Washington Avenue A400, Madison, WI 53702  
Telephone Number: 608-267-1410 TTY: 608-267-0477  
Facsimile Number: 608-266-1784  
E-mail: [roberta.gassman@dwd.state.wi.us](mailto:roberta.gassman@dwd.state.wi.us)

**Name of WIA Title I Signatory Official:** Roberta Gassman, Secretary, Department of Workforce Development  
Address: 201 East Washington Avenue A400, Madison, WI 53702  
Telephone Number: 608-267-1410 TTY: 608-267-0477  
Facsimile Number: 608-266-1784  
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**Name of WIA Title I Liaison:** Ron Danowski, Division Administrator, Division of Employment and Training  
Address: 201 East Washington Avenue, G108, Madison, WI 53702  
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**Name of Wagner-Peyser Act Grant Recipient/State Employment Security Agency:**  
Roberta Gassman, Secretary, Department of Workforce Development  
Address: 201 East Washington Avenue A400, Madison, WI 53702  
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Facsimile Number: 608-266-1784  
E-mail Address: [roberta.gassman@dwd.state.wi.us](mailto:roberta.gassman@dwd.state.wi.us)

**Name and title of State Employment Security Administrator (Signatory Official):**  
Roberta Gassman, Secretary, Department of Workforce Development  
Address: 201 East Washington Avenue A400, Madison, WI 53702  
Telephone Number: 608-267-1410 TTY: 608-267-0477  
Facsimile Number: 608-266-1784  
E-mail Address: [roberta.gassman@dwd.state.wi.us](mailto:roberta.gassman@dwd.state.wi.us)

As the Governor, I certify that for the State of Wisconsin, the agencies and officials designated above have been duly designated to represent the State/Commonwealth in the capacities indicated for the Workforce Investment Act, Title I, and Wagner-Peyser Act grant programs. Subsequent changes in the designation of officials will be provided to the U.S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

Typed Name of Governor JIM DOYLE

Signature of Governor \_\_\_\_\_ Date \_\_\_\_\_

**Attachment A**

**Public Comments and Responses**

The following are the two public comments received during the 30-day public review and comment period along with DWD's response.

Mr. James Haney, President, Wisconsin Manufacturers and Commerce; Member, Council on Workforce Investment and Co-Chair of the Dislocated Worker Subcommittee: "Anything in this that is controversial? I started to read through it and find it way too complicated to follow! Who will be unhappy with the modifications? Does it shift resources from someplace to someplace else? Does it have any strange impact of the Dislocated Worker Program?"

DWD response: Basically, the modification does three things:

1. It responds to questions that DOL had about how we were implementing waivers. We had to revise what we originally requested for DOL approval. The Division Administrator has given report outs about that at Council meetings.
2. We formally acknowledge our performance standards that have been negotiated with DOL.
3. We are publishing the Allocation Process. This has not been done in any detail since the original formula development for the Dislocated Worker program in the Job Training Partnership Act, around 1990. We have not changed any variables although we have updated data sets used or have documented which data we are using. For example: Originally we measured employment decline by industry by WDA comparing last year's employment against employment in 1982. Several years ago we moved from SIC to NAICS. When we did that, we decided to compare current employment to employment five years before. It has not had a major impact but we thought we should update the description to reflect reality. The allocation guide also serves as a "cook book" for the person who has to do them.

Mr. Michael Greco, Director of the Bureau of Consumer Services, Division of Vocational Rehabilitation:

"On behalf of the Division of Vocational Rehabilitation, we support the following two changes as outlined in the Wisconsin's Workforce Investment Act State Plan Modification since it is expected that these changes may open up additional training and employment opportunities for individuals:

- This is available for all WDBs if they want to have the ability to increase the employer reimbursement for on-the-job training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(31)(B)
- This is available for all WDBs if they want to have the ability to reduce the 50% employer match for customized training with a specified sliding scale based on company size along with other prescriptive guidance, WIA Section 101(8)(C)
- Thanks!"

**ATTACHMENT B  
ALLOCATION GUIDE**

# WISCONSIN WIA ALLOCATION PROCESS

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The Operational Guide, Protocols & Checklist  
to Develop the Annual Allocations for  
Workforce Development Areas

**Version 1-H**

Prepared by: Gary Denis,  
Bureau of Workforce Training

November 2009  
rev. March 2010

## **Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

It is the intention that this document, along with the Allocation Template, will help the reader understand how WIA allocations are developed for Wisconsin Workforce Development Areas. We believe that this guide will make the process more transparent.

The document contains instructions for each step of the allocation process, protocols for allocation development and a checklist to ensure that each step is completed in a timely fashion. This guide will be the operating instruction for the staff that develop the allocations.

It is also important to note that this document is an ongoing work. After each allocation cycle, we will review the effort and improve the process. This guide will be revised to reflect those improvements.

The guide and the allocation process meet the Department of Labor requirements in place at the time of publication. The guide will also be revised to reflect changes to the allocation process that must be implemented in response to changes in federal requirements.

## **Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

### **Introduction**

The workforce development activities carried out in Wisconsin's eleven Workforce Development Areas (WDA) are federally funded through the Workforce Investment Act (WIA). WIA funds are distributed to states based on three factors described in Sections 127 and 132 of the Act. Funds provided through this process are considered allotments, are announced through a Department of Labor (DOL) Training and Employment Guidance Letter (TEGL) usually in March, and are provided for Youth, Adult, and Dislocated Worker programs.

Definitions used in the preparation of allocations:

**Allocations Developer:** The developer is a DWD staff person who is responsible for collecting data from various sources, inputting the data into the allocations spreadsheet, adjusting the spreadsheet and calculating the allocation shares and subsequent allocations.

**Allocations Share:** The percent of the funds that a WDA should expect to receive from the funds available for local distribution for that program in the State based on the funding formula or hold harmless provisions.

**Allocations Team:** A small group of workforce professionals from DWD and the WDBs who will review the allocation methodology and allocation results prior to the release of the WIA Allocations for each program year.

**ASU:** Area of Substantial Unemployment – Number of unemployed persons residing in a county or reportable city that has at least one census tract or a combination of contiguous census tracts with a population of 10,000 and an unemployment rate of 6.5%. This data is from the prior program year (July to June)

**Data Source Contacts:** The key staff to communicate with at agencies that produce data used in the allocation formulae. (Attachment D contains a listing of contacts)

**Declining Industries:** Industry sectors (2-digit North American Industrial Classification System (NAICS) code.) that have fewer jobs than the sector had in a criterion year. For PY10 allocations, PY08 number of jobs will be compared to PY03 number of jobs.

**Economically disadvantaged adults:** individuals age 22-72 meeting (or member of family meeting): OMB poverty level or 70% of Lower Living Standard Income Level (LLSIL), excluding college students and military as counted in the census. (Concentrated Employment Program areas have a special adjusted LLSIL). The 2000 census data transmitted to states in October 2006 are used.

**Economically disadvantaged youth:** individuals age 16-21 meeting (or member of family meeting): OMB poverty level or 70% of LLSIL, excluding college students and military as counted in the census. (Concentrated Employment Program areas have a special adjusted LLSIL). The 2000 census data transmitted to states in October 2006 are used.

