



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Labor and Training

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WORKFORCE INVESTMENT NOTICE: 09-13

TO: WORKFORCE INVESTMENT AREAS

FROM: Donna Treglia, Administrator-Workforce Investment Office

SUBJECT: Allocation Percentages for Adult and Youth Programs for PY 2010
per TEGL 19-09

DATE: April 8, 2010

BACKGROUND

The Secretary of Labor and the Governor of each state use the same three-part formula for the distribution of funds, in the Secretary's case to the states and in each Governor's case, to local Workforce Investment Areas. The "hold harmless" provisions of WIA (described below) prevent the very wide upward or downward swings in Adult and Youth allocations from one year to the next that a pure application of formulas might bring.

Of the WIA formula funds allotted for services to Youth and Adults, the Governor must reserve funds from each of these sources for Statewide workforce investment activities. In making these reservations, the Governor may reserve up to 15% from each of these sources. **Section 667.130(b) (1)**

Unless the Governor elects to distribute funds in accordance with the discretionary allocation formula for Youth and Adults as described in 667.130(c)(2) and 667.130(d)(2) for Youth and Adult respectively, the remainder of the funds not reserved must be allocated to the Workforce Investment Areas **(Section 667.130(c) & (d))**

An Equal Opportunity Employer/Program. Auxiliary aids and services are available upon request to individuals with disabilities

The percentage allocations for PY10 for the 2 WIA's are provided in the chart below.

AREA	ADULT	YOUTH
WPGRI	63.19%	59.79%
WSPC	36.81%	40.21%

ADULT ALLOCATION FORMULA Section 667.130(d) (1) (i) (ii) (iii)

PART I: 33 1/3 percent shall be allocated on the basis of the relative **number of unemployed individuals** residing in areas of substantial unemployment in each Workforce Investment Area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

PART II: 33 1/3 percent shall be allocated on the basis of the relative **excess number of unemployed individuals** who reside in each Workforce Investment Area as compared to the total excess number of unemployed individuals in the State; and

PART III: 33 1/3 percent shall be allocated on the basis of the relative **number of economically disadvantaged ADULTS** within each Workforce Investment Area as compared to the total number of economically disadvantaged **ADULTS** in the State.

LIMITATIONS

A. MINIMUM PERCENTAGE – Effective at the end of the second full fiscal year after the date on which the local area is designated under section 116, the local area shall not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the 2 preceding fiscal years. Amounts necessary for increasing such allocation to local areas to comply with the preceding sentence shall be obtained by ratably reducing the allocations made to the other local areas under this subparagraph. **Section 128(b) (2) (A) (ii)**

B. ALLOCATION PERCENTAGE

In general, the allocation percentage of a Workforce Investment Area for a fiscal year shall be the percentage of funds allocated to the Workforce Investment Area under this subsection.

For the purpose of this section-

- The term "**economically disadvantaged adult**" means an adult who received an income or is a member of a family that received a total family income that, in relation to family size, does not exceed the higher of **(i)** the official poverty line (as defined by the Office of Management and Budget) or **(ii)** 70 percent of the lower living standard income level;

- The term "**excess number**" means, the excess number of unemployed individuals within a State, the higher of **(i)** the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the Workforce Investment Area or **(ii)** the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such Workforce Investment Area.
- **SPECIAL RULE** - For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged adults.

YOUTH ALLOCATION FORMULA Section 667.130(c) (1) (i) (ii) (iii)

PART I: 33 1/3 percent shall be allocated on the basis of the relative **number of unemployed individuals** in areas of substantial unemployment in each Workforce Investment Area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

PART II: 33 1/3 percent shall be allocated on the basis of the relative **excess number of unemployed individuals** in each Workforce Investment Area as compared to the total excess number of unemployed individuals in all Workforce Investment Area in the State; and

PART III: 33 1/3 percent shall be allocated on the basis of the relative **number of economically disadvantaged YOUTH** within each Workforce Investment Area as compared to the total number of economically disadvantaged **YOUTH** in the State.

LIMITATIONS

A. MINIMUM PERCENTAGE – Effective at the end of the second full fiscal year after the date on which the local area is designated under section 116, the local area shall not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the 2 preceding fiscal years. Amounts necessary for increasing such allocation to local areas to comply with the preceding sentence shall be obtained by ratably reducing the allocations made to the other local areas under this subparagraph. **Section 133(b) (2) (A) (ii)**

B. ALLOCATION PERCENTAGE

In general, the allocation percentage of a Workforce Investment Area for a fiscal year shall be the percentage of funds allocated to the Workforce Investment Area under this subsection.

