

TRANSMITTAL # 4

MEMORANDUM

February 24, 2010

TO: Workforce Development Council

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

SUBJECT: WIA Service Policies

ACTION REQUESTED: Recommend Approval of Proposed Policy Changes

BACKGROUND:

In early 2006, the Workforce Development Council reviewed existing WIA service policies for implementation in Program Year 2006 and updated statewide policy direction for use by all WIA service providers. Due to current economic conditions, state staff has identified two policies for review and possible modification: extending the dislocated worker eligibility timelines and expanding the relocation assistance cap. In 2008, the Workforce Development Council set aside 30% of WIA Youth funds in each region for in school youth and awarded these funds on a competitive basis.

Dislocated Worker Eligibility Timelines

In determining eligibility for WIA Dislocated Worker enrollments several factors are considered. Key to enrollment is the qualifying layoff event, which may be a business closure or downsizing that leads to an involuntary separation. Participants must have experienced the qualifying layoff, military discharge, termination or ending of self-employment within two years of enrollment in the WIA program. This timeframe was established at the inception of the WIA program in the state, at a time when the economy was performing much better than its current level.

Currently, several of the WIA dislocated worker service providers have encountered individuals, including military veterans whose qualifying layoff has exceeded the two year time frame. Extension of the qualifying layoff period for dislocated workers from two years to three years would allow those who have not successfully re-entered the labor force without retraining assistance to consider participation opportunities provided by the WIA Dislocated Worker program.

Relocation Assistance

WIA authorizes use of its funds to provide supportive services, to enable a participant who cannot afford to pay for such services, to participate in WIA programs. The Act requires coordination with community and other agency resources to increase the level of support available.

One allowable supportive service, relocation assistance, provides financial assistance toward the cost of relocating when the participant has accepted a qualifying job offer in a labor market outside of normal commuting distance.

Current state policy limits relocation assistance to 90% of allowable and actual costs not to exceed \$2,000. Because this policy has not changed in almost a decade, moving expense participants encounter are above and beyond the \$2,000 limit, even with the coordination of other resources. In the department's sister program, Trade Adjustment Assistance (TAA), where relocation allowances for participants has no monetary limitation, average costs are little more than \$3,600 per move.

WIA Youth Funds

The Council set aside 30% of WIA Youth funds for projects for in-school youth and awarded these funds on a competitive basis in each region. Service providers have made efforts to establish these programs; however, adequate numbers of in-school youth have not been identified to bring projects to their full capacity. At the same time, out-of-school youth are being turned away in some regions.

Region I requested use of some of these funds to serve out of school youth - determined by the Council to be a state priority - when they were unable to identify adequate numbers of in school youth. State staff tentatively authorized use of funds previously dedicated to in-school youth for services for out of school youth after it was determined that the extensive efforts employed to identify in-school youth would not achieve the intended result. Other regions are also reviewing their ability to use the in-school funds. Staff is seeking authorization to utilize funds set aside for in-school youth for out-school-youth if it is determined that funds will not be used for the intended group.

Staff Recommendation:

The staff recommends a change to the WIA Dislocated Worker eligibility timeline from two years to three years, and a change in the state's relocation allowance to no more than 90% of allowable and actual costs not to exceed \$4,000. Staff further recommend that the Council authorize use of funds set aside for in-school youth for out of school youth if it is determined that the funds will not be fully utilized for the in-school project in the region making the request.

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