**Excess unemployed:** The number of unemployed individuals above a 4.5% unemployment rate residing in a WDA. This data is from the prior program year (July to June)

**Insured Unemployment:** total number of UI Claimants for most recently completed calendar year.

**Internal Review Team:** A small group of DWD staff who will review the allocation spreadsheets, DOL allotment announcements and related policies to ensure that allocation shares calculation is correct prior to release to the Allocation Team for review and comment.

**Long-term unemployed:** UI Claimants that received unemployment compensation for 15 or more weeks in the most recently completed calendar year.

**Lower Living Standard Income Level (LLSIL):** WIA Section 101(24) defines the LLSIL as "that income level (adjusted for regional, metropolitan, urban and rural differences and family size) determined annually by the Secretary [of Labor] based on the most recent lower living family budget issued by the Secretary."

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**OMB Poverty Level:** Following the Office of Management and Budget's (OMB's) Directive 14, the Census Bureau uses a set of money income thresholds that vary by family size and composition to detect who is poor. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation with the Consumer Price Index (CPI-U). The official poverty definition counts money income before taxes and excludes capital gains and noncash benefits (such as public housing, Medicaid, and food stamps).

**Unemployment concentrations:** The WDA must meet or exceed the state unemployment rate or have 10% or more of all unemployed workers in the state in order to qualify for this factor. This data is from the prior program year (July to June)

Factors Used in the Calculating WIA Allocations:

Once the allotment is received, Division of Employment and Training staff prepares within state allocations.

Youth Formula:

For the youth programs, the same factors used to determine Federal allotments are used to distribute funds among the WDAs. The three factors are

1. 33 1/3% on the basis of the relative number of unemployed individuals in ASUs in each workforce investment area, compared to the total number of unemployed individuals in ASUs in the State;
2. 33 1/3% on the basis of the relative number of Excess Unemployed individuals in each workforce investment area, compared to the total number of Excess Unemployed individuals in the State; and
3. 33 1/3% on the basis of the relative number of disadvantaged youth in each workforce investment area, compared to the total number of disadvantaged youth in the State.  
[WIA sec. 128(b)(2)(A)(i)] See Attachment A.

To reduce some of the volatility of the formula factors on WDAs, a hold harmless provision is applied to the results of the three-factor formula. The Act provides that a WDA shall not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the WDA for the 2 preceding fiscal years. Regulatory reference to hold harmless is contained in Attachment C.

Adult Formula:

For the adult programs, the same factors used to determine Federal allotments are used to distribute funds among the WDAs. The three factors are

1. 33 1/3% on the basis of the relative number of unemployed individuals in ASUs in each workforce investment area, compared to the total number of unemployed individuals in ASUs in the State;
2. 33 1/3% on the basis of the relative number of Excess Unemployed individuals in each workforce investment area, compared to the total number of Excess Unemployed individuals in the State; and
3. 33 1/3% on the basis of the relative number of disadvantaged adults in each workforce investment area, compared to the total number of disadvantaged adults in the State.  
[WIA sec. 133(b)(2)(A)(i)] See Attachment B.

To reduce some of the volatility of the formula factors on WDAs, a hold harmless provision is applied to the results of the three-factor formula. The Act provides that a WDA shall not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation

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percentage of the WDA for the 2 preceding fiscal years. Regulatory reference to hold harmless is contained in Attachment C.

### Dislocated Worker (DW) Formula:

The Dislocated Worker within state allocation is calculated based on a formula developed by the Governor and approved in the State's WIA Plan. There are six factors in the WI Dislocated Worker allocation formula. The factors and their associated weights are:

1. 25% based on a WDA's Unemployment Concentration value as a percentage of the entire state's Unemployment Concentration value.
2. 18.75% based on the relative number of Long Term Unemployed persons living in the WDA as compared to the number of Long Term Unemployed persons in the state.
3. 6.25% based on the relative number of persons living in the WDA who have established an Unemployment claim as compared to that number for the state.
4. 25% based on Declining Industries where the relative number of jobs lost by industry within the WDA is compared to the number of jobs lost by industry within the state.
5. 12.5% based on the relative number of persons reported as receiving notice of lay off in Plant Closing/Mass Lay off notices in the WDA compared to the total reported for the state.
6. 12.5% based on each WDA's prorated share of Farm Hardship as measured by farm closings.

Although the WIA does not include a Dislocated Worker hold harmless, the Council on Workforce Investment agreed that the hold harmless provided for in the Job Training Partnership Act should continue to be applied in WIA. The provision is described in the WIA State Plan. The hold harmless ensures that each WDA will receive at least 85% of the prior year allocation percentage.

The text of the related legislation is contained in Attachment B.

### Allocation Timetable:

#### January:

- The allocation process should begin in early January of each year. It begins with a written notice via email, memo or letter from the allocation developer to the data source contacts reminding them of the data each will provide. See Attachment D for data source contacts.
- Data sources return the requested data by the end of January.

#### February:

- By mid February, the allocation developer enters all data needed to calculate the allocation shares. Preliminary allocation shares are distributed for internal review.
- End of February: Release, via Administrator's Memo (ADM), preliminary allocation shares to the Workforce Development Boards for review and pre-planning. The Allocations Team will be asked specifically to review the allocation shares and the process used to develop them.

#### March:

- DOL-ETA issues the TEGL that transmits state allotments and related policy. (approximate time, may be issued later but supposed to be out in time for the April 1 start of the Youth program)
- Internal team reviews TEGL to determine if related policy will require adjustments to the allocation spreadsheet.
- If spreadsheet adjustments are required, the allocation developer will complete revisions for review by the Allocations Team within 15 days of receipt of the TEGL. The Allocations Team will have 5 days to review spreadsheet revisions.

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- Allocations developer begins working on an ADM to transmit WDA final allocation shares and allocation amounts to the Workforce Development Board Directors and other interested parties. Development of the ADM can begin once allocations related policy impact is understood. The goal is to have the ADM signed by March 31 (dependent on the issue date of the TEGl containing allotments).
- After the Allocations Team approves and returns the allocation spreadsheet the allocations developer enters the allotments into the spreadsheet to calculate WDA allocation amounts.
- Allocation developer routes the completed allocation spreadsheet to the Allocations Team for verification of the allocations. After verification, the Allocations Developer prints the "Print Allocations" tab for attachment to the ADM.
- Allocation developer routes the completed ADM for signature to the Division Administrator through their supervisor and Bureau Director.

April:

- The signed ADM is transmitted to the WDBs, DET Contracting, the Bureau of Workforce Training and other interested parties.
- DET Contracting enters the allocation amounts into grant documents for the WDBs and ensures that the information is in CORE.

Review Teams:

Internal Review Team: Whenever internal review is needed, the following positions will be consulted.

Director, Bureau of Workforce Training	Finance Section Chief
Local Services Section Chief	DWD Budget Analyst assigned to WIA
Labor Market Information Section Chief	DET Contracting Staff

Allocations Team: The Allocations Team consists of DWD and WDA staff who will review processes and results to ensure accuracy and compliance with the requirements that govern the development of WIA allocations. Members include:

Administrator, Div. of Employment and Training	Labor Market Information Section Chief
Director, Bureau of Workforce Training	DWD Chief Financial Officer
Local Services Section Chief	Directors from two WDBs

### Calculating the Allocations

The allocation formula is embodied in a 17-tabbed MS-Excel spreadsheet. The spreadsheet has been modified and added to over the years. The last significant revisions were done when WIA was implemented in PY2000 and when the DW programs were integrated into the spreadsheet in PY04.

