

**TRANSMITTAL #3**

**MEMORANDUM**

June 13, 2013

**TO:** Workforce Development Council

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

**SUBJECT:** Workforce Investment Act Program Year 2013 Funding Levels

**ACTION REQUESTED:** None. Information Only

**BACKGROUND:**

Every year, the U.S. Department of Labor issues each state its annual Workforce Investment Act (WIA) allotments which are based on the formula provisions as defined in the Act. The WIA Youth and Employment Services allocations are each funded through a single appropriation. However, the current and prior appropriations fund the WIA Adult and Dislocated Worker programs in two separate allotments. The first allotments become available for obligation on July 1 while the second allotments become available on October 1, 2013.

The WIA and Employment Service program allotments were negatively impacted because of the relative drop in Idaho's unemployment rate. In addition, the U.S. Department of Labor applied funding sequestration, as mandated by Congress, to these funds utilized during the first quarter of the 2013 Program Year.

As a result, overall funding for the state's formula funded workforce programs decreased significantly for the coming year. As reflected in the table below PY2013 WIA Adult program allocations decreased 5.5 percent, Youth program allocations decreased 10.0 percent and Dislocated Worker program allocations decreased 15.2 percent from PY2012. These formula funding levels are not keeping pace with the demand for employment and training services still needed by unemployed Idahoan's in their efforts to return to the workforce.

On average, the state experienced a 10.7 percent decrease in overall WIA program funding, a reduction of over \$1.3 million. Wagner-Peyser, or Employment Service, funding was also impacted due to sequestration with a decrease in more than 5.0 percent of its funding as compared to last year.