For the purpose of this section-

- The term "**economically disadvantaged youth**" means an individual who is age 16 through 21 and who received income, or is a member of a family that, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) that, in relation to family size, does not exceed the higher of **(i)** the official poverty line (as defined by the Office of Management and Budget) or **(ii)** 70 percent of the lower living standard income level; and
- The term "**excess number**" means, the excess number of unemployed individuals within a State, the higher of **(i)** the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the Workforce Investment Area or **(ii)** the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such Workforce Investment Area.
- **SPECIAL RULE** - For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged youth.

CALCULATION OF THE 3 PART FORMULA FOR TITLE I ADULTS

PART I

The first part of the formula, as stated above, is: 33 1/3 percent shall be allocated on the basis of the **relative number of unemployed individuals** residing in **areas of substantial unemployment** in each Workforce Investment Area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State.

BACKGROUND

1. The term Area of Substantial Unemployment or "ASU" means any area of sufficient size and scope to sustain a program of workforce investment activities and that has an average rate of unemployment of at least 6.5 percent for the most recent 12 months as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year. **See Attachment 1**

2. The 12-month reference period for this designation is July 2008 – June 2009.

CALCULATION OF ASU DATA

1. In calculating ASU's, the largest appropriation unit is to be used. This may consist of a state, county, town, or census tracts.
2. The LMI unit of Rhode Island Department of Labor and Training has provided the State Workforce Investment Office with ASU data and Labor Force data for the period cited above. **See Attachment 2 Local Area Unemployment Statistics Averages (Benchmarked)** This data has indicated that the both Local WIA's have qualified as an ASU. The average data is illustrated as follows:

AREA	LABOR FORCE	UNEMPLOYMENT	PERCENTAGE
WPGRI AVERAGE	445,082	40,618	9.1
WSPC AVERAGE	120,955	12,879	10.6
STATE AVERAGE	566,037	53,497	9.5

As can be noted by the above chart, both Local WIA's qualified as an ASU. Additionally, when taking into account that an ASU can be contiguous areas that have a population of at least 10,000, certain areas within each WIA may qualify. Refer to (**Attachment 1 Rhode Island WIA ASUs**) for information that is relative to qualifying the ASUs within each WIA. When using (**Attachment 1 Rhode Island WIA ASUs**), both WIA's also qualify as ASU's.

CALCULATION OF FORMULA

Based on the data provided in (**Attachment 2**), the average number of unemployed individuals residing in the ASU of each Workforce Investment Area in the State of Rhode Island is **53,497**. The percentage share of each WIA to the State total is:

WPGRI
WSPC

40,618 or 75.93%
12,879 or 24.07%

PART II

The second part of the formula as stated above is: 33 1/3 percent shall be allocated on the basis of **the relative excess number of unemployed individuals** who reside in each Workforce Investment Area as compared to the total excess number of unemployed individuals in all Workforce Investment Areas in the State.

BACKGROUND

1. The term "**excess number**" means **(i)** the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force **in the Workforce Investment Area** or **(ii)** the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force **in Areas of Substantial Unemployment** in such Workforce Investment Area.

2. From the above definition, Governors may use the excess as it relates to the entire WIA or the excess as it relates to ASUs within the WIA. In order to determine which method to use, the Governor will use the same method utilized by the DOL to determine allotments to States; that is the excess that is the greater of the two. Both methods are detailed below:

ENTIRE WIA LOCAL AREA UNEMPLOYMENT STATS
From Attachment 2 Local Area Unemployment Statistics Averages
(Benchmarked)

WIA AREA	LABOR FORCE	UNEMPLOYMENT LEVEL	4.5% OF LABOR FORCE	EXCESS
WPGRI AVERAGE	445,082	40,618	20,029	20,589
WSPC AVERAGE	120,955	12,879	5,443	7,436
STATE AVERAGE	566,037	53,497	25,472	28,025

ASU WITHIN WIA
From Attachment 1 ASU Within WIA Averages (Unbenchmarking)

ASU AREA	LABOR FORCE	UNEMPLOYMENT LEVEL	4.5% OF LABOR FORCE	EXCESS
WPGRI AVERAGE	445,240	43,288	20,036	23,252
WSPC AVERAGE	120,962	13,664	5,443	8,221
STATE AVERAGE	566,202	56,952	25,479	31,473

As can be noted, the number of excess individuals within the ASUs is greater than those residing in the entire WIA. The excess individuals within the ASUs are **31,473**. Consistent with the DOL methodology, the excess within the ASU will be used.