Although the spreadsheet is usually referred to as the Allocation Formula, there are really two allocation formulas that are calculated in the spreadsheet; the Youth/Adult formula (aka the 3-part formula) and the Dislocated Worker formula, which has 6 parts. Both formulae use some common data so they are done together.

In the chart below is a list of the tabs within the spreadsheet. Each tab is classified by its primary purpose and program it influences. A tab that is classified as a Calculator generally

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takes data that has been input in another location and processes it to produce a factor for the formula. An Input tab generally is a storage location for data that has been provided by a data source and will be used by a Calculator tab. In some instances, a tab will be both Calculator and Input. The Info/Print tabs contain information of interest or summarize results in a printable format.

Tab Name:	Purpose of the Tab			Program the Tab Applies to:		
	Calculator	Info/Print	Input	Adult	Youth	DW
Reference			X	X	X	X
DOL Allotment	X		X	X	X	X
Print Allocations	X	X		X	X	X
Calc Adult	X			X		
Calc Youth	X				X	
Calc DW	X					X
3-Part	X			X	X	
DW 6-Part	X					X
WARN Data			X			X
UI Claimants	X		X			X
UI Concentrations	X					X
Farm Loss	X		X			X
Industry Decline	X					X
ASU-EU Calculator	X			X	X	X
LAUS Data			X	X	X	X
Decline Data			X			X
Updates		X	X	X	X	X

### Specific Instruction for each Tab

**Reference TAB:** This tab is a location to enter data that will be referenced throughout the workbook. For example, every year the Program Year must be changed manually on virtually every tab. By referencing a cell on this sheet, all the Program Years can be changed with one entry. Similar mass references are included in this tab.

**DOL Allotment TAB:** This tab calculates the gain/loss from the prior year; calculates the state admin, 10% discretionary fund, special response fund and funds for local distribution; and, provides a history of allotments received from DOL.

The allocation developer has a number of procedures to execute on this sheet. They are:

1. Copy the most current year allotment amounts from column D4-D13 to column C4-C13.
2. Enter new PY allotments from the DOL TEGl into column D4-D13.
3. Copy Column D4-D13 to the first free column to the right of the "History Section."
4. Enter the TEGl number and date as the information source in Cell B15 and at the end of the source list starting in A27.

The Print Allocation Tab references the local distribution amounts in column K5-K7. Allocation shares multiplied by the local distribution amounts generates WDA allocations by program.

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**Print Allocations TAB:** The Print Allocations tab calculates and displays each WDA's allocation shares, allocation amount, and its hold harmless status for each program. All the calculations on this tab are automatic. The allocation shares come from the Calc Adult, Calc Youth and Calc DW. Allocations are generated by multiplying the allocation share by the allotment available for local distribution from column K on the DOL Allotment Tab. The source notation comes from the DOL Allotment page as well and the Program Year comes from the Reference Tab.

The only manual task for the Allocations developer is to print the sheet.

**CALC ADULT TAB:** This tab applies the hold harmless provision to the Adult allocation shares calculated on the 3-part tab, maintains a history of prior allocation shares, and exports the allocation shares and the hold harmless designation to the Print Allocations Tab. The tab has three sections.

- Section 1 calculates whether a WDA will be held harmless and adjusts the allocation shares of those WDAs not held harmless down to make up for the hold harmless adjustment. This iterative process may cause some WDAs not initially held harmless to be protected as their share falls to provide the hold harmless to eligible WDAs. This section compares the allocation shares calculated on the 3-part tab to 90% of the Average of Prior 2 Years Share and chooses the higher of the two shares. If any WDA is held harmless, the sum of the shares will exceed 100%. Each subsequent column checks if each WDA share in the previous column exceeds the hold harmless share and if so, reduces the share in proportion to its contribution to exceeding 100% in the sum of the prior column.

This process progressively reduces the sum of the column closer to 100%. When the column sum reaches 100.0000%, or there have been 25 recalculations, whichever is later, recalculation can stop.

- Section 2 is a historical table of allocation shares by WDA from the inception of WIA. The shares from the most recent 2 years prior to the allocation year provide the data for the Average of Prior 2 Years Share in Column C in Section 1.
- Section 3 is used to double check the final adjustment against the 90% hold harmless amount and label the hold harmless WDAs. This section contains all of the exportable data from this sheet for the Print Allocations Tab.

Most of the calculations are automatic in this sheet though there are some maintenance functions that an Allocations developer must perform. They are:

1. In Section 2, ensure that the Allocation Shares for the most recent program year are actual values, not cell references. If they are cell references or formulas, copy the Allocation share column onto itself using Paste Special, Values and Formatting. This will convert the relative references to values.
2. Copy the two most recent Program Year's data from this Section to columns C & D of this Section. Section 1, column C uses this data to calculate the Average of the Prior 2 Years.
3. After the calculations have been run, copy column AE from Section 1 to the appropriate PY blank column in section 2. Use the Paste Special, Values and Number Formatting when copying to ensure that the allocation shares are recorded as values rather than relative reference cells or formulas. (if the sum of column AE in Section 1 is greater than 100.0000%, copy the first column where the total equals 100.0000% to Section 2)

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4. After copying to Section 2, enter a comment in the header of the column that tells which column was used from Section 1.
5. If a column of allocation shares other than column AE from Section 1 is used as the calculated allocation shares, the Allocations developer must change the references in Section 3, column C to reflect the Section 1 column used.

**CALC YOUTH TAB:** This tab applies the hold harmless provision to the Youth allocation shares calculated on the 3-part tab, maintains a history of prior allocation shares, and exports the allocation shares and the hold harmless designation to the Print Allocations Tab. The tab has three sections.

- Section 1 calculates whether a WDA will be held harmless and adjusts the allocation shares of those WDAs not held harmless down to make up for the hold harmless adjustment. This iterative process may cause some WDAs not initially held harmless to be protected as their share falls to provide the hold harmless to eligible WDAs.

This section compares the allocation shares calculated on the 3-part tab to 90% of the Average of Prior 2 Years Share and chooses the higher of the two shares. If any WDA is held harmless, the sum of the shares will exceed 100%. Each subsequent column checks if each WDA share in the previous column exceeds the hold harmless share and if so, reduces the share in proportion to its contribution to exceeding 100% in the sum of the prior column.

This process progressively reduces the sum of the column closer to 100%. When the column sum reaches 100.0000%, or there have been 25 recalculations, whichever is later, recalculation can stop.

- Section 2 is a historical table of allocation shares by WDA from the inception of WIA. The shares from the most recent 2 years prior to the allocation year provide the data for the Average of Prior 2 Years Share in Column C in Section 1.
- Section 3 is used to double check the final adjustment against the 90% hold harmless amount and label the hold harmless WDAs. This section contains all of the exportable data from this sheet for the Print Allocations Tab.

