



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

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WORKFORCE INVESTMENT NOTICE: 10-18

TO: WORKFORCE INVESTMENT AREAS

FROM: David Tremblay, Administrator-Workforce Investment Office

SUBJECT: Allocation Percentages for Adult and Youth Programs for PY 2011
per TEN 28-10

DATE: April 19, 2011

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)**)

The percentage allocations for PY11 for the 2 WIA's are provided in the chart below.

AREA	ADULT	YOUTH
WPGRI	66.65%	63.58%
WSPC	33.35%	36.42%

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 2009 – June 2010.

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	448,978	50,352	11.2
WSPC AVERAGE	122,370	15,873	13.0
STATE AVERAGE	571,348	66,225	11.6

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 **66,225**. The percentage share of each WIA to the State total is:

WPGRI
WSPC

50,352 or 76.03%
15,873 or 23.97%

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	448,978	50,352	20,204	30,148
WSPC AVERAGE	122,370	15,873	5,507	10,366
STATE AVERAGE	571,348	66,225	25,711	40,514

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	450,695	52,988	20,281	32,707
WSPC AVERAGE	122,927	16,713	5,532	11,181
STATE AVERAGE	573,622	69,701	25,813	43,888

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 **43,888**. 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 **43,888**. The percentage share of each WIA to the State total is:

WPGRI	32,707 or 74.52%
WSPC	11,181 or 25.48%

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	76.03%	23.97%
PART II	74.52%	25.48%
PART III	61.09%	38.91%
TOTAL	211.64%	88.36%

Averages are now obtained for each WIA:

WPGRI **70.55%**
WSPC **29.45%**

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 2009 and PY 2010. 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 2009 PERCENT	PY 2010 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	62.69	63.19	62.94	56.65	70.55%	NO
WSPC	37.31	36.81	37.06	33.35	29.45%	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 33.35% and its allocation without hold-harmless is only 29.45%, the allocation percentage for WSPC will be 33.35%. The Final Rules then provide that the allocation percentage for the other WIA be ratably reduced. Since WSPC is to receive 33.35% there remains 66.65% to be apportioned to the WPGRI WIA.

Final Allocation Percentages for Adult Activities

WPGRI	66.65%
WSPC	33.35%

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	50,352 or 76.03%
WSPC	15,873 or 23.97%

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	32,707 or 74.52%
WSPC	11,181 or 25.48%

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	76.03%	23.97%
PART II	74.52%	25.48%
PART III	48.68%	51.32%
TOTAL	199.23%	100.77%

Averages are now obtained for each WIA:

WPGRI **66.41%**
WSPC **33.59%**

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 2009 PERCENT	PY 2010 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	59.27	59.79	59.53	53.58	66.41%	NO
WSPC	40.73	40.21	40.47	36.42	33.59%	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 36.42% and its allocation without the hold-harmless is only 33.59%, the allocation percentage for WSPC will be 36.42%. The Final Rules then provide that the allocation percentage for the other WIA be ratably reduced. Since WSPC is to receive 36.42% there remains 63.58% to be apportioned to the WPGRI WIA.

ATTACHMENT 1

Unbenchmarked for ASU
July 2009-June 2010 12-month Average

	Labor			
	Force	Employed	Unemployed	Rate
Rhode Island	573,620	503,921	69,700	12.2
BARRINGTON	8,490	7,687	803	9.5
BRISTOL	12,666	11,226	1,441	11.4
BURRILLVILLE	10,106	8,848	1,258	12.4
CENTRAL FALLS	8,291	7,075	1,216	14.7
CHARLESTOWN	4,806	4,221	586	12.2
COVENTRY	20,873	18,412	2,461	11.8
CUMBERLAND	20,014	17,780	2,234	11.2
EAST GREENWICH	7,081	6,268	813	11.5
EAST PROVIDENCE	26,424	23,016	3,408	12.9
EXETER	3,811	3,398	414	10.9
FOSTER	2,767	2,418	349	12.6
GLOCESTER	6,558	5,890	667	10.2
HOPKINTON	4,887	4,301	586	12.0
JAMESTOWN	3,159	2,860	299	9.5
JOHNSTON	15,937	13,880	2,058	12.9
LINCOLN	12,554	11,164	1,390	11.1
LITTLE COMPTON	2,005	1,779	226	11.3
MIDDLETOWN	8,220	7,322	898	10.9
NARRAGANSETT	9,821	9,026	795	8.1
NEW SHOREHAM	1,166	1,027	139	11.9
NEWPORT	12,698	11,237	1,461	11.5
NORTH KINGSTOWN	15,535	14,010	1,525	9.8
NORTH PROVIDENCE	18,881	16,656	2,225	11.8
NORTH SMITHFIELD	6,663	5,906	757	11.4
PAWTUCKET	37,837	32,646	5,191	13.7
PORTSMOUTH	9,369	8,429	940	10.0
RICHMOND	4,361	3,975	387	8.9
SCITUATE	6,584	5,787	798	12.1
SMITHFIELD	12,073	10,669	1,404	11.6
SOUTH KINGSTOWN	15,870	14,257	1,613	10.2
TIVERTON	8,714	7,650	1,064	12.2
WARREN	6,369	5,584	784	12.3
WARWICK	49,004	43,374	5,630	11.5
WEST GREENWICH	3,921	3,498	423	10.8
WEST WARWICK	17,022	14,776	2,246	13.2
WESTERLY	13,626	12,324	1,301	9.5
WOONSOCKET	22,534	19,333	3,201	14.2
Greater RI WIA	450,695	397,707	52,988	11.8
CRANSTON	42,759	37,477	5,282	12.4
PROVIDENCE	80,168	68,737	11,431	14.3
Providence-Cranston WIA	122,927	106,214	16,713	13.6

Attachment 2

**RHODE ISLAND
LOCAL AREA UNEMPLOYMENT STATISTICS
July 2009 - June 2010 (Benchmarked)
for ASUs**

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Average
PROVIDENCE-CRANSTON WIA													
LABOR FORCE	123,332	122,850	121,641	121,526	122,153	121,373	122,027	121,483	121,471	122,936	123,171	124,471	122,370
EMPLOYMENT	107,024	107,002	106,330	106,186	107,254	106,305	105,370	105,306	105,568	106,945	106,863	107,800	106,496
UNEMPLOYMENT	16,308	15,848	15,311	15,340	14,899	15,068	16,657	16,177	15,903	15,991	16,308	16,671	15,873
UNEMPLOYMENT RATE	13.2	12.9	12.6	12.6	12.2	12.4	13.7	13.3	13.1	13.0	13.2	13.4	13.0%
GREATER RHODE ISLAND WIA													
LABOR FORCE	450,436	450,060	444,564	444,808	448,166	446,707	450,511	449,716	449,747	451,131	448,835	453,056	448,978
EMPLOYMENT	401,774	401,629	398,430	397,418	401,071	397,508	393,954	393,653	394,591	399,824	399,763	403,903	398,627
UNEMPLOYMENT	48,662	48,431	46,134	47,390	47,095	49,199	56,557	56,063	55,156	51,307	49,072	49,153	50,352
UNEMPLOYMENT RATE	10.8	10.8	10.4	10.7	10.5	11.0	12.6	12.5	12.3	11.4	10.9	10.8	11.2%