



# New Jersey State Employment and Training Commission

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Dennis M. Bone, *Chairman*

Chris Christie, *Governor*

## **POLICY RESOLUTION: SETC #2016-04**

**SUBJECT:** Local Area Funding Formula Allocations

### **Background and Purpose:**

Under WIA, the funds were allocated using the federal formulae provided by USDOL-ETA. The Workforce Innovation and Opportunity Act (WIOA) maintains the same basic categories of funding and provides some additional flexibility for states to set priorities for local area allocations.

New Jersey will distribute WIOA Title I funds to local Workforce Development Areas based on the following formulae. These formulae are designed to ensure that funds are allocated based on the best estimates of the number of individuals in need of services, and reflective of the priorities identified in the *New Jersey Blueprint for Talent Development*. The formulae incorporate the federal required elements. The formulae also use data sources that are reliable, available at the county and city level and updated on a regular basis. The “hold harmless” provisions under WIOA will apply to these funding allocations.

### **RESOLUTION:**

**The State Employment and Training Commission hereby resolves that the New Jersey will use the following formulae for distribution of WIOA Title I funds to local Workforce Development Areas. This policy takes effect beginning with Program Year 2016, as of July 1, 2016, and will be included in the New Jersey Combined State Plan.**

**Commission Approved: January 19, 2016**

**Update Approved by Commission - June 5, 2018:** This policy has been replaced by language detailing New Jersey’s intent to use the standard funding formula allocations, in accordance with TEGE #27-16, as outlined in the NJ Combined State Plan for WIOA, 2018 Modification (Section III. b. 5. A.).

Youth Funding				
Percentage of Total Youth Funds			Indicator	Explanation
WIA Formula:	WIOA Requires:	NJ Proposal:		
33.3%	At least 23.3%	<b>40%</b>	Relative number of disadvantaged youth in each local area, compared to the total number of disadvantaged youth in the state.	A disadvantaged youth is an individual age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of— the poverty line; or 70 percent of the lower living standard income level
33.3%	At least 23.3%	<b>25%</b>	Relative number of unemployed individuals in areas of substantial unemployment in each local area, compared to the total number of unemployed individuals in areas of substantial unemployment in the state.	Any area that is of sufficient size and scope to sustain a program of workforce investment activities and that has an average rate of unemployment of at least 6.5 percent for the most recent 12 months.
33.3%	At least 23.3%	<b>25%</b>	Relative excess number of unemployed individuals in each local area, compared to the total excess number of unemployed individuals in the state.	The number that represents the number of unemployed individuals in excess of 4.5% of the civilian labor force in the State; or the number that represents the number of unemployed individuals in excess of 4.5% of the civilian labor force in areas of substantial unemployment in such State.
	Up to 30% at state's discretion	<b>10%</b>	Excess poverty in urban, rural, and suburban local areas.	Poverty concentrations.

Adult Funding				
Percentage of Total Adult Funds			Indicator	Explanation
WIA Formula:	WIOA Requires:	NJ Proposal:		
33.3%	At least 23.3%	<b>25%</b>	Relative number of disadvantaged adults in each local area as compared to the total number of disadvantaged adults in the state.	A disadvantaged adult is an individual age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—the poverty line; or 70 percent of the lower living standard income level.
33.3%	At least 23.3%	<b>25%</b>	Relative excess number of unemployed individuals in the local area as compared to the total excess number of unemployed individuals in the state.	The number that represents the number of unemployed individuals in excess of 4.5% of the civilian labor force in the State; or the number that represents the number of unemployed individuals in excess of 4.5% of the civilian labor force in areas of substantial unemployment in such State.
33.3%	At least 23.3%	<b>25%</b>	Relative number of unemployed individuals in areas of substantial unemployment in the local area as compared to the total number of unemployed individuals in areas of substantial unemployment in the state.	Any area that is of sufficient size and scope to sustain a program of workforce investment activities and that has an average rate of unemployment of at least 6.5 percent for the most recent 12 months.
	Up to 30% at state's discretion	<b>25%</b>	High school diploma attainment.	Lack of high school diploma.

### Dislocated Worker Funding

This formula utilizes the most appropriate information available to distribute amounts to address the State's worker readjustment assistance needs.

Total Dislocated Worker Funds			Indicator	Explanation
<b>WIA NJ Weights</b>	<b>WIOA Requires:</b>	<b>WIOA NJ Weights:</b>	WIA and WIOA provide the same six categories for the funding allocations. The State decides the weight for each.	
20%	State Decision	<b>25%</b>	Declining Industries	Based on the total projected employment change in declining industries.
20%	State Decision	<b>25%</b>	Insured Unemployment Data	Based on number of Unemployment Insurance claimants.
20%	State Decision	<b>25%</b>	Long-term Unemployment	Based on number of claimants who have exhausted Unemployment Insurance.
20%	State Decision	<b>25%</b>	Unemployment Concentration	Number of Unemployed Individuals
20%	State Decision	<b>0%</b>	Plant Closing and Mass Layoff Data	An accurate source of data is not available at the state or local level.
	State Decision	<b>0%</b>	Farmer-Rancher Economic Hardship Data	An accurate source of data is not available at the state or local level.