Most of the calculations are automatic in this sheet though there are some maintenance functions that an Allocations developer must perform. They are:

1. In Section 2, ensure that the Allocation Shares for the most recent program year are actual values, not cell references. If they are cell references or formulas, copy the Allocation share column onto itself using Paste Special, Values and Formatting. This will convert the relative references to values.
2. Copy the two most recent Program Year's data from this Section to columns C & D of this Section. Section 1, column C uses this data to calculate the Average of the Prior 2 Years.
3. After the calculations have been run, copy column AE from Section 1 to the appropriate PY blank column in section 2. Use the Paste Special, Values and Number Formatting when copying to ensure that the allocation shares are recorded as values rather than relative reference cells or formulas. (if the sum of column AE in Section 1 is greater than 100.0000%, copy the first column where the total equals 100.0000% to Section 2)
4. After copying to Section 2, enter a comment in the header of the column that tells which column was used from Section 1.
5. If a column of allocation shares other than column AE from Section 1 is used as the calculated allocation shares, the Allocations developer must change the references in Section 3, column C to reflect the Section 1 column used.

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**CALC DW TAB:** This tab applies the hold harmless provision to the Dislocation Worker allocation shares calculated on the DW 6-part tab, maintains a history of prior allocation shares, and exports the allocation shares and the hold harmless designation to the Print Allocations Tab. The tab has three sections.

- Section 1 calculates whether a WDA will be held harmless and adjusts the allocation shares of those WDAs not held harmless down to make up for the hold harmless adjustment. This iterative process may cause some WDAs not initially held harmless to be protected as their share falls to provide the hold harmless to eligible WDAs. This section compares the allocation shares calculated on the DW 6-part tab to 85% of the Prior Year Share and chooses the higher of the two shares. If any WDA is held harmless, the sum of the shares will exceed 100%. Each subsequent column checks if each WDA share in the previous column exceeds the hold harmless share and if so, reduces the share in proportion to its contribution to exceeding 100% in the sum of the prior column.

This process progressively reduces the sum of the column closer to 100%. When the column sum reaches 100.0000%, or there have been 25 recalculations, whichever is later, recalculation can stop.

- Section 2 is a historical table of allocation shares by WDA from PY04. The shares from the most recent year prior to the allocation year provides the data for the Prior PY Shares in Column C in Section 1.
- Section 3 is used to double check the final adjustment against the 85% hold harmless amount and label the hold harmless WDAs. This section contains all of the exportable data from this sheet for the Print Allocations Tab.

Most of the calculations are automatic in this sheet though there are some maintenance functions that an Allocations developer must perform. They are:

1. In Section 2, ensure that the Allocation Shares for the most recent program year are actual values, not cell references. If they are cell references or formulas, copy the Allocation share column onto itself using Paste Special, Values and Number Formatting. This will convert the relative references or formulas to values.
2. Change the references in Section 1, column C to references the allocation shares from the most recent program year prior to the year allocations are being calculated for.
3. After the calculations have been run, copy column AE from Section 1 to the appropriate PY blank column in section 2. Use the Paste Special, Values and Number Formatting when copying to ensure that the allocation shares are recorded as values rather than relative reference cells or formulas. (if the sum of column AE in Section 1 is greater than 100.0000%, copy the first column where the total equals 100.0000% to Section 2)
4. After copying to Section 2, enter a comment in the header of the column that tells which column was used from Section 1.
5. If a column of allocation shares other than column AE from Section 1 is used as the calculated allocation shares, the Allocations developer must change the references in Section 3, column C to reflect the Section 1 column used. Add a note to the Updates Tab that the reference was changed.

**3-Part TAB:** This tab is used to calculate allocation shares from the 3 factors in the WIA legislation. The 3-part formula is set up to calculate a share that a WDA would receive of the State's allotment if based solely on the factors in the Act. Each factor is 1/3 of the share. The factors are the relative share the WDA's economically disadvantaged adults or youth make up of the State's economically disadvantaged adults or youth, the relative share the WDA makes up of the State's unemployed in excess of 4.5% and the WDA's share of unemployed living in the State's ASUs(above 6.5%). The results of this page are exported to Column E in Section 1

## **Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

in the Calc Adult and the Calc Youth Tabs where they are compared to the hold harmless levels.

The Allocations developer has very little to do on this sheet. Everything is either calculated by formula within cells from data brought into this tab from ASU-EU Calculator Tab, data imported from ASU-EU Calculator or data hard coded into columns I & J from the 2000 Census. The data in column I, "Adult Economic Disadvantaged," & J, "Youth Economic Disadvantaged," changes one time per decade and must be updated by hand - based on instructions from the Department of Labor.

**DW 6-Part TAB:** This sheet is used to aggregate the six dislocated worker factors together to generate an allocation share based on economic factors only. Each of the gray columns represents results from other tabs and their weighting factor is listed in the last row of the chart. For each WDA, Column C is the sum of each factor value multiplied by its weighting. The numbers in the non-shaded columns are informational and provide context for the numbers in the shaded columns but are not used in the calculations. The values in Column C are exported to Tab Calc DW, Column E for use in adjusting the allocation shares by Hold harmless. Most of the work on this tab is managed by the spreadsheet itself. The Allocations developer only has to update the date of the Unemployment and WARN Data, the headers on farm loss data and the reference years in the declining industry's header.

The data for this tab comes from a variety of other tabs. The data from those other tabs are brought to this tab to calculate the DW allocation share before the hold harmless provision is applied

- The Total Paid UC comes from column D of the UI Claimant Tab.
- The % Total UC comes from column C of the UI Claimant Tab.
- The data for the 15 or More Weeks comes from column F of the UI Claimant Tab.
- The % UC Long is imported from column E of the UI Claimant Tab.
- The Number Affected in WARN Notices comes from column E of the WARN Data Tab.
- Percent of Total Affected by WARN Notice is accessed from column F of the WARN Data Tab.
- WDAs where Unemployed concentrations are a factor is imported from the UI Concentrations Tab, column D.
- # of Farm Losses to 2002 is from the Farm Loss Tab, column E.
- % of Farm Loss is gathered from column F of the Farm Loss Tab.
- Employment Decline is copied in from the Industry Decline Tab, column I. The % Decline comes from column J of that same tab.

**WARN Data TAB:** This tab gathers data that addresses the DOL formula requirement to account for Plant Closing-Mass Layoff. WDAs areas receive a prorated share of the total number of persons reported as being laid off from their employment by employers who file a Notice under state & federal plant closing - mass layoff laws. The Dislocated Worker Unit of the BWT supplies this data. The Allocations Developer copies in this data by WDA from the electronic report provided by the DW Unit.

The numbers affected by WARN notices for the most recent calendar year are entered in column E9 through E19. The percent shares are calculated automatically in column F9 to 19. This data automatically exports to the DW 6-Part Tab, columns H & I. The Allocations Developer then will copy cells E6 through F21 to the next available column in the Historic Information section (Row 45). This area of the spreadsheet is for information only.

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**UI Claimant TAB:** The purpose of this tab is to calculate the relative share each WDA will receive of the state's long-term unemployed and number of UI Claimants. The data is provided by the Unemployment Insurance Division in PDF (this may be changeable in the future). The report is UI Report: DWDUIBNP.UI9618.TSOLIB.WIAUIDUR, Table of SDA by WKPD.

- The number of claimants must be entered from the report into cells D7 to D17. Column C calculates the WDA shares of the state total.
- The number of UI recipients that have received payments for more than 15 weeks is entered for each WDA in cells F7 through F17. Column E calculates the WDA shares.
- The number receiving UI for less than 15 weeks is entered by WDA in cells G7 through G17. There is currently no use for this information in any calculations at this time.

When adding columns F + G, you will not get the number of claimants recorded in column D. Column F + G equals all check recipients. Column D is all check recipients plus those who have started a claim but did not receive a check, for whatever reason.

