



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

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WORKFORCE INVESTMENT NOTICE: 13 - 04

TO: WORKFORCE INVESTMENT AREAS

FROM: David Tremblay, Administrator-Workforce Investment Office

SUBJECT: Allocation Percentages for Adult and Youth Programs for PY 2014
per TEGL 18-13

DATE: May 15, 2014

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 8.75% 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 PY14 for the 2 WIA's are provided in the chart below.

AREA	ADULT	YOUTH
WPGRI	69.26%	65.55%
WSPC	30.74%	34.45%

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 is aged 22 - 72 and 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 2012 – June 2013.

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	435,750	40,919	9.4
WSPC AVERAGE	123,489	13,645	11.1
STATE AVERAGE	559,239	54,564	9.8

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 **54,564**. The percentage share of each WIA to the State total is:

WPGRI	40,919 or 74.99%
WSPC	13,645 or 25.01%

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	435,750	40,919	19,609	21,310
WSPC AVERAGE	123,489	13,645	5,557	8,088
STATE AVERAGE	559,239	54,564	25,166	29,398

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	437,073	40,541	19,668	20,873
WSPC AVERAGE	123,404	13,503	5,553	7,950
STATE AVERAGE	560,477	54,044	25,221	28,823

As can be noted, the number of excess individuals within the entire WIA is greater than those residing within the ASU's. The excess individuals within the entire WIA are **29,398**. 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 WIA in the State of Rhode Island is **29,398**. The percentage share of each WIA to the State total is:

WPGRI	21,310 or 72.49%
WSPC	8,088 or 27.51%

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 American Community Survey (ACS)

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

Economically Disadvantaged Adults					
WPGRI					
City/Town	22 to 24 years	25 to 54 years	55 to 64 years	65 to 72 years	Total
Barrington town	35	250	65	60	410
Bristol town	205	470	115	80	870
Warren town	30	650	140	40	860
Coventry town	130	865	235	180	1,410
East Greenwich town	20	270	40	85	415
Warwick city	230	2,290	1,040	470	4,030
West Greenwich town	0	170	0	0	170
West Warwick town	365	1,400	355	40	2,160
Jamestown town	0	115	70	0	185
Little Compton town	0	30	4	20	54
Middletown town	60	415	45	55	575
Newport city	305	775	290	105	1,475
Portsmouth town	15	335	110	50	510
Tiverton town	40	330	155	50	575
Burrillville town	55	585	235	95	970
Central Falls city	345	1,890	300	100	2,635
Cumberland town	20	845	155	55	1,075
East Providence city	200	1,905	435	175	2,715
Foster town	0	65	15	0	80
Glocester town	0	195	90	20	305
Johnston town	55	900	195	265	1,415
Lincoln town	35	400	170	55	660
North Providence town	95	1,580	255	150	2,080
North Smithfield town	25	120	105	55	305
Pawtucket city	750	5,015	735	780	7,280
Scituate town	0	335	95	45	475
Smithfield town	95	455	100	55	705
Woonsocket city	530	3,535	545	415	5,025
Charlestown town	20	100	105	10	235
Exeter town	0	60	60	15	135
Hopkinton town	0	95	40	15	150
Narragansett town	275	370	40	20	705
New Shoreham town	0	60	0	0	60
North Kingstown town	30	620	230	40	920
Richmond town	0	175	10	0	185
South Kingstown town	210	850	335	45	1,440
Westerly town	60	710	290	45	1,105
Total:					44,359

WSPC					
Cranston city	590	4,990	1,135	490	7,205
Providence city	2,595	14,530	3,075	1,790	21,990
Total:					29,195

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 **73,554**. The percentage share of each WIA to the State total is:

WPGRI **44,359 or 60.31%**
WSPC **29,195 or 39.69%**

SUMMARY OF THE THREE PART FORMULA

	WPGRI	WSPC
PART I	74.99%	25.01%
PART II	72.49%	27.51%
PART III	60.31%	39.69%
TOTAL	207.79%	92.21%

Averages are now obtained for each WIA:

WPGRI **69.26%**
WSPC **30.74%**

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 2011 and PY 2012. 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 2012 PERCENT	PY 2013 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	68.43	69.28	68.85	61.96	69.26%	NO
WSPC	31.57	30.72	31.15	28.04	30.74%	NO

As can be noted, neither WIA is affected by the 90% hold-harmless provision. Since 90% of Providence/Cranston's previous two year average is 28.04% and its allocation without hold-harmless is 30.74%, the allocation percentage for WSPC will be 30.74%.

Since 90% of WPGRI's previous two year average is 61.96% and its allocation without hold-harmless is only 69.26%, the allocation percentage for WPGRI will be 69.26%.

Final Allocation Percentages for Adult Activities

WPGRI	69.26%
WSPC	30.74%

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	40,919 or 74.99%
WSPC	13,645 or 25.01%

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	21,310 or 72.49%
WSPC	8,088 or 27.51%

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 American Community Survey (ACS) data. This economically disadvantaged data will continue to be used until the US Census Bureau issues new data from the year 2010 Census.

