



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

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WORKFORCE INVESTMENT NOTICE: 11 - 24

TO: WORKFORCE INVESTMENT AREAS

FROM: David Tremblay, Administrator-Workforce Investment Office

SUBJECT: Allocation Percentages for Adult and Youth Programs for PY 2012
per TEGL 19-11

DATE: June 29, 2012

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 5% 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 PY12 for the 2 WIA's are provided in the chart below.

AREA	ADULT	YOUTH
WPGRI	68.43%	65.52%
WSPC	31.57%	34.48%

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 2010 – June 2011.

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	441,642	48,648	11.0
WSPC AVERAGE	124,660	16,018	12.8
STATE AVERAGE	566,302	64,666	11.4

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 **64,666**. The percentage share of each WIA to the State total is:

WPGRI
WSPC

48,648 or 75.23%
16,018 or 24.77%

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	441,642	48,648	19,874	28,774
WSPC AVERAGE	124,660	16,018	5,610	10,408
STATE AVERAGE	566,302	64,666	25,484	39,182

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	450,096	48,437	20,254	28,183
WSPC AVERAGE	123,084	15,715	5,539	10,176
STATE AVERAGE	573,180	64,152	25,793	38,359

As can be noted, the number of excess individuals within the entire WIA is greater than those residing within the ASUs. The excess individuals within the entire WIA are **39,182**. Consistent with the DOL methodology, the excess within the entire WIA will be used.

CALCULATION OF FORMULA

Based on the above data, the total number of excess unemployed individuals residing in the entire Workforce Investment Area in the State of Rhode Island is **39,182**. The percentage share of each WIA to the State total is:

WPGRI	28,774 or 73.44%
WSPC	10,408 or 26.56%

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	75.23%	24.77%
PART II	73.44%	26.56%
PART III	61.09%	38.91%
TOTAL	209.76%	90.24%

Averages are now obtained for each WIA:

WPGRI **69.92%**
WSPC **30.08%**

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 2010 and PY 2011. 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 2010 PERCENT	PY 2011 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	63.19	66.65	64.92	58.43	69.92%	NO
WSPC	36.81	33.35	35.08	31.57	30.08%	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 31.57% and its allocation without hold-harmless is only 30.08%, the allocation percentage for WSPC will be 31.57%. The Final Rules then provide that the allocation percentage for the other WIA be ratably reduced. Since WSPC is to receive 31.57% there remains 68.43% to be apportioned to the WPGRI WIA.

Final Allocation Percentages for Adult Activities

WPGRI	68.43%
WSPC	31.57%

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	48,648 or 75.23%
WSPC	16,018 or 24.77%

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	28,774 or 73.44%
WSPC	10,408 or 26.56%

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	75.23%	24.77%
PART II	73.44%	26.56%
PART III	48.68%	51.32%
TOTAL	197.35%	102.65%

Averages are now obtained for each WIA:

WPGRI **65.78%**
WSPC **34.22%**

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 2010 PERCENT	PY 2011 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	59.79	63.58	61.69	55.52	65.78%	NO
WSPC	40.21	36.42	38.31	34.48	34.22%	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 34.48% and its allocation without the hold-harmless is only 34.22% the allocation percentage for WSPC will be 34.48%. The Final Rules then provide that the allocation percentage for the other WIA be ratably reduced. Since WSPC is to receive 34.48% there remains 65.52% to be apportioned to the WPGRI WIA.

ATTACHMENT 1

Unbenchmarked for ASU
July 2010-June 2011 12-month Average

	Labor Force	Employed	Unemployed	Rate
Rhode Island	573,181	509,029	64,152	11.2
BARRINGTON	8,435	7,742	693	8.2
BRISTOL	12,506	11,246	1,260	10.1
BURRILLVILLE	10,065	8,979	1,086	10.8
CENTRAL FALLS	8,345	7,151	1,194	14.3
CHARLESTOWN	4,860	4,283	576	11.9
COVENTRY	20,910	18,723	2,187	10.5
CUMBERLAND	20,060	18,023	2,038	10.2
EAST GREENWICH	7,102	6,344	758	10.7
EAST PROVIDENCE	26,343	23,263	3,080	11.7
EXETER	3,905	3,486	419	10.7
FOSTER	2,813	2,458	355	12.6
GLOCESTER	6,563	5,973	590	9.0
HOPKINTON	4,902	4,369	533	10.9
JAMESTOWN	3,163	2,885	278	8.8
JOHNSTON	15,985	14,046	1,938	12.1
LINCOLN	12,514	11,290	1,224	9.8
LITTLE COMPTON	2,001	1,801	201	10.0
MIDDLETOWN	8,206	7,354	852	10.4
NARRAGANSETT	9,911	9,137	774	7.8
NEW SHOREHAM	1,080	937	143	13.3
NEWPORT	12,684	11,309	1,375	10.8
NORTH KINGSTOWN	15,667	14,195	1,472	9.4
NORTH PROVIDENCE	18,906	16,828	2,078	11.0
NORTH SMITHFIELD	6,644	5,976	668	10.1
PAWTUCKET	37,680	33,022	4,658	12.4
PORTSMOUTH	9,423	8,496	927	9.8
RICHMOND	4,389	4,034	355	8.1
SCITUATE	6,543	5,857	686	10.5
SMITHFIELD	12,032	10,776	1,256	10.4
SOUTH KINGSTOWN	16,055	14,439	1,616	10.1
TIVERTON	8,707	7,694	1,013	11.6
WARREN	6,238	5,578	660	10.6
WARWICK	48,971	43,902	5,069	10.4
WEST GREENWICH	3,910	3,543	367	9.4
WEST WARWICK	17,037	14,945	2,093	12.3
WESTERLY	13,190	12,023	1,167	8.8
WOONSOCKET	22,349	19,551	2,798	12.5
Greater RI WIA	450,096	401,659	48,437	10.8
CRANSTON	42,645	37,879	4,766	11.2
PROVIDENCE	80,439	69,489	10,950	13.6
Providence-Cranston WIA	123,084	107,368	15,715	12.8

Attachment 2

**RHODE ISLAND
LOCAL AREA UNEMPLOYMENT STATISTICS
July 2010 - June 2011 (Benchmarked)
for ASUs**

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Average
PROVIDENCE-CRANSTON WIA													
LABOR FORCE	127,050	126,916	125,416	125,306	125,360	124,318	123,323	122,370	122,500	123,593	124,027	125,735	124,660
EMPLOYMENT	109,745	110,043	109,666	109,357	109,643	109,210	107,340	106,990	107,268	108,115	107,667	108,653	108,641
UNEMPLOYMENT	17,305	16,873	15,750	15,949	15,717	15,108	15,983	15,380	15,232	15,478	16,360	17,082	16,018
UNEMPLOYMENT RATE	13.6	13.3	12.6	12.7	12.5	12.2	13.0	12.6	12.4	12.5	13.2	13.6	12.8%
GREATER RHODE ISLAND WIA													
LABOR FORCE	449,523	449,421	442,883	442,322	444,603	442,392	441,221	438,708	437,433	436,636	435,500	439,064	441,642
EMPLOYMENT	398,046	399,124	397,099	395,463	396,204	394,601	387,848	386,568	387,545	390,693	389,263	393,478	392,994
UNEMPLOYMENT	51,477	50,297	45,784	46,859	48,399	47,791	53,373	52,140	49,888	45,943	46,237	45,586	48,648
UNEMPLOYMENT RATE	11.5	11.2	10.3	10.6	10.9	10.8	12.1	11.9	11.4	10.5	10.6	10.4	11.0%