The tab exports Columns C, D, E, and F automatically to the DW 6-Part Tab for use in calculating the DW allocation share.

**UI Concentrations TAB:** The purpose of this tab is to determine whether a WDA qualifies as having a concentration of unemployed. The tab calculated the state's average unemployment rate for the prior calendar year, and then calculates the value of 10% of the state's average unemployment for the prior calendar year. If a WDA's unemployment rate (as calculated in column G) exceeds the state rate or if the WDA number of unemployed (column H) exceeds 10% of the state's total unemployment, the WDA qualifies to compete for shares of this factor. The WDAs that qualify receive a relative share based on their share of the total unemployment of the qualifying WDAs.

The data used here comes from the file used for the within state allocation that has been submitted to the DOL in accord with instructions in Training and Employment Guidance Letter 04-09 and BLS LAUS Technical Memorandum No. S-09-23. This file is used by the DOL to determine allotments to states.

The Allocations Developer has nothing to manipulate on this page. All data used to determine this factor comes from other tabs or is the result of within tab calculations. No input required. The tab will export cells C8 through D18 to DW 6-Part cells J7 to K17. This factor makes up 25% of the DW allocation share.

The box that is marked informational in this tab illustrates how each WDA qualifies for the factor. Some WDAs qualify by having more than 10% of the state's total unemployment, some because their rate is higher than the state's unemployment rate and in some cases because they meet both. Incidentally, a WDA does not qualify a larger share by meeting both benchmarks.

**Farm Loss TAB:** This tab calculates each WDA's share of farm hardship experienced in the state. We measure Farm hardship by comparing the number of farms in operation in a reference year compared to the average number of farms in operation in 1982 to 1984. Reference year data is updated every 5 years via the Census of Agriculture – County Data. The 2007 census became available in 2009 and is used for PY2010 calculations.

The Allocations Developer will need to hard code in the number of farms by county in column D34 to D105. Update the headers to refer to the actual years used in the calculation of farm loss. Once the data is entered, the tab will calculate the loss by county and WDA and export the number of farm losses and the WDA share of farm loss to the DW 6-Part tab, columns L & M respectively.

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**Industry Decline TAB:** This tab computes the declining industry factor by calculating job losses in declining industry. This tab has two sections. Section A summarizes the employment in declining industry and calculates the WDA's relative share of the state's declining industry employment.

Section B provides the raw data by two digit NAICS and is supplied by QCEW Staff. The most recently available calendar year data is compared to average industry employment data from the calendar year 5 years earlier. (E.g. CY2008 data is compared to CY2003.) Wherever there is job loss from the reference year to the most recent year, that industry loss is added to the WDA total losses in declining industries.

Because some employers do not provide location information, there are employment numbers not assigned to a county. The unassigned employment is distributed to each WDA based on the distribution of employment with known locations.

Instruction for the Allocations Developer follows.

### Section A

- Column E3 – E13 is total distributed employment by WDA gathered from Section B, column H58 – H916.
- Column F3 – F13 calculates the share of total distributed employment attributable to each WDA.
- Column G3 – G13 calculates the share of the unassigned job loss (column I18 - 55 in section B) that should be distributed to each WDA by multiplying the total unassigned job losses (cell I56) by the WDA share of distributed employment (column F3-13).
- Column H3 – H13 sums the distributed employment loss in declining industries by WDA from Section B, column I58 – I916.
- Column I3 – I13 totals each WDA's employment declines by adding columns G & H in Section A together. This brings unassigned job loss and distributed employment loss together for calculating the WDA share of employment loss in declining industries.
- Column J is the WDA share calculated by dividing the WDA's total employment in declining industry listed in column I by the State's employment in declining industry (cell I14)
- Data in columns I & J move to the DW 6-Part tab in columns N & O.
- Distributed employment in Section B, column G & H is distributed by 2 digit NAICS by county and aggregated to WDA.

### Section B

All of the data for Section B is copied in from the Decline Data tab. When copying to any of the columns in Section B, the copy must be done by WDA and a summation of the WDA's data done at the end of their data.

- Column A19 – A916: copy in the WDA number from the Decline Data tab, column B6
- Column B19 – B916: copy in the County number (labeled as CNT) from the Decline Data tab, column A6
- Column C19 – C916: copy in the NAICS (labeled as NA) from the Decline Data tab, column C6
- Column D19 – D916: Copy in the Industry Titles from the Decline Data tab, column J6 (labeled as Title)
- Column G19 – G916: Copy in the employment numbers from the Decline Data tab, column F6 (labeled as Employ1). This is the employment data for the reference year.
- Column H19 – Copy in the employment numbers from the Decline Data tab, column I6 (labeled as Employ2). This is the employment data for the most recent year.

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- Column I19 – I916: This column calculates the number of job losses that have occurred by subtracting industry employment for the most recent year (column H19 – H916) from the industry employment in the reference year (column G19 – G916). If jobs have been lost in the comparison, the number lost will show. If there are job gains or no loss, the cell will appear blank.

There is more cut and paste work on this tab than on any other in the workbook. In addition to the care that must be taken getting the data into this tab, care must also be taken to update column headers to represent the correct year for data comparisons.

**ASU-EU Calculator TAB:** This tab is used to take ASU data (Column O from LAUS Data tab ) and LAUS data (Column N from LAUS Data tab) to calculate the WDA Share of the State's ASU and Excess Unemployment totals. The Allocations Developers role on this tab is checking and validating as all actions are done automatically. The list of counties and their sub parts need to be checked against the list of counties and parts of counties on the LAUS Data tab to ensure exact matches in the 2 lists.

Here is how this tab works.

- Column G calculates the ASU Unemployment Rate for each geographic area listed in column A by dividing column C data by the sum of column C & D. The resultant ASU unemployment rate is checked by column J to discern if the rate exceeds 6.5%. If it does, a "1" is entered in column J. If there is a "1" in column J for any geographic area within a WDA, the WDA total ASU unemployment in column C is entered into column J of the "sum" row for the WDA. This value is then divided by the state total ASU unemployment to report the WDA share of ASU unemployment.
- Column H calculates the LAUS unemployment rate for each geographic area listed in column A by dividing the LAUS unemployment in column E by the sum of column E & F. The result is checked by column I. If column H is greater than 4.5%, column I calculates the number of unemployed the equivalent to 4.5% of the labor force and subtracts that number from the number of LAUS unemployed in column E. Provided the result of that calculation exceeds zero it is entered into column I. The column totals the result from all geographic areas in the WDA to determine the WDA's number of excess unemployed and enters it into the "sum" row. The WDA's share is entered into just below the "sum" row and is calculated by dividing the WDA number of excess unemployed by the State Excess unemployed total.
- Columns E & F data in the "sum" row for each WDA is exported to the UI Concentrations tab columns H & I respectively and are used to calculate an unemployment rate; which should match the LAUS unemployment rate in the "sum" row of column H on this tab.
- Columns I & J data in the "sum" row are exported to the 3-Part tab, columns K & L respectively. There this data is used to calculate the WDA share of Excess unemployment (column E) and share of ASU unemployment (column F). The shares calculated here should equal the shares in the row just below the "sum" line for each WDA on this tab.
- All cells are locked on this tab. The only time data entry is required is if there is a mismatch on the list of geographic areas.