CALCULATION OF FORMULA

Based on the above data, the total number of excess unemployed individuals residing in the ASUs of each Workforce Investment Area in the State of Rhode Island is **31,473**. The percentage share of each WIA to the State total is:

WPGRI	23,252 or 73.88%
WSPC	8,221 or 26.12%

PART III

The third part of the formula as stated above is: 33 1/3 percent shall be allocated on the basis of **the relative number of economically disadvantaged ADULTS** within each Workforce Investment Area as compared to the total number of economically disadvantaged **ADULTS** in the State.

Following is a list of all economically disadvantaged **ADULTS** listed by city and town and by Workforce Investment Area. This information was provided to the States by U.S. Department of Labor and was derived from the 2000 Census data. This economically

disadvantaged data will continue to be used until the US Census Bureau issues new data from the year 2010 Census.

WPGRI ADULTS	
CITY/TOWN	ECONOMICALLY DISADVANTAGED
BARRINGTON	460
BRISTOL	1,290
BURRILLVILLE	950
CENTRAL FALLS	3,320
CHARLESTOWN	385
CUMBERLAND	1,195
COVENTRY	1,535
EAST GREENWICH	460
EAST PROVIDENCE	3,475
EXETER	194
FOSTER	130
GLOCESTER	295
HOPKINGTON	245
JAMESTOWN	119
JOHNSTON	1,965
LINCOLN	754
LITTLE COMPTON	129
MIDDLETOWN	630
NARRAGANSETT	995
NEWPORT	1,915
NEW SHOREHAM	52
NO. KINGSTOWN	1,155
NO. PROVIDENCE	2,065
NO. SMITHFIELD	469
PAWTUCKET	7,540
PORTSMOUTH	415
RICHMOND	115
SCITUATE	285
SMITHFIELD	824
SO. KINGSTOWN	830
TIVERTON	715
WARREN	645
WARWICK	4,165
W. GREENWICH	180
W. WARWICK	2,140
WESTERLY	1,230
WOONSOCKET	4,675
TOTAL	47,941

WSPC ADULTS	
CITY/TOWN	ECONOMICALLY DISADVANTAGED
CRANSTON	5,610
PROVIDENCE	24,920
TOTAL	30,530

CALCULATION OF FORMULA

Based on the above data, the total number of economically disadvantaged adults residing in each Workforce Investment Area in the State of Rhode Island is **78,471**. The percentage share of each WIA to the State total is:

WPGRI **47,941 or 61.09%**
WSPC **30,530 or 38.91%**

SUMMARY OF THE THREE PART FORMULA

	WPGRI	WSPC
PART I	75.93%	24.07%
PART II	73.88%	26.12%
PART III	61.09%	38.91%
TOTAL	210.90%	89.10%

Averages are now obtained for each WIA:

WPGRI **70.30%**
WSPC **29.70%**

LIMITATIONS

A. MINIMUM PERCENTAGE - No service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for the 2 preceding fiscal years for which the determination is made. Amounts necessary for increasing such allocation to local areas to comply with the preceding sentence shall be obtained by ratably reducing the allocations made to the other local areas under this subparagraph **(Section 128(b)(2)(A)(ii))**. Below are the allocation percentages for the two WIAs for PY 2008 and PY 2009. In accordance with the minimum percentage requirements, no WIA should receive less than 90% of the average of its allocation percentage for the 2 preceding fiscal years. Reference is made to the following:

	PY 2008 PERCENT	PY 2009 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	55.52	62.69	59.10	53.19	70.30%	NO
WSPC	44.48	37.31	40.90	36.81	29.70%	YES

As can be noted, the WSPC WIA is affected by the 90% hold-harmless provision. Since 90% of Providence/Cranston's previous two year average is 36.81% and its allocation without hold-harmless is only 29.70%, the allocation percentage for WSPC will be 36.81%. The Final Rules then provide that the allocation percentage for the other WIA be ratably reduced. Since WSPC is to receive 36.81% there remains 63.19% to be apportioned to the WPGRI WIA.

Final Allocation Percentages for Adult Activities

WPGRI	63.19%
WSPC	36.81%

CALCULATION OF THE 3 PART FORMULA FOR TITLE I YOUTH

PART I

As can be noted, Part I of the three-part formula for YOUTH is the same as Part I of the formula for ADULTS. Therefore, the percentage share of the number of unemployed individuals residing in each WIA as compared to the State total would be the same for this part of the formula as was determined for ADULTS. These percentages are restated below:

WPGRI	40,618 or 75.93%
WSPC	12,879 or 24.07%

PART II

Part II of the three-part formula for YOUTH is also the same as Part II of the formula for ADULTS. Therefore, the percentage share of the excess number of unemployed individuals residing in each WIA as compared to the State total will be the same for this part as was determined for ADULTS. These percentages are restated below:

WPGRI	23,252 or 73.88%
WSPC	8,221 or 26.12%

PART III

33 1/3 percent shall be allocated on the basis of the **relative number of economically disadvantaged YOUTH** within each Workforce Investment Area as compared to the total number of economically disadvantaged **YOUTH** in the State.

