

## 1. DISTRIBUTION OF FUNDS FOR CORE PROGRAMS

Some content in this area is under revision.

### A. FOR TITLE I PROGRAMS

#### I. YOUTH ACTIVITIES IN ACCORDANCE WITH WIOA SECTION 128(B)(2) OR (B)(3)

Under WIOA the State will use the Sub-State Allocations Statutory Formulas for both the Youth and Adult Programs (TEGL 16-18). To prevent wide fluctuations in annual funding amounts and disruption to services, the 90% "hold harmless" will also be continued so that each county is assured of receiving at least 90% of the average of the two previous years' proportion of funds.

Allocation Factor	Weight Assigned in Formula
Areas of Substantial Unemployment	0.3333
Excess Number of Unemployed	0.3332
Economically Disadvantaged Youth	0.3334
<b>Total</b>	<b>1.0000</b>

The State Plan does not amend the weight assigned to the formula, nor does it add additional factors.

#### II. ADULT AND TRAINING ACTIVITIES IN ACCORDANCE WITH WIOA SECTION 133(B)(2) OR (B)(3)

Under WIOA the State will use the Sub-State Allocations Statutory Formulas for both the Youth and Adult Programs (TEGL 16-18). To prevent wide fluctuations in annual funding amounts and disruption to services, the 90% "hold harmless" will also be continued so that each county is assured of receiving at least 90% of the average of the two previous years' proportion of funds.

##### *Adult Formula Factors*

Allocation Factor	Weight Assigned in Formula
Areas of Substantial Unemployment	0.3333
Excess Number of Unemployed	0.3333
Economically Disadvantaged	0.3334
<b>Total</b>	<b>1.0000</b>

The State Plan does not amend the weight assigned to the formula, nor does it add additional factors.

#### III. DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES IN ACCORDANCE WITH WIOA SECTION 133(B)(2) AND BASED ON DATA AND WEIGHTS ASSIGNED

The State will use five of the six factors specified in the Sub-State Allocations Statutory Formula (as shown in the following table) to allocate Dislocated Worker Program funds. Consistent with previously approved State Plans, Hawaii assigns a zero weight to the Mass Lay-off and Plant Closing factor. The rationale for the assigned weight:

(a) Inventory of Available Data Sources: There are no available, accurate sources of Mass Lay-off/Plant Closing data. At the national level, the Bureau of Labor Statistics no longer produces this data and Hawaii does not collect within-state administrative data for this factor.

(b) Data Factor Weight: The State is unable to calculate a weight due to the absence of data for this factor.

(c) Formula Distributes Funds Equitably Statewide: There were no other factors for which data was available that would add significant value to the DW formula.

As required by statute, the 90% “hold harmless,” of the average allocation percentage of the local area for the two preceding fiscal years, will be applied to the Dislocated Worker formula. The factors and Dislocated Worker formula are presented in the table below:

**Dislocated Worker Formula Factors**

Allocation Factor	Weight Assigned in Formula
Insured Unemployed	0.20
Total Unemployed	0.20
Plant Closing/Mass Layoff	0.00
Farmer/Rancher Data	0.20
Long-Term Unemployed	0.20
Declining Industries	0.20
<b>Total</b>	<b>1.00</b>

The State Plan amends the weights assigned to the formula, to compensate for the "0" weight assigned to the Plant Closing/Mass Layoff factor.

Based on anticipated workforce needs and lay-off aversion strategies, up to 25% will be set aside from the Dislocated Worker Program for Rapid Response activities.

#### Alternate Methods of Calculating Sub-State Allocations

WDD staff evaluated the discretionary formula for sub-state allocations to determine how the formula would affect allocation of Title I funds of the local areas under different scenarios.

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#### Using the Discretionary Formula

A state may use a discretionary formula in combination with the standard allocation formula when distributing Youth Program funds and Adult Program funds to the local areas. For each program, no more than 30 percent of funds can be allocated based on the discretionary formula. Seventy percent of funds must be allocated based on the standard allocation formula. More information about requirements of the discretionary formula is found in the Training and Employment Guidance Letter (TEGL) No. 16-18. The discretionary formula must be based on the following two factors for each program:

1. The relative excess number of individuals who are 74 percent below or under the poverty level in each local area, compared to the total excess of individuals who are 74 percent below or under the poverty level in all local areas in the state.
2. The relative excess number of unemployed individuals who are above the statewide average unemployment rate in each local area, compared to the total excess of unemployed individuals who are above the statewide average unemployment rate in all local areas in the state.

Implementing these two factors for each program are described below. Equal weights are applied in both programs. A minimum percentage (or stop loss) must be applied, in the same manner as applied in the standard allocation formula, to ensure that no local area receives an allocation percentage that is less than 90 percent of the average allocation percentage received by the local area for the previous two years.

#### Youth Program Discretionary Formula

The following formula calculates the amount allocated to a local area for the Youth Program. The sum of the weighted discretionary factors is multiplied by 30 percent of the total amount of Youth Program funds allocated to all local areas.

$$LocalYouthShare = [(Lyp/Syp)Wp + (Lyu/Syu)Wu] 30\% \text{ of Youth Funds}$$

Where:

LocalYouthShare = Amount Allocated to Local Area for the Youth Program

Lyp = Local Area's Excess Youth Poverty

Syp = Statewide Excess Youth Poverty

Lyu = Local Area's Excess Youth Unemployment

Syu = Statewide Excess Youth Unemployment

Wp = Excess Poverty Weight

Wu = Excess Unemployment Weight

The data source for the excess poverty factor in the Youth Program discretionary formula is the “Age by Ratio of Income to Poverty Level in the Past 12 Months,” (Identification no. B17024) collected from the most recent U.S. Census Bureau, “American Community Survey 1-Year Estimates.” The data is by county. Individuals from ages 12 to 24 who are 74 percent below or under the poverty level are counted.

