



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Labor and Training

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WORKFORCE INVESTMENT NOTICE: 07- 20

TO: WORKFORCE INVESTMENT AREAS

FROM: John J. O'Hare, Administrator - Workforce Investment Office

SUBJECT: Changes in Adult, Youth, and Dislocated Worker Funds for PY2007

DATE: May 28, 2008

1. **Purpose.** To provide guidance on ETA plans to adjust FY08 portion of PY07 allocations for Adult and Dislocated Worker, and the PY07 allocations for the Youth program regarding the 250 million unexpended balances rescission.

2. **References.**

- (a) TEGl 24-07,
- (b) WINs 07-11, 07-17, and 07-19,
- (c) Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5), February 15, 2007,
- (d) Consolidated Appropriations Act, 2008 (P.L. 110-161) December 26, 2007.

3. **Background.** During FY2008, DOL is required to apply three different rescissions. These adjustments will be applied to various WIA funds during FY2008 and will span several Program Years. For the purpose of this WIN, the 250 million rescission adjustment to PY07/FY08 allocations will be listed and referred to as "Rescission of Unexpended Balances."

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Unlike the previous rescissions, this rescission is based not on formula allotment amounts, but on actual spending of WIA Adult, Dislocated Worker, and Youth formula funds during PY06 as reported to the WIO on your June 30, 2007 reports.

The rescission is applied to the funds reserved for statewide activities and the funds allocated to local areas in proportion to how the unexpended balances of the funds relating to those activities and areas contributed to the states rescission amounts.

USDOL developed these rescission calculations that provided states with the split of the rescission amount between the funds reserved for statewide activities and the funds allocated for local programs, as well as the results of each step of the rescission calculations. In determining these rescission amounts, DOL used financial data reported by the states as of January 15, 2008 for the reporting period as of June 30, 2007. DOL provided states detailed instructions for states to use in performing local area calculations to assure that all states are using a uniform methodology which is consistent with the statute.

The two step process that DOL used to determine the rescission was to calculate the unexpended carry-out balances exceeding 30% (70% expenditure rate) of total funds available during PY2006 for each program at both the state and local levels. Each program would then receive a dollar-for-dollar rescission amount equal to the excess balances over 30%. This did not apply in Rhode Island's case since amounts reported to DOL during this period met the 70% expenditure rate for all programs at both the state and local level in total, but not necessarily by each local.

The second step took the sum of the excess dollar rescission amounts from Step 1 and subtracted that from the 250 million rescission total. The remaining unexpended carry-out balances excluding the excess balances used in Step 1 were calculated for each program. The remaining rescission amount total was distributed among the three programs proportionately based on each program's share of the remaining unexpended carry-out balances. Each within-state level received a share of the state's Step 2 rescission amount for the program in proportion to each level's share of their summed remaining unexpended balances.

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ADULT PROGRAMS					
	ORIGINAL TOTAL PY-07	NEW TOTAL PY-07	PY 2007 SPLIT	ORIGINAL FY-08 SPLIT	NEW FY-08 SPLIT WITH ADJUSTMENT
State Allotment	2,860,276	2,750,953	511,096	2,349,180	2,239,857
State Set-aside	429,041	403,996	76,664	352,377	327,332
WPGRI	1,497,154	1,457,525	267,523	1,229,631	1,190,002
WSPC	934,081	889,432	166,909	767,172	722,523

DISLOCATED WORKER PROGRAMS					
	ORIGINAL TOTAL PY-07	NEW TOTAL PY-07	PY 2007 SPLIT	ORIGINAL FY-08 SPLIT	NEW FY-08 SPLIT WITH ADJUSTMENT
State Allotment	5,063,273	4,954,216	1,472,926	3,590,347	3,481,290
State Set-aside	759,490	698,324	220,938	538,552	477,386
Rapid Response	1,265,818	1,265,818	368,231	897,587	897,587
WPGRI	2,231,993	2,218,062	649,296	1,582,697	1,568,766
WSPC	805,972	772,012	234,461	571,511	537,551

YOUTH PROGRAM	ORIGINAL TOTAL PY-07	NEW TOTAL PY-07
State Allotment	3,531,877	3,435,286
State Set-aside	529,781	529,781
WPGRI	1,745,118	1,693,546
WSPC	1,256,978	1,211,959

7. Reporting. Local Areas should reflect decreased total Federal funds authorized on the appropriate line items of the proper Quarterly Report beginning with the quarter ending June 30, 2008 consistent with the effective date of the NOOs adjustment of the funds. Local Areas should also report obligations and outlays consistent with the revised authorized funding levels for such quarters.

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For any local that has already submitted a final FY2008 Adult and or Dislocated Worker Quarterly Report, or a final PY2007 Youth Quarterly Report, revised reports for that period will be necessary reflecting FY2008 splits with adjustments for Adult and Dislocated Workers, and PY2007 adjustments for Youth.

8. Action Local Areas should should prepare modifications to the FY 2008 plans and forward them to the State Workforce Investment Office.

9. Inquiries. Questions on this WIN should be addressed to John O'Hare at 462-8782 (johare@dlt.ri.gov), or Bob Garofano at 462-8149 (bgarofano@dlt.ri.gov).

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