Following is a list of all economically disadvantaged **YOUTH** listed by city and town and by Workforce Investment Area. This information was provided to the States by the U.S. Department of Labor and was derived from the 2000 Census data. This economically disadvantaged data will continue to be used until the US Census Bureau issues new data from the year 2010 Census.

WPGRI YOUTH	
CITY/TOWN	ECONOMICALLY DISADVANTAGED
BARRINGTON	105
BRISTOL	895
BURRILLVILLE	95
CENTRAL FALLS	510
CHARLESTOWN	20
CUMBERLAND	45
COVENTRY	190
EAST GREENWICH	60
EAST PROVIDENCE	225
EXETER	30
FOSTER	20
GLOCESTER	25
HOPKINGTON	25
JAMESTOWN	15
JOHNSTON	165
LINCOLN	60
LITTLE COMPTON	20
MIDDLETOWN	45
NARRAGANSETT	685
NEWPORT	1,005
NEW SHOREHAM	4
NO. KINGSTOWN	130
NO. PROVIDENCE	245
NO. SMITHFIELD	15
PAWTUCKET	1,430
PORTSMOUTH	40
RICHMOND	20
SCITUATE	80
SMITHFIELD	1,035
SO. KINGSTOWN	2,270
TIVERTON	60
WARREN	65
WARWICK	450
W. GREENWICH	0
W. WARWICK	245
WESTERLY	110
WOONSOCKET	845
TOTAL	11,284

WSPC YOUTH	
CITY/TOWN	ECONOMICALLY DISADVANTAGED
CRANSTON	1,350
PROVIDENCE	10,545
TOTAL	11,895

CALCULATION OF FORMULA

Based on the above data, the total number of economically disadvantaged youth residing in each Workforce Investment Area in the State of Rhode Island is **23,179**. The percentage share of each WIA to the State total is:

WPGRI **11,284 or 48.68%**
WSPC **11,895 or 51.32%**

SUMMARY OF THE THREE PART FORMULA

	WPGRI	WSPC
PART I	75.93%	24.07%
PART II	73.88%	26.12%
PART III	48.68%	51.32%
TOTAL	198.49%	101.51%

Averages are now obtained for each WIA:

WPGRI **66.16%**
WSPC **33.84%**

LIMITATIONS

In accordance with the minimum percentage requirements, no WIA should receive less than 90% of the average of its allocation percentage for the 2 preceding fiscal years. Reference is made to the following:

	PY 2008 PERCENT	PY 2009 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	51.38	59.27	55.32	49.79	66.16%	NO
WSPC	48.62	40.73	44.68	40.21	33.84%	YES

As can be noted, the WSPC WIA is affected by the 90% hold-harmless provision. Since 90% of Providence/Cranston’s previous two year average is 40.21% and its allocation without the hold-harmless is only 33.84%, the allocation percentage for WSPC will be 40.21%. The Final Rules then provide that the allocation percentage for the other WIA be ratably reduced. Since WSPC is to receive 40.21% there remains 59.79% to be apportioned to the WPGRI WIA.

Final Allocation Percentages for Youth Activities

WPGRI **59.79%**
WSPC **40.21%**

For comparative purposes, listed below are the allotment percentages for PY 2010 and the previous four years.

WIA	PY06 ADULT	PY06 YOUTH	PY07 ADULT	PY07 YOUTH	PY08 ADULT	PY08 YOUTH	PY09 ADULT	PY09 YOUTH	PY10 ADULT	PY10 YOUTH
WPGRI	54.66	50.78	61.58	58.13	55.52	51.38	62.69	59.27	63.19	59.79
WSPC	45.34	49.22	38.42	41.87	44.48	48.62	37.31	40.73	36.81	40.21

In summary, the percentage allocations for ADULTS and YOUTH for PY 2010 are listed below.

AREA	ADULTS	YOUTH
WPGRI	63.19%	59.79%
WSPC	36.81%	40.21%

Please review the procedure described herein for the determination of allocation percentages. Following this letter series will be an additional letter series that will apply these allocation percentages to the State allotment of PY 2010 ADULT and YOUTH funding. In addition, these percentages will also be applied to the Recovery Act stimulus funds (if applicable), also addressed in an additional letter series.