Economically Disadvantaged Youth	
WPGRI	
City/Town	16 to 21 years
Barrington town	185
Bristol town	725
Warren town	190
Coventry town	230
East Greenwich town	140
Warwick city	815
West Greenwich town	155
West Warwick town	360
Jamestown town	45
Little Compton town	10
Middletown town	75
Newport city	720
Portsmouth town	80
Tiverton town	75
Burrillville town	170
Central Falls city	580
Cumberland town	130
East Providence city	275
Foster town	0
Glocester town	0
Johnston town	240
Lincoln town	180
North Providence town	210
North Smithfield town	50
Pawtucket city	1,465
Scituate town	125
Smithfield town	1,100
Woonsocket city	970
Charlestown town	30
Exeter town	65
Hopkinton town	35
Narragansett town	780
New Shoreham town	0
North Kingstown town	165
Richmond town	40
South Kingstown town	1,930
Westerly town	145
Total:	12,490

WSPC	
Cranston city	1,565
Providence city	11,345
Total:	12,910

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 **25,400**. The percentage share of each WIA to the State total is:

WPGRI **12,490 or 49.17%**
WSPC **12,910 or 50.83%**

SUMMARY OF THE THREE PART FORMULA

	WPGRI	WSPC
PART I	74.99%	25.01%
PART II	72.49%	27.51%
PART III	49.17%	50.83%
TOTAL	196.65%	103.35%

Averages are now obtained for each WIA:

WPGRI **65.55%**
WSPC **34.45%**

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 2012 PERCENT	PY 2013 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	65.52	65.55	65.53	58.98	65.55%	NO
WSPC	34.48	34.45	34.47	31.02	34.45%	NO

As can be noted, neither WIA is affected by the 90% hold-harmless provision. Since 90% of Providence/Cranston’s previous two year average is 31.02% and its allocation without the hold-harmless is 34.45% the allocation percentage for WSPC will be 34.45%. Since 90% of WPGRI’s previous two year average is 58.98% and its allocation

ATTACHMENT 1

Unbenchmarked for ASU
July 2012-June 2013 12-month Average

	Labor			
	Force	Employed	Unemployed	Rate
Rhode Island	560,477	506,432	54,045	9.6%
BARRINGTON	8,282	7,711	571	6.9%
BRISTOL	12,629	11,547	1,082	8.6%
BURRILLVILLE	9,523	8,637	886	9.3%
CENTRAL FALLS	8,483	7,399	1,084	12.8%
CHARLESTOWN	4,596	4,131	465	10.1%
COVENTRY	20,495	18,683	1,812	8.8%
CUMBERLAND	19,181	17,559	1,623	8.5%
EAST GREENWICH	6,827	6,227	600	8.8%
EAST PROVIDENCE	25,111	22,514	2,596	10.3%
EXETER	3,881	3,536	345	8.9%
FOSTER	2,769	2,494	275	9.9%
GLOCESTER	5,984	5,513	471	7.9%
HOPKINTON	4,866	4,446	421	8.6%
JAMESTOWN	3,057	2,840	218	7.1%
JOHNSTON	15,705	14,114	1,591	10.1%
LINCOLN	11,815	10,801	1,013	8.6%
LITTLE COMPTON	1,937	1,777	160	8.2%
MIDDLETOWN	8,101	7,383	718	8.9%
NARRAGANSETT	9,383	8,756	627	6.7%
NEW SHOREHAM	1,101	954	147	13.4%
NEWPORT	13,049	11,856	1,194	9.1%
NORTH KINGSTOWN	15,242	14,049	1,193	7.8%
NORTH PROVIDENCE	18,200	16,476	1,725	9.5%
NORTH SMITHFIELD	6,751	6,191	561	8.3%
PAWTUCKET	36,817	32,632	4,185	11.4%
PORTSMOUTH	9,478	8,719	760	8.0%
RICHMOND	4,328	4,050	278	6.4%
SCITUATE	6,146	5,571	575	9.4%
SMITHFIELD	11,887	10,884	1,003	8.4%
SOUTH KINGSTOWN	16,526	15,100	1,426	8.6%
TIVERTON	8,947	8,121	826	9.2%
WARREN	6,001	5,420	582	9.7%
WARWICK	46,742	42,629	4,113	8.8%
WEST GREENWICH	3,691	3,385	305	8.3%
WEST WARWICK	16,495	14,809	1,687	10.2%
WESTERLY	12,026	11,066	960	8.0%
WOONSOCKET	21,019	18,554	2,465	11.7%
Greater RI WIA	437,073	396,531	40,541	9.3
CRANSTON	42,091	37,978	4,113	9.8%
PROVIDENCE	81,313	71,923	9,390	11.5%
Providence-Cranston WIA	123,404	109,901	13,503	10.9

ATTACHMENT 2

**RHODE ISLAND
LOCAL AREA UNEMPLOYMENT STATISTICS
July 2012 - June 2013 (Benchmarked)
for ASUs**

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Average
PROVIDENCE-CRANSTON WIA													
LABOR FORCE	125,084	124,379	123,994	124,707	124,022	123,668	123,187	122,285	121,512	121,821	122,882	124,328	123,489
EMPLOYMENT	109,266	109,678	110,577	111,295	111,162	110,924	108,713	109,003	108,413	109,321	109,260	110,514	109,844
UNEMPLOYMENT	15,818	14,701	13,417	13,412	12,860	12,744	14,474	13,282	13,099	12,500	13,622	13,814	13,645
UNEMPLOYMENT RATE	12.6	11.8	10.8	10.8	10.4	10.3	11.7	10.9	10.8	10.3	11.1	11.1	11.0%
GREATER RHODE ISLAND WIA													
LABOR FORCE	439,552	438,731	437,018	439,202	438,108	437,722	436,041	434,676	430,508	430,586	431,380	435,481	435,750
EMPLOYMENT	393,963	395,311	397,900	399,972	399,123	398,227	390,309	391,289	389,176	392,541	392,466	397,695	394,831
UNEMPLOYMENT	45,589	43,420	39,118	39,230	38,985	39,495	45,732	43,387	41,332	38,045	38,914	37,786	40,919
UNEMPLOYMENT RATE	10.4	9.9	9.0	8.9	8.9	9.0	10.5	10.0	9.6	8.8	9.0	8.7	9.4%