The data source for the excess unemployment factor in the Youth Program discretionary formula is the “Sex by Age by Employment Status for the Population 16 Years and Over,” (Identification no. B23001) collected from the most recent U.S. Census Bureau, “American Community Survey 1-Year Estimates.” The data is by county. Male and female individuals from ages 16 to 24 who are unemployed are counted. The statewide average unemployment rate is obtained from the U.S. Bureau of Labor Statistics, “Local Area Unemployment Statistics” (LAUS) program. The statewide unemployment rate must be an annual average of the same time period of the data used in the ACS data source. Excess unemployment is the difference between the local area’s average unemployment rate and the statewide average unemployment rate.

#### **Adult Program Discretionary Formula**

The following formula calculates the amount allocated to a local area for the Adult Program. The sum of the weighted discretionary factors is multiplied by 30 percent of the total amount of Adult Program funds allocated to all local areas.

$$LocalAdultShare = [(Lap/Sap)Wp + (Lau/Sau)Wu] 30\% \text{ of Adult Funds}$$

Where:

LocalAdultShare = Amount Allocated to Local Area for the Adult Program

Lap = Local Area’s Excess Adult Poverty

Sap = Statewide Excess Adult Poverty

Lau = Local Area’s Excess Adult Unemployment

Sau = Statewide Excess Adult Unemployment

Wp = Excess Poverty Weight

Wu = Excess Unemployment Weight

The data source for the excess poverty factor in the Adult Program discretionary formula is the “Age by Ratio of Income to Poverty Level in the Past 12 Months,” (Identification no. B17024) collected from the most recent U.S. Census Bureau, “American Community Survey 1-Year Estimates.” The data is by county. Individuals from ages 25 to 64 who are 74 percent below or under the poverty level are counted.

The data source for the excess unemployment factor in the Adult Program discretionary formula is the “Sex by Age by Employment Status for the Population 16 Years and Over,” (Identification no. B23001) collected from the most recent U.S. Census Bureau, “American Community Survey 1-Year Estimates.” The data is by county. Male and female individuals from ages 25 to 64 who are unemployed are counted. The statewide average unemployment rate is obtained from the U.S. Bureau of Labor Statistics, “Local Area Unemployment Statistics” (LAUS) program. The statewide unemployment rate must be an annual average of the same time period of the data used in the ACS data source. Excess unemployment is the difference between the local area’s average unemployment rate and the statewide average unemployment rate.

#### **Examples of Sub-State Allocation Scenarios**

The following four tables provide examples of allocations to the local areas, based on the formulas described above. The calculated amounts are for demonstrative purposes only. The

calculation shows that Maui county would increase its share in both the Youth Program and Adult Program when the discretionary formula is used. Kauai county's share would decrease, however, in both programs when the discretionary formula is used.

The State of Hawaii may consider combining Kauai and Maui counties to be one local area. This change would eliminate one local board, since only one local board would be needed to administer program activities on two islands. The new allocated amount would be Kauai's amount and Maui's amount added together with no change when the allocation formula is used. When the discretionary formula is used, there would be an increase in allocated funds for both the Youth Program and the Adult Program.

Table 3.1.: Youth Program Sub-State Allocation (Sample)

Local Area	Allocation Formula	Discretionary Formula	Percent Change
Hawaii	\$427,815	\$415,695	-2.83%
Kauai	\$102,275	\$95,114	-7.00%
Maui	\$178,548	\$195,014	9.22%
Oahu	\$1,172,100	\$1,174,922	0.24%
Total	\$1,880,738	\$1,880,745	0.000372%

Table 3.2.: Adult Program Sub-State Allocation (Sample)

Local Area	Allocation Formula	Discretionary Formula	Percent Change
Hawaii	\$420,857	\$424,734	0.92%
Kauai	\$103,628	\$97,433	-5.98%
Maui	\$160,431	\$184,592	15.06%
Oahu	\$1,102,995	\$1,081,159	-1.98%
Total	\$1,787,911	\$1,787,918	0.000392%

Table 3.3.: Youth Program Sub-State Allocation, Kauai and Maui Areas Combined (Sample)

Local Area	Allocation Formula	Discretionary Formula	Percent Change
Hawaii	\$427,815	\$415,695	-2.83%
Kauai and Maui Combined	\$280,823	\$290,128	3.31%
Oahu	\$1,172,098	\$1,174,920	0.24%
Total	\$1,880,736	\$1,880,743	0.000372%

Table 3.4.: Adult Program Sub-State Allocation, Kauai and Maui Areas Combined (Sample)

Local Area	Allocation Formula	Discretionary Formula	Percent Change
Hawaii	\$420,857	\$424,734	0.92%
Kauai and Maui Combined	\$264,059	\$282,026	6.80%

Local Area	Allocation Formula	Discretionary Formula	Percent Change
<b>Oahu</b>	\$1,102,995	\$1,081,159	-1.98%
<b>Total</b>	<b>\$1,787,911</b>	<b>\$1,787,919</b>	<b>0.000447%</b>