**LAUS Data TAB:** The Local Area Unemployment Statistics (LAUS) program manager conducts the ASU exercise every year for the US Department of Labor. County level unemployment data from the LAUS program and the most recent US Census data (currently 2000) is used. In order for an area to qualify as an ASU, the total unemployment has to be 6.451% or greater, the population has to be at least 10,000 and all components of the ASU area have to be contiguous. An ASU can be a county, city, or combination of areas, such as census tracts and counties.

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In order to develop a qualifying ASU, the 12-month average of the LAUS data for the most recent period ending in June is calculated for each county and city (population 25,000+) in the state. July-Dec of the prior year uses LAUS benchmarked data; data for the current year Jan-May uses revised data and June uses preliminary data. Data from the 2000 Census is available for the counties and cities and is broken down by census tract within each of those areas.

If a single county or city does not have a 12-month average unemployment rate of 6.451% or greater, surrounding counties or cities can be added (or subtracted) until the contiguous area reaches the 6.451% threshold. Individual census tracts within the counties or cities are examined in an attempt to include those tracts with the highest number of unemployed persons. All areas that are included in the ASU have to be contiguous and the total population of the included areas must be at least 10,000 (based on Census 2000).

Since monthly LAUS data is not available at the census tract level, the census tracts in a given county that are being included in the ASU area are multiplied by the total LAUS unemployment and employment (12-month average) for that county. This ratio is called the Census-Share (and is column O in the WIASU spreadsheet; the 12-month LAUS average is column N.)

Once as many areas of the state as possible have been exhausted into ASUs and the data has been submitted and approved by the US Department of Labor, the ASU designations and the corresponding data are used internally in the WIA/DW allocation process.

The file used for the within state allocation is submitted to the DOL in accord with instructions in Training and Employment Guidance Letter 04-09 and BLS LAUS Technical Memorandum No. S-09-23. This file is used by the DOL to determine allotments to states.

The Allocations Developer copies "Column N" and "Column O" into the LAUS Tab taking care to match data to geographic areas.

**Decline Data TAB:** This tab stores the raw data used by the Industry Decline tab to calculate the WDA shares of employment in declining industry. The QCEW Lead worker provides the data in mid January after receiving specifications in a data request from the Allocations Developer.

How the file is created:

- Designed to compare most current and a reference year (Calendar year 2008 and 2003 for PY2010 calculations).
- Employment is added up for each month of the quarter for all 4 quarters to provide a summary total. (This yields very high numbers, basically 12 times as high as normal level of employment).
- Employment is reported by NAICS sector groups.
- Units count is summed by quarter and divided by 4 to provide average units counts (Unit counts are not used to calculate allocation shares.)
- County and its corresponding WDA inclusion and NAICS industry sector groups are assigned.
- No calculations regarding change in the number of units or in employment are provided
- Results of the job are sent to the Allocations Developer in a text file.
- The text file must be copied into this tab and should match the column format set in the tab.
- This tab is not locked.

**Updates TAB:** This Tab will be used to document changes to the workbook whenever changes are performed.

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### Attachments:

Attachment A: WIA Sec 128 Within State Allocations

Attachment B: WIA Sec 133 Within State Allocations

Attachment C: WIA Regulations Sec. 667.135 Hold Harmless

Attachment D: Data Source matrix

Attachment E: Allocation Checklist

Attachment A  
WORKFORCE INVESTMENT ACT OF 1998  
Public Law 105-220--Aug. 7, 1998 112 Stat. 936  
SEC. 128. WITHIN STATE ALLOCATIONS

WORKFORCE INVESTMENT ACT OF 1998  
Public Law 105-220--Aug. 7, 1998 112 Stat. 936

SEC. 128. WITHIN STATE ALLOCATIONS

(a) Reservations for State Activities.--

(1) In general.--The Governor of a State shall reserve not more than 15 percent of each of the amounts allotted to the State under section 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of section 132(b) for a fiscal year for statewide workforce investment activities.

(2) Use of funds.--Regardless of whether the reserved amounts were allotted under section 127(b)(1)(C), or under paragraph (1)(B) or (2)(B) of section 132(b), the Governor may use the reserved amounts to carry out statewide youth activities described in section 129(b) or statewide employment and training activities, for adults or for dislocated workers, described in paragraph (2)(B) or

(3) of section 134(a).

(b) Within State Allocation.--

(1) Methods.--The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall allocate the funds that are allotted to the State for youth activities and statewide workforce investment activities under section 127(b)(1)(C) and are not reserved under subsection (a), in accordance with paragraph (2) or (3).

(2) Formula allocation.--

(A) Youth activities.--

(i) Allocation.--In allocating the funds described in paragraph

(1) to local areas, a State may allocate--

(I) 33 1/3 percent of the funds on the basis described in section 127(b)(1)(C)(ii)(I);

(II) 33 1/3 percent of the funds on the basis described in section 127(b)(1)(C)(ii)(II); and

(III) 33 1/3 percent of the funds on the basis described in clauses (ii)(III) and (iii) of section 127(b)(1)(C).

(ii) Minimum percentage.--Effective at the end of the second full fiscal year after the date on which a local area is designated under section 116, the 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 preceding sentence shall be obtained by ratably reducing the allocations to be made to other local areas under this subparagraph.

(iii) Definition.--The term "allocation percentage", used with respect to fiscal year 2000 or a subsequent fiscal year, means a percentage of the funds referred to in clause (i), received through an allocation made under this subparagraph, for the fiscal year.

(B) Application.--For purposes of carrying out subparagraph (A)--

(i) references in section 127(b) to a State shall be deemed to be references to a local area;

(ii) references in section 127(b) to all States shall be deemed to be references to all local areas in the State

involved; and

(iii) except as described in clause (i), references in section 127(b)(1) to the term "excess number" shall be considered to be references to the term as defined in section 127(b)(2).

(3) Youth discretionary allocation.--In lieu of making the allocation described in paragraph (2)(A), in allocating the funds described in paragraph (1) to local areas, a State may distribute--

(A) a portion equal to not less than 70 percent of the funds in accordance with paragraph (2)(A); and

(B) the remaining portion of the funds on the basis of a formula that--

## **Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

(i) incorporates additional factors (other than the factors described in paragraph (2)(A)) relating to--

(I) excess youth poverty in urban, rural, and suburban local areas; and

(II) excess unemployment above the State average in urban, rural, and suburban local areas;

and

(ii) was developed by the State board and approved by the Secretary as part of the State plan.

(4) Limitation.--

(A) In general.--Of the amount allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local board for the administrative cost of carrying out local workforce investment activities described in subsection (d) or (e) of section 134 or in section 129(c).

(B) Use of funds.--Funds made available for administrative costs under subparagraph (A) may be used for the administrative cost of any of the local workforce investment activities described in subsection (d) or (e) of section 134 or in section 129(c), regardless of whether the funds were allocated under this subsection or section 133(b).

(C) Regulations.--The Secretary, after consulting with the Governors, shall develop and issue regulations that define the term "administrative cost" for purposes of this title. Such definition shall be consistent with generally accepted accounting principles.

(c) Reallocation Among Local Areas.--

(1) In general.--The Governor may, in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under paragraph (2)(A) or (3) of subsection (b) for youth activities and that are available for reallocation.

(2) Amount.--The amount available for reallocation for a program year is equal to the amount by which the unobligated balance of the local area allocation under paragraph (2)(A) or (3) of subsection (b) for such activities, at the end of the program year prior to the program year for which the determination under this paragraph is made exceeds 20 percent of such allocation for the prior program year.

