

Rodel Brief for Bloomberg on Federal Formula Funding

Background

Rodel developed this brief for Bloomberg Philanthropies to help healthcare pathway sites identify and align **federal funding opportunities** with their work.

Federal formula funding refers to ongoing federal dollars distributed to states through established formulas, rather than competitive grants, which provide fairly predictable resources that can support long-term education, workforce, and system priorities.

Existing Federal Formula Funding:

- **Rural Health Transformation Program (RHTP)**

The Rural Health Transformation Program is a federal initiative administered by the Centers for Medicare & Medicaid Services (CMS) that provides multi-year funding to states (\$50 billion total) to strengthen rural healthcare systems. The program supports improvements in healthcare infrastructure, workforce development, access to care, and innovative service delivery models designed to improve outcomes and reduce costs in rural communities.

- **Perkins (Strengthening Career and Technical Education for the 21st Century Act)**

Perkins V is the primary federal law supporting career and technical education (CTE) in secondary and postsecondary institutions (~\$1.4 billion annually). It provides formula funding to states to expand high-quality CTE programs aligned to labor market demand, improve equity and access for underserved learners, strengthen accountability, and better connect education to careers.

- **Every Student Succeeds Act (ESSA)**

ESSA is the primary federal K–12 education law that governs how states use federal funds to measure student performance and support schools, providing formula funding through multiple program titles (~\$28 billion annually). Key titles support disadvantaged students (Title I), teacher and leader development (Title II), English learners (Title III), well-rounded learning including CTE (Title IV), innovation and flexibility (Title V), Native education (Title VI), and vulnerable student populations (Title IX). While ESSA is primarily an academic accountability law, several titles—particularly Title I, Title II, and Title IV—can be leveraged to support career pathways. By aligning ESSA funds with workforce priorities, states and districts can strengthen college and career readiness while advancing equity and opportunity.

- **WIOA (Workforce Innovation and Opportunity Act)**

WIOA is the main federal workforce development law that funds job training, career services, and employment supports for youth and adults (~\$5 billion annually). It supports workforce boards, one-stop career centers, and training providers to help job seekers gain skills and credentials aligned with regional labor market needs while engaging employers in talent development.

- **Workforce Pell**

Workforce Pell is a federal policy initiative that extends Pell Grant eligibility to short-term, high-quality workforce training programs that lead to industry-recognized credentials and in-demand jobs. The goal is to expand access to affordable, career-focused education for adult learners and working students while maintaining quality and accountability standards.

Existing State Directed Formula Funding:

State-directed formula funding refers to recurring state dollars allocated through statutory or budget formulas to support core education, workforce, and public system priorities. They provide fairly stable resources that can be aligned with federal and private investments to advance long-term goals.

- **Perkins Reserve Fund**

The Perkins Reserve Fund is a portion of a state's federal Perkins allocation that can be targeted to high-need areas, priority sectors, or innovation efforts. States use these funds to address equity gaps, support rural or small districts, incentivize new program development, or strengthen alignment with emerging workforce needs.

- **WIOA Governor's Reserve Fund**

The WIOA Governor's Reserve Fund allows governors to set aside a percentage of federal workforce funds to support statewide workforce priorities. These funds can be used for initiatives such as sector partnerships, career pathway development, youth apprenticeship, innovation pilots, statewide technical assistance, and rapid response to emerging labor market demands.

Existing State or Local Funding for Postsecondary Education:

Existing state and local "promise programs" refer to publicly funded initiatives that reduce or eliminate tuition costs for eligible students, providing access to college, and may be aligned with workforce and economic development priorities.

- **State Promise Programs**

State Promise Programs provide tuition-free or typically last-dollar financial aid to eligible students attending in-state colleges or training programs. These programs are designed to increase postsecondary enrollment and completion, reduce financial barriers, and strengthen workforce pipelines by making higher education more affordable and accessible. Go to www.mypromisetool.org to see if a promise program exists in your state.

- **Local Promise Programs**

Local Promise Programs are community- or region-based scholarship initiatives that support students attending local colleges or training programs. Often funded through a combination of public, philanthropic, and private dollars, these programs aim to boost college-going rates, retain local talent, and align education pathways with regional economic needs. Go to www.mypromisetool.org to see if a promise program exists in your region.

General Hints and Tools:

The [USAspending.gov Budget Function Explorer](https://www.usaspending.gov/BudgetFunctionExplorer) and the [USAspending.gov Explore the Data Filters](https://www.usaspending.gov/ExploreDataFilters) are accessible ways to see where federal resources are flowing in your community and how those patterns align with your priorities.

[Grants.gov](https://www.grants.gov) allows anyone to create a free account and receive automatic email notifications when new federal funding opportunities become available.



Who is Rodel?

Rodel is a nonpartisan nonprofit organization dedicated to strengthening education and workforce systems so that every learner can succeed. We bring together educators, employers, community leaders, and government partners to turn strategy into action. While rooted in Delaware, Rodel partners nationally to advance career-connected learning. Contact Luke Rhine, Rodel (lrhine@rodelde.org) for more information.