



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

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WORKFORCE INVESTMENT NOTICE: 15 - 02

TO: WORKFORCE DEVELOPMENT AREAS

FROM: David Tremblay, Administrator-Workforce Investment Office

SUBJECT: Allocation Percentages for Adult and Youth Programs for PY 2015
per TEGL 29-14

DATE: August 12, 2015

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 Development Areas. The "hold harmless" provisions of WIOA (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 WIOA formula funds allotted for services to Youth and Adults, the Governor must reserve funds from each of these sources for statewide workforce development activities. In making these reservations, the Governor may reserve up to 10.00% from each of these sources. States must distribute the remainder of these funds among the local workforce development areas in accordance with the provisions of WIOA.

Sections 128 and 130

Local boards may now transfer up to 100 percent of funds between Adult and Dislocated Worker funding streams if approved by the Governor. **Section 133(b)(4)**

An Equal Opportunity Employer/Program.
Auxiliary aids and services are available upon request to individuals with disabilities
TTY via RI Relay 711

The percentage allocations for PY15 for the 2 WIA's are provided in the chart below.

AREA	ADULT	YOUTH
WPGRI	68.84%	65.13%
WSPC	31.16%	34.87%

ADULT ALLOCATION FORMULA

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 Development 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 Development 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 Development 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.

B. ALLOCATION PERCENTAGE

In general, the allocation percentage of a Workforce Development Area for a fiscal year shall be the percentage of funds allocated to the Workforce Development 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 Development 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 Development 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

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 Development 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 Development Area as compared to the total excess number of unemployed individuals in all Workforce Development 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 Development 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.

B. ALLOCATION PERCENTAGE

In general, the allocation percentage of a Workforce Development Area for a fiscal year shall be the percentage of funds allocated to the Workforce Development 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 Development 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 Development 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 Development 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 Development 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 2013 – June 2014.

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	427,366	35,547	8.3
WSPC AVERAGE	128,174	12,231	9.5
STATE AVERAGE	555,540	47,778	8.6

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 WDA. 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 Development Area in the State of Rhode Island is **47,778**. The percentage share of each WIA to the State total is:

WPGRI	35,547 or 74.40%
WSPC	12,231 or 25.60%

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 Development Area as compared to the total excess number of unemployed individuals in all Workforce Development 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 Development 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 Development 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	427,366	35,547	19,231	16,316
WSPC AVERAGE	128,174	12,231	5,768	6,463
STATE AVERAGE	555,540	47,778	24,999	22,779

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	431,919	36,945	19,436	17,509
WSPC AVERAGE	122,321	12,376	5,505	6,871
STATE AVERAGE	554,240	49,321	24,941	24,380

As can be noted, the number of excess individuals within the ASU is greater than those residing within the entire WIA. The excess individuals within the ASU are **24,380**. 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 ASU is **24,380**. The percentage share of each WIA to the State total is:

WPGRI	17,509 or 71.82%
WSPC	6,871 or 28.18%

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 Development 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 Development 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 Development 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	74.40%	25.60%
PART II	71.82%	28.18%
PART III	60.31%	39.69%
TOTAL	206.53%	93.47%

Averages are now obtained for each WIA:

WPGRI **68.84%**
WSPC **31.16%**

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.

Below are the allocation percentages for the two WDAs for PY 2013 and PY 2014. 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 2013 PERCENT	PY 2014 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	69.28	69.26	69.27	62.34	68.84%	NO
WSPC	30.72	30.74	30.73	27.66	31.16%	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 27.66% and its allocation

without hold-harmless is 31.16%, the allocation percentage for WSPC will be 31.16%. Since 90% of WPGRI's previous two year average is 62.34% and its allocation without hold-harmless is only 68.84%, the allocation percentage for WPGRI will be 68.84%.

Final Allocation Percentages for Adult Activities

WPGRI	68.84%
WSPC	31.16%

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	35,547 or 74.40%
WSPC	12,231 or 25.60%

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	17,509 or 71.82%
WSPC	6,871 or 28.18%

PART III

33 1/3 percent shall be allocated on the basis of the **relative number of economically disadvantaged YOUTH** within each Workforce Development 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 Development 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 Development 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	74.40%	25.60%
PART II	71.82%	28.18%
PART III	49.17%	50.83%
TOTAL	195.39%	104.61%

Averages are now obtained for each WIA:

