

TRANSMITTAL # 11

MEMORANDUM

April 8, 2009

TO: Workforce Development Council

FROM: Roger B. Madsen, Director *Roger B Madsen*

SUBJECT: Governor's 10 Percent Reserve for Employment and Reemployment Services

ACTION REQUESTED: Approval of Proposed Plan for the Governor's Formula and American Recovery and Reinvestment Act (ARRA) Wagner-Peyser 10 Percent Funds for Employment Services and Reemployment Services

BACKGROUND:

Basic labor exchange services (commonly referred to as employment services) are provided by the Idaho Department of Labor and are federally funded under the Wagner-Peyser Act of 1933, as amended. Ten percent of the state's allotment is set aside for the governor to provide: 1) performance incentives for public employment service offices and programs, 2) services for groups with special needs, and 3) the extra costs of exemplary models for employment services funded under the remaining 90 percent allocation. The Idaho Department of Labor retains responsibility for all Wagner-Peyser funds. All services provided with 90 percent funds must be delivered as part of the state's One Stop delivery system and delivered by merit staff employed by the department. The Governor's 10 percent funds must be used for one or more of the three categories identified above and may be provided through the One Stop system.

Governor's 10 percent and formula funds have been distributed by formula to the state's six regional planning areas using varying formulas. In the past, funds were used for incentive awards and more recently were targeted to services to youth and to provide additional assistance through the department's Employment Resource Centers housed in each of the Idaho Department of Labor One Stop Career Centers. With a changing economic climate, other needs may emerge that will vary from area to area.

Each area has established voluntary groups representing industry, education, workforce and community service providers to identify regional workforce needs and strategies to address those needs. This funding presents an opportunity to address some of these needs using formula Wagner-Peyser 10 percent funding by directing employment services to industries and projects developed locally.

The following program efforts are examples of programs that would meet these criteria:

- youth apprenticeship (STRAP)
- youth and elderly job fairs
- Hard Hats, Hammers and Hot Dogs - youth career awareness events
- professional job clubs
- technology driven networking
- specialized recruitment and planning for emerging and growing industries

Any other locally identified priorities that could be supported by staff devoted to these efforts could also be considered.

Additionally, funds can be used to offer special assistance to unemployment insurance claimants, veterans, persons with disabilities, seniors, migrant and season farm workers, offenders, Hispanics and Native Americans and other groups who require special assistance in the labor market.

With the passage of the American Recovery and Reinvestment Act of 2009, 10 percent of the governor's reserve funds are available for the same purpose. While the ARRA basic Wagner-Peyser funds may be used for all job seekers, only unemployment insurance claimants may receive services under the stimulus financed Reemployment Services funds. The guidance on the use of these funds specifically suggests the use of these funds to continue the disability navigator program noting a potential commitment of additional funds to further the effort. Additionally, the large numbers of veterans filing for unemployment insurance underscores a need to direct additional funds for the reemployment of claimants who served their country in the armed forces. This group has remained a high priority for the department and is deserving of the additional assistance that could be made available from Reemployment Services funds.

Staff Recommendations:

Fund distribution:

The staff recommends that the Governor's 10 percent formula, ARRA employment service and ARRA reemployment funds be allocated to the six state planning areas using a formula based upon the federal distribution formula used to allot funding to states:

- 2/3 regional share of the civilian labor force for the most recent calendar year
- 1/3 regional share of the total unemployment insurance for the most recent calendar year

Use of Funds:

The staff further recommends that formula funds be used for:

- the delivery of services to groups with special needs, and/or
- the extraordinary cost of services in the delivery of exemplary models

The staff further recommends that the ARRA stimulus Reemployment Services funds be directed to:

- provide for the continuing services of the disability navigators in each area of the state
- directed towards services to claimants who are veterans

Process for Formula Funds:

The Idaho Department of Labor will develop a brief plan for use of these funds for each area of the state by May 15, 2009 for inclusion in the state WIA/Wagner-Peyser Plan due on June 30, 2009. The Plan will identify the rationale for the proposal, including the linkage to any area work force plan, and will describe the intended use of these funds.

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