(3) Reallocation.--In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(3) for such activities for the prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(3) for such activities for such prior program year. For purposes of this paragraph, local areas that received allocations under subsection (b)(2)(A) for the prior program year shall be treated as if the local areas received allocations under subsection (b)(3) for such year.

(4) Eligibility.--For purposes of this subsection, an eligible local area means a local area that has obligated at least 80 percent of the local area allocation under paragraph (2)(A) or (3) of subsection (b) for such activities, for the program year prior to the program year for which the determination under paragraph (2) is made.

ATTACHMENT B  
WORKFORCE INVESTMENT ACT OF 1998  
Public Law 105-220--Aug. 7, 1998      112 Stat. 936  
SEC. 133. WITHIN STATE ALLOCATIONS

WORKFORCE INVESTMENT ACT OF 1998  
Public Law 105-220--Aug. 7, 1998 112 Stat. 936

SEC. 133. WITHIN STATE ALLOCATIONS

(a) Reservations for State Activities.--

(1) Statewide workforce investment activities.--The Governor of a State shall make the reservation required under section 128(a).

(2) Statewide rapid response activities.--The Governor of the State shall reserve not more than 25 percent of the total amount allotted to the State under section 132(b)(2)(B) for a fiscal year for statewide rapid response activities described in section 134(a)(2)(A).

(b) Within State Allocation.--

(1) Methods.--The Governor, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall allocate--

(A) the funds that are allotted to the State for adult employment and training activities and statewide workforce investment activities under section 132(b)(1)(B) and are not reserved under subsection (a)(1), in accordance with paragraph (2) or (3); and

(B) the funds that are allotted to the State for dislocated worker employment and training activities under section 132(b)(2)(B) and are not reserved under paragraph (1) or (2) of subsection (a), in accordance with paragraph (2).

(2) Formula allocations.--

(A) Adult employment and training activities.--

(i) Allocation.--In allocating the funds described in paragraph (1)(A) to local areas, a State may allocate--

(I) 33 1/3 percent of the funds on the basis described in section 132(b)(1)(B)(ii)(I);

(II) 33 1/3 percent of the funds on the basis described in section 132(b)(1)(B)(ii)(II); and

(III) 33 1/3 percent of the funds on the basis described in clauses (ii)(III) and (iii) of section 132(b)(1)(B).

(ii) Minimum percentage.--Effective at the end of the second full fiscal year after the date on which a local area is designated under section 116, the 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 preceding sentence shall be obtained by ratably reducing the allocations to be made to other local areas under this subparagraph.

(iii) Definition.--The term "allocation percentage", used with respect to fiscal year 2000 or a subsequent fiscal year, means a percentage of the funds referred to in clause (i), received through an allocation made under this subparagraph, for the fiscal year.

(B) Dislocated worker employment and training activities.--

(i) Formula.--In allocating the funds described in paragraph (1)(B) to local areas, a State shall allocate the funds based on an allocation formula prescribed by the Governor of the State. Such formula may be amended by the Governor not more than once for each program year. Such formula shall utilize the most appropriate information available to the Governor to distribute amounts to address the State's worker readjustment assistance needs.

(ii) Information.--The information described in clause (i) shall 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.

(C) Application.--For purposes of carrying out subparagraph (A)--

(i) references in section 132(b) to a State shall be deemed to be references to a local area;

(ii) references in section 132(b) to all States shall be deemed to be references to all local areas in the State involved; and

(iii) except as described in clause (i), references in section 132(b)(1) to the term "excess number" shall be considered to be references to the term as defined in section 132(b)(1).

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(3) Adult employment and training discretionary allocations.--In lieu of making the allocation described in paragraph (2)(A), in allocating the funds described in paragraph (1)(A) to local areas, a State may distribute--

(A) a portion equal to not less than 70 percent of the funds in accordance with paragraph (2)(A); and  
(B) the remaining portion of the funds on the basis of a formula that--

(i) incorporates additional factors (other than the factors described in paragraph (2)(A)) relating to--  
(I) excess poverty in urban, rural, and suburban local areas; and  
(II) excess unemployment above the State average in urban, rural, and suburban local areas; and  
(ii) was developed by the State board and approved by the Secretary as part of the State plan.

(4) Transfer authority.--A local board may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area under paragraph (2)(A) or (3), and 20 percent of the funds allocated to the local area under paragraph (2)(B), for a fiscal year between--

(A) adult employment and training activities; and  
(B) dislocated worker employment and training activities.  
(5) Allocation.--

(A) In general.--The Governor of the State shall allocate the funds described in paragraph (1) to local areas under paragraphs (2) and (3) for the purpose of providing a single system of employment and training activities for adults and dislocated workers in accordance with subsections (d) and (e) of section 134.

(B) Additional requirements.--

(i) Adults.--Funds allocated under paragraph (2)(A) or (3) shall be used by a local area to contribute proportionately to the costs of the one-stop delivery system described in section 134(c) in the local area, and to pay for employment and training activities provided to adults in the local area, consistent with section 134.

(ii) Dislocated workers.--Funds allocated under paragraph (2)(B) shall be used by a local area to contribute proportionately to the costs of the one-stop delivery system described in section 134(c) in the local area, and to pay for employment and training activities provided to dislocated workers in the local area, consistent with section 134.

(c) Reallocation Among Local Areas.--

(1) In general.--The Governor may, in accordance with this subsection, reallocate to eligible local areas within the State amounts that are allocated under paragraph (2)(A) or (3) of subsection (b) for adult employment and training activities and that are available for reallocation.

(2) Amount.--The amount available for reallocation for a program year is equal to the amount by which the unobligated balance of the local area allocation under paragraph (2)(A) or (3) of subsection (b) for such activities, at the end of the program year prior to the program year for which the determination under this paragraph is made exceeds 20 percent of such allocation for the prior program year.

(3) Reallocation.--In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State an amount based on the relative amount allocated to such local area under subsection (b)(3) for such activities for the prior program year, as compared to the total amount allocated to all eligible local areas in the State under subsection (b)(3) for such activities for such prior program year. For purposes of this paragraph, local areas that received allocations under subsection (b)(2)(A) for the prior program year shall be treated as if the local areas received allocations under subsection (b)(3) for such year.

(4) Eligibility.--For purposes of this subsection, an eligible local area means a local area that has obligated at least 80 percent of the local area allocation under paragraph (2)(A) or (3) of subsection (b) for such activities, for the program year prior to the program year for which the determination under paragraph (2) is made.

ATTACHMENT C  
20 CFR Part 652 and Parts 660 through 671  
Workforce Investment Act

[Federal Register: August 11, 2000 (Volume 65, Number 156)]  
[Rules and Regulations]  
[Page 49293-49342]

DEPARTMENT OF LABOR  
Employment and Training Administration  
20 CFR Part 652 and Parts 660 through 671  
Workforce Investment Act  
AGENCY: Employment and Training Administration (ETA), Labor.  
ACTION: Final rule.

Sec. 667.135 What "hold harmless" provisions apply to WIA adult and youth allocations?

(a)

(1) For the first two fiscal years after the date on which a local area is designated under section 116 of WIA, the State may elect to apply the "hold harmless" provisions specified in paragraph (b) of this section to local area allocations of WIA youth funds under Sec. 667.130(c) and to allocations of WIA adult funds under Sec. 667.130(d).