WPGRI **65.13%**
WSPC **34.87%**

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 2013 PERCENT	PY 2014 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	65.55	65.55	65.55	59.00	65.13%	NO
WSPC	34.45	34.45	34.45	31.00	34.87%	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 31.00% and its allocation without the hold-harmless is 34.87% the allocation percentage for WSPC will be 34.87%. Since 90% of WPGRI’s previous two year average is 59.00% and its allocation

ATTACHMENT 1

Unbenchmarked for ASU
July 2013-June 2014 12-month Average

	Labor Force	Employed	Unemployed	Rate
Rhode Island	554,241	504,918	49,323	8.9%
BARRINGTON	8,211	7,691	520	6.3%
BRISTOL	12,193	11,228	965	7.9%
BURRILLVILLE	9,514	8,692	822	8.6%
CENTRAL FALLS	8,341	7,384	957	11.5%
CHARLESTOWN	4,523	4,111	413	9.1%
COVENTRY	20,291	18,676	1,615	8.0%
CUMBERLAND	19,203	17,716	1,488	7.7%
EAST GREENWICH	6,780	6,215	565	8.3%
EAST PROVIDENCE	24,796	22,506	2,290	9.2%
EXETER	3,917	3,601	316	8.1%
FOSTER	2,737	2,508	229	8.3%
GLOCESTER	5,959	5,546	413	6.9%
HOPKINTON	4,836	4,416	420	8.7%
JAMESTOWN	3,057	2,853	203	6.6%
JOHNSTON	15,657	14,184	1,473	9.4%
LINCOLN	11,818	10,857	961	8.1%
LITTLE COMPTON	1,915	1,770	145	7.6%
MIDDLETOWN	7,994	7,338	656	8.2%
NARRAGANSETT	9,248	8,676	572	6.2%
NEW SHOREHAM	1,120	979	141	12.6%
NEWPORT	12,675	11,556	1,119	8.8%
NORTH KINGSTOWN	14,991	13,919	1,072	7.2%
NORTH PROVIDENCE	18,120	16,488	1,632	9.0%
NORTH SMITHFIELD	6,762	6,238	524	7.8%
PAWTUCKET	36,395	32,589	3,806	10.5%
PORTSMOUTH	9,404	8,678	726	7.7%
RICHMOND	4,270	4,007	264	6.2%
SCITUATE	6,116	5,600	516	8.4%
SMITHFIELD	11,800	10,875	925	7.8%
SOUTH KINGSTOWN	16,286	14,973	1,312	8.1%
TIVERTON	8,895	8,122	773	8.7%
WARREN	5,909	5,391	518	8.8%
WARWICK	46,021	42,310	3,711	8.1%
WEST GREENWICH	3,641	3,367	274	7.5%
WEST WARWICK	16,206	14,673	1,532	9.5%
WESTERLY	11,740	10,787	953	8.1%
WOONSOCKET	20,579	18,454	2,125	10.3%
Greater RI WIA	431,919	394,974	36,945	8.6%
CRANSTON	41,638	37,982	3,656	8.8%
PROVIDENCE	80,683	71,962	8,721	10.8%
Providence-Cranston WIA	122,321	109,945	12,376	10.1%

ATTACHMENT 2

**RHODE ISLAND
LOCAL AREA UNEMPLOYMENT STATISTICS
July 2013 - June 2014 (Benchmarked)
for ASUs**

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Average
PROVIDENCE-CRANSTON WIA													
LABOR FORCE	130,359	129,594	128,384	128,396	128,906	128,127	127,493	127,041	126,920	126,920	127,430	128,514	128,174
EMPLOYMENT	116,426	116,273	115,939	116,312	116,845	116,347	114,250	114,533	114,610	115,663	116,270	117,843	115,943
UNEMPLOYMENT	13,933	13,321	12,445	12,084	12,061	11,780	13,243	12,508	12,310	11,257	11,160	10,671	12,231
UNEMPLOYMENT RATE	10.7	10.3	9.7	9.4	9.4	9.2	10.4	9.8	9.7	8.9	8.8	8.3	9.5%
GREATER RHODE ISLAND WIA													
LABOR FORCE	433,419	432,261	427,975	428,132	430,051	427,482	425,342	424,453	423,501	423,497	423,956	428,325	427,366
EMPLOYMENT	394,124	393,938	392,305	393,176	394,714	392,872	385,759	386,520	386,997	390,874	392,186	398,360	391,819
UNEMPLOYMENT	39,295	38,323	35,670	34,956	35,337	34,610	39,583	37,933	36,504	32,623	31,770	29,965	35,547
UNEMPLOYMENT RATE	9.1	8.9	8.3	8.2	8.2	8.1	9.3	8.9	8.6	7.7	7.5	7.0	8.3%