Should there be any questions concerning this subject matter, please do not hesitate to contact me at 462-8784 (dtreglia@dlt.ri.gov) or Bob Garofano at 462-8149 (bgarofano@dlt.ri.gov).

ATTACHMENT 1

Unbenchmarked for ASU
July 2008-June 2009 12-month Average

	Labor Force	Employed	Unemployed	Rate
Rhode Island	566,201	509,251	56,950	10.1
Barrington town, RI	8,354	7,759	595	7.1
Bristol town, RI	12,529	11,321	1,208	9.6
Warren town, RI	6,296	5,650	646	10.3
Coventry town, RI	20,394	18,417	1,977	9.7
East Greenwich town, RI	6,969	6,324	645	9.3
West Greenwich town, RI	3,855	3,529	326	8.5
West Warwick town, RI	16,649	14,862	1,787	10.7
Jamestown town, RI	3,091	2,895	196	6.3
Little Compton town, RI	1,966	1,798	168	8.5
Middletown town, RI	8,114	7,425	689	8.5
Portsmouth town, RI	9,279	8,529	750	8.1
Tiverton town, RI	8,640	7,751	889	10.3
Burrillville town, RI	9,892	8,903	989	10.0
Cumberland town, RI	19,711	17,918	1,793	9.1
Foster town, RI	2,703	2,433	270	10.0
Glocester town, RI	6,464	5,939	525	8.1
Johnston town, RI	15,724	14,020	1,704	10.8
Lincoln town, RI	12,420	11,272	1,148	9.2
North Providence town, RI	18,645	16,830	1,815	9.7
North Smithfield town, RI	6,402	5,821	581	9.1
Scituate town, RI	6,470	5,842	628	9.7
Smithfield town, RI	11,850	10,768	1,082	9.1
Charlestown town, RI	4,773	4,285	488	10.2
Exeter town, RI	3,731	3,408	323	8.7
Hopkinton town, RI	4,831	4,345	486	10.1
Narragansett town, RI	9,736	9,109	627	6.4
New Shoreham town, RI	1,091	987	104	9.5
North Kingstown town, RI	15,445	14,165	1,280	8.3
Richmond town, RI	4,320	4,024	296	6.9
South Kingstown town, RI	15,728	14,419	1,309	8.3
Westerly town, RI	13,264	12,089	1,175	8.9
Warwick city, RI	48,319	43,891	4,428	9.2
Newport city, RI	13,343	12,170	1,173	8.8
Central Falls city, RI	8,323	7,161	1,162	14.0
East Providence city, RI	26,070	23,265	2,805	10.8
Pawtucket city, RI	37,681	33,061	4,620	12.3
Woonsocket city, RI	22,168	19,567	2,601	11.7
Greater RI WIA	445,240	401,952	43,288	9.7
Cranston city, RI	42,127	37,879	4,248	10.1
Providence city, RI	78,835	69,419	9,416	11.9
Providence-Cranston WIA	120,962	107,298	13,664	11.3

Attachment 2

**RHODE ISLAND
LOCAL AREA UNEMPLOYMENT STATISTICS
July 2008 - June 2009 (Benchmarked)
for ASUs**

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Average
PROVIDENCE-CRANSTON WIA													
LABOR FORCE	123,235	123,143	121,791	121,366	121,198	120,626	119,971	119,948	118,943	118,915	120,042	122,282	120,955
EMPLOYMENT	111,564	111,043	110,757	110,150	110,423	108,683	105,962	105,813	105,202	105,610	105,076	106,631	108,076
UNEMPLOYMENT	11,671	12,100	11,034	11,216	10,775	11,943	14,009	14,135	13,741	13,305	14,966	15,651	12,879
UNEMPLOYMENT RATE	9.5	9.8	9.1	9.2	8.9	9.9	11.7	11.8	11.6	11.2	12.5	12.8	10.6%
GREATER RHODE ISLAND WIA													
LABOR FORCE	453,314	452,643	447,839	446,962	447,526	444,737	443,081	442,176	438,686	438,326	438,735	446,955	445,082
EMPLOYMENT	418,546	416,473	414,654	412,091	412,774	406,292	396,190	395,562	393,367	394,838	393,185	399,598	404,464
UNEMPLOYMENT	34,768	36,170	33,185	34,871	34,752	38,445	46,891	46,614	45,319	43,488	45,550	47,357	40,618
UNEMPLOYMENT RATE	7.7	8.0	7.4	7.8	7.8	8.6	10.6	10.5	10.3	9.9	10.4	10.6	9.1%