(2) Effective at the end of the second full fiscal year after the date on which a local area is designated under section 116 of WIA the State must apply the "hold harmless" specified in paragraph (b) of this section to local area allocations of WIA youth funds under Sec. 667.130(c) and to allocations of WIA adult funds under Sec. 667.130(d).

(3) There are no "hold harmless" provisions that apply to local area allocations of WIA dislocated worker funds.

(b)

(1) If a State elects to apply a "hold-harmless" under paragraph (a)(1) of this section, a local area must not receive an allocation amount for a fiscal year that is less than 90 percent of the average allocation of the local area for the two preceding fiscal years.

(2) In applying the "hold harmless" under paragraph (a)(2) of this section, a local area must not receive an allocation amount for a fiscal year that is less than 90 percent of the average allocation of the local area for the two preceding fiscal years.

(3) Amounts necessary to increase allocations to local areas must be obtained by ratably reducing the allocations to be made to other local areas.

(4) If the amounts of WIA funds appropriated in a fiscal year are not sufficient to provide the amount specified in paragraph (b)(1) of this section to all local areas, the amounts allocated to each local area must be ratably reduced. (WIA secs. 128(b)(2)(A)(ii), 133(b)(2)(A)(ii), 506.)

Sec. 667.140 Does a Local Board have the authority to transfer funds between programs?

(a) A Local Board may transfer up to 20 percent of a program year allocation for adult employment and training activities, and up to 20 percent of a program year allocation for dislocated worker employment and training activities between the two programs.

(b) Before making any such transfer, a Local Board must obtain the Governor's approval.

(c) Local Boards may not transfer funds to or from the youth program.

Attachment D  
Data Sources for WIA Allocations

**Wisconsin Workforce Investment Act State Plan Modification Spring 2010**

ATTACHMENT D

Data Sources for the WIA Allocations:

Data Require to Calculate Allocations	Contact Name	Source
Relative share of the Excess Unemployment by WDA	Heather Thompson 7-5053	An electronic file is provided by LAUS Research Analyst for the most recent program year after validation by BLS (ARRA used calendar year and was not validated until after allocations were required to be out.) Validation is not benchmarking. The file is submitted to the DOL in accord with instructions in Training and Employment Guidance Letter 04-09 and BLS LAUS Technical Memorandum No. S-09-23. This file is used by the DOL to determine allotments to states.
Relative share of the unemployed in ASUs by WDA		
WDA concentrations of unemployed		
Relative share of the Economically Disadvantaged Adults by WDA	Gary Denis 7-9704	Poverty and Lower Living Standard Income Level (LLSIL) Data is provided by the Department of Labor ETA. File contains adjusted 2000 Census data to tally numbers of people in each census tract that have income below 70% of the LLSIL. Data is provided about 4 years after completion of the census. Source data is on CD from Social Policy Research Assoc.
Relative share of the Economically Disadvantaged Youth by WDA		
Prorated share of the total loss in the number of farms in 2007 from a 1982-84 base period	NASS Website	Data on the number of farms on the most current Census of Agriculture is available on the <a href="http://www.nass.usda.gov/Data_and_Statistics/index.asp">http://www.nass.usda.gov/Data_and_Statistics/index.asp</a> . The US Dept of Agriculture, National Agricultural Statistical Service, maintains this data. Data is captured from Table 8. Farms, Land in Farms, Value of Land and Buildings, and Land Use: 2007 and 2002.
WDA share of unemployment recipients	Cathy Sill 6-0858	This data is received via a PDF file from UID and is available in late January. The data is for the prior calendar year and generated as report DWDUIBNP-UI9618.TSOLIB.WIAUIDUR. Data is provided on Table of SDA by WKPD. Data could be provided as a TXT file.
WDA share of long term unemployed in state		
WDA share of laid off individuals as reported through WARN	Jerry Smith 6-5373	The Dislocated Worker Unit provides this data annually. The report is known as Table 2c
WDA share of employment in declining industries	Deb Holt 6-5321	QCEW Unit provides this data file in mid-January. Data compares most recent year to a criterion year. Whoever is doing the allocations specifies the criterion year. The comparison years are included in the request for a report file to BITS.

Attachment E  
Annual Allocations Development Checklist

## Allocations Development Checklist

## Attachment E

	Task Required	Responsible Person	Date Due	Complete? Initial & Date
1	BWT Allocation Staff meet to prepare for the project.	BWT Director	Jan 4 <sup>th</sup>	
2	Request data from data sources identified in "Attachment D" of the Allocations Guide.	LMI Section Chief	Jan 5 <sup>th</sup>	
3	Data is received by the Allocations Developer.	LMI Section Chief	Jan. 25 <sup>th</sup>	
4	Data is validated against specifications.	LMI Section Chief	Feb 1 <sup>st</sup>	
5	Internal Review Team (IRT) informed by email of the date that the Allocation Share review process starts.	LMI Section Chief	Feb 5 <sup>th</sup>	
6	Allocation Template reviewed to ensure that historic data is moved to storage and reference data is up to date.	LMI Section Chief	Feb 5 <sup>th</sup>	
7	BWT Allocation staff meets to assess progress and resolve data issues.	BWT Director	Feb 5 <sup>th</sup>	
8	Summary of Allocation project progress sent to AO.	BWT Director	Feb 8 <sup>th</sup>	
9	Data is entered into tabs in Allocation Template and Template renamed Allocations PYXX and is sent to the IRT for review.	LMI Section Chief	Feb 10 <sup>th</sup>	
10	Internal Review Team completes review and provides feedback to the Allocations Developer.	IRT members	Feb 17 <sup>th</sup>	
11	Complete adjustments to the spreadsheet and allocation shares based on the IRT review.	LMI Section Chief	Feb 18 <sup>th</sup>	
12	Send PY10 Allocation Shares Spreadsheet & Allocations Guide to the Allocations Team for review.	BWT Director	Feb 22 <sup>nd</sup>	
13	Meet with the Allocations Team to review/discuss the PY10 Allocation Shares development/process.	LMI Section Chief	Feb 26 <sup>th</sup>	
14	Complete revisions to allocations shares that come from the Allocations Team review.	LMI Section Chief	Mar 8 <sup>th</sup>	
15	Prepare the Admin Memo to transmit Allocation Shares to the workforce system for review and comment.	BWT Director	Mar 8 <sup>th</sup>	
16	Send ADM with Allocation Shares to Workforce System.	Administrator's Office	Mar 10 <sup>th</sup>	
17	Comments received from Workforce System.	LMI Section Chief	Mar 19 <sup>th</sup>	
18	Reconvene the Allocation Team to review comments received by the 19 <sup>th</sup> .	LMI Section Chief	Mar 23 <sup>rd</sup>	
19	Finalize the Allocation Shares.	LMI Section Chief	Mar 26 <sup>th</sup>	
20	Receive TEGL announcing state allotments.	BWT Director		
21	IRT reviews TEGL to determine if there are policy issues that affects the allocation process and spreadsheets are adjusted as required.	LMI Section Chief	Within 10 days of receipt	
22	Calculate the Allocations & prepare the ADM to transmit final allocation shares and allocation amounts.	LMI Section Chief	15 days after TEGL	
23	Issue ADM to the Workforce Development Board Directors and other interested parties.	Administrator's Office	20 days post TEGL	