

ATTACHMENT Q – METHODS OF FUNDS DISTRIBUTION

TITLE IB – Illinois Department of Commerce

Youth Program

Illinois will distribute WIOA Youth funds according to Section 128(b)(2)(A). Illinois does not intend to distribute WIOA Youth Program funds to local areas based on the youth discretionary allocation formula contained in Section 128(b)(3)(B). Utilizing the additional factors contained in Section 128(b)(3)(B) would, in our estimation, undermine decisions by the Governor and the Illinois Workforce Board regarding the local area boundaries within which WIOA should operate locally. In many instances local areas would likely be left without the amount of funding necessary to allow them to operate viable youth programs.

Adult Program

Illinois will distribute WIOA Adult funds according to Section 133(b)(2)(A). Illinois also does not intend to distribute funds to local areas for adults based on the adult discretionary allocation formula contained in Section 133(b)(3)(B). As with the discretionary youth allocation described above, utilizing the additional factors contained in Section 133(b)(3)(B) would likely undermine the decisions by the Governor and the Illinois Workforce Board regarding the local workforce area boundaries. In many instances local areas would likely be left without the amount of funding necessary to allow them to operate viable adult programs.

Dislocated Worker Program

Illinois intends to allocate WIOA dislocated worker funds on the basis of the formula described below, pursuant to section 133(b)(2)(B). Each of the following factors will be used to distribute 25% of the funds to be allocated:

- *Insured unemployment data:* Illinois Department of Employment Security (IDES) unemployment insurance (UI) claimant data for the most recently completed calendar year will be used. Each local workforce area's share of the state total of such claimants is determined, and the area is allocated that share of the funds apportioned by this factor.
- *Unemployment concentrations:* Unemployment figures for the most recently completed program year will be used. Only counties with unemployment rates above the statewide average will be included in the formula. Each workforce area's share of the state total of such unemployment is determined, and the area is allocated that share of the funds apportioned by this factor.
- *Declining industries data:* For each workforce area, employment by three-digit North American Industry Classification System (NAICS) code is determined for the first calendar quarter (January-March) of the two most recent years for which data is available from IDES' ES-202 UI-covered employment report. The number of jobs lost within industries showing an employment loss from one year to the next is totaled for each area. Each workforce area's share of the state total of such employment loss is determined, and the area is allocated that share of the funds apportioned by this factor.
- *Long-term unemployment data:* IDES data for the number of UI claimants who were unemployed for 15 or more weeks during the most recently completed calendar year will be used. Each workforce area's share of the state total of such long-term claimants is determined, and the area is allocated that share of the funds apportioned by this factor.
- The plant closing and mass layoff data and farmer-rancher economic hardship factors will be given zero weighting under the WIOA dislocated worker allocation formula, due to a lack of public use data sources with sufficient geographic detail to adequately serve the requirements of an allocation formula.

ATTACHMENT Q – METHODS OF FUNDS DISTRIBUTION

TITLE II – Illinois Community College Board

Base Funding. Base funding is established to provide greater equity and stability for the various providers. The base funding also emphasizes the importance of quality, and preserving multiple provider types. Smaller providers are funded with a foundation amount that is stable and predictable with the remaining base funds allocated based on units of instruction and enrollment. Base funding consists of four components:

- a) Index of Need
- b) Units of Instruction Component,
- c) Foundation Component, and
- d) Enrollment Component.

a) Index of Need

The Index of Need is first used to allocate funds to each Area Planning Council region. This approach distributes funds to areas of the state that have the greatest need for services. The population used in determining the Index includes individuals who are 16 years of age or older and who are not enrolled or required to be enrolled in secondary school under state law and who:

- a) Lack sufficient mastery of basic educational skills to enable them to function effectively in society,
- b) Do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education, or
- c) Are unable to speak, read, or write the English language. The Index of Need uses the following components and weightings:
 - Less than 12 grades of education (weighting = 45%) with each adult with less than 9 grades of formal education weighted by 1.5 (1.7 million adults).
 - Adult ESL (weighting = 25%) with each adult who does not speak English or does not speak English well weighted by 1.5 (1.9 million adults).
 - Adults in Poverty (weighting = 25%) (1.2 million adults).
 - Average Number of Unemployed Persons per Month (weighting = 5%) (390,000 adults).

b) Units of Instruction Component

The Units of Instruction Component is a productivity model, and its purpose is to provide resources to each provider within an APC to support each unit of instruction relative to the amount of services provided.

The Units of Instruction* were divided into categories as follows:

- A. Beginning Literacy to Beginning ESL
- B. Beginning Literacy to Beginning ABE
- C. Vocational Units
- D. Low Intermediate ESL to High Intermediate ESL
- E. Low Intermediate ABE to High Intermediate ABE
- F. Low Advanced ESL to High Advanced ESL

ATTACHMENT Q – METHODS OF FUNDS DISTRIBUTION

- G. F. Low Advanced ASE to High Advanced ASE
- H. Other Units (generated from students who were not tested)

Units of Instruction Component Calculation:

c) Foundation Component

The purpose of the “Foundation” component is to recognize that there are higher fixed costs simply to “open the door” for programs that are smaller in terms of units of instruction provided. The following table illustrates the scale used for the foundation component.

0 to 2,500	\$25,000
2,501 to 3,000	\$23,500
3,001 to 3,500	\$22,000
3,501 to 4,000	\$20,500
4,001 to 4,500	\$19,000
4,501 to 5,000	\$17,500
5,001 to 5,500	\$16,000
5,501 to 6,000	\$14,500
6,001 to 6,500	\$13,000
6,501 to 7,000	\$11,500
7,001 to 7,500	\$10,000
7,501 and above	\$0

d) Enrollment Component

The Enrollment Component recognizes that providers incur costs with each student who enrolls regardless of the number of instructional units generated. The Enrollment Component is a productivity model, and its purpose is to provide resources to each provider within each APC relative to the number of adult students served.

Performance Funding. The basis for performance funding should be student outcomes and that performance funds should be used to encourage and reward programs to continue to improve the outcomes of the services they delivered. The focus of performance funding is continuous improvement for all programs.

Funds are based on two performance categories: Secondary Completion and Level Gains. Each of these categories is weighted.

ATTACHMENT Q – METHODS OF FUNDS DISTRIBUTION

TITLE IV – Illinois Department of Human Services

DRS distributes vocational rehabilitation grant funds through two primary mechanisms. The first is through the development of service plans (individualized plan for employment or IPE) for individuals with disabilities. The specific services provided to VR customers varies considerably from year to year based on the needs of the individuals being served at that time. Although DRS makes nominal allocations to each of its five administrative regions, those can be and are changed frequently based on the needs of individual customers. Total spending on individual service plans varies from year to year and by geographic region for any given year.

The second mechanism is through development of service contracts with community based providers. The largest proportion of these contracts are for job placement and related services, including supported employment, from community rehabilitation providers. Another large category involves contracts with local school districts for provision of pre-employment transition services to students with disabilities. DRS utilizes a needs assessment process that involves input from local office staff and regional managers, who can initiate a new contract based on local information about service needs. Similarly contracts can be reduced or eliminated if providers are not effective in meeting customer needs or are unable to serve sufficient numbers of individuals.

DRS employs around 220 individuals as vocational rehabilitation counselors, who are responsible for establishing the eligibility of program customers, developing service plans and tracking progress toward employment. This is a master's degree level position and collectively the cost of these staff represent a major cost center for the VR program. Staff are distributed around the state based on an analysis of the demand for services in terms of existing caseload and projected caseload increases.