



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

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WORKFORCE INVESTMENT NOTICE: 15-12

TO: WORKFORCE INVESTMENT AREAS

FROM: Susan Chomka, Assistant Director, Workforce Development Services
Division, Rhode Island Department of Labor & Training

SUBJECT: Allocation Percentages for Adult and Youth Programs for PY 2016
per TEGL 17-15

DATE: June 16, 2016

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 the WIOA (described below) prevent the very wide upward or downward changes 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 investment activities. In making these reservations, the Governor may reserve up to 15.00% from each of these sources. **Section 128 (a) (1)**

Unless the Governor elects to distribute funds in accordance with the discretionary allocation formula for Youth and Adults as described in 128(b)(3) and 133(b)(3) for Youth and Adult respectively, the remainder of the funds not reserved must be allocated to the Workforce Investment Areas **Section 133 (b)**

The percentage allocations for PY16 for the 2 WIA's are provided in the chart below.

AREA	ADULT	YOUTH
WPGRI	67.62%	63.91%
WSPC	32.38%	36.09%

ADULT ALLOCATION FORMULA Section 132 (b) (1) (B) (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 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 adult**" means an adult who is aged 18 - 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 128 (b) (2) (i)

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 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 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 12 month period 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 2014 – June 2015.

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 Workforce Development Services Division 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 Providence/Cranston WIA has qualified as an ASU. The average data is illustrated as follows:

AREA	LABOR FORCE	UNEMPLOYMENT	PERCENTAGE
WPGRI AVERAGE	427,022	27,526	6.4
WSPC AVERAGE	128,231	9,606	7.5
STATE AVERAGE	555,253	37,132	6.7

As can be noted by the above chart, the Providence/Cranston WIA qualified as an ASU but Greater Rhode Island did not. However, 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 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 **37,132**. The percentage share of each WIA to the State total is:

WPGRI
WSPC

27,526 or 74.13%
9,606 or 25.87%

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 USDOL 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	427,022	27,526	19,216	8,310
WSPC AVERAGE	128,231	9,606	5,770	3,836
STATE AVERAGE	555,253	37,132	24,986	12,146

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	412,484	26,701	18,562	8,139
WSPC AVERAGE	127,420	9,507	5,734	3,773
STATE AVERAGE	539,904	36,208	24,296	11,912

As can be noted, the number of excess individuals within the ASU is less than those residing within the entire WIA. The excess individuals within the entire WIA are **12,146**. Consistent with the USDOL 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 ASU is **12,146**. The percentage share of each WIA to the State total is:

WPGRI	8,310 or 68.42%
WSPC	3,836 or 31.58%

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	74.13%	25.87%
PART II	68.42%	31.58%
PART III	60.31%	39.69%
TOTAL	202.86%	97.14%

Averages are now obtained for each WIA:

WPGRI **67.62%**
WSPC **32.38%**

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 133 (b) (2) (A) (ii))**. Below are the allocation percentages for the two WIAs for PY 2014 and PY 2015. 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 2014 PERCENT	PY 2015 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	69.26	68.84	69.05	62.15	67.62%	NO
WSPC	30.74	31.16	30.95	27.86	32.38%	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 27.86% and its allocation without hold-harmless is 32.38%, the allocation percentage for WSPC will be 32.38%.

Since 90% of WPGRI's previous two year average is 62.15% and its allocation without hold-harmless is only 67.62%, the allocation percentage for WPGRI will be 67.62%.

Final Allocation Percentages for Adult Activities

WPGRI	67.62%
WSPC	32.38%

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	27,526 or 74.13%
WSPC	9,606 or 25.87%

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	8,310 or 68.42%
WSPC	3,836 or 31.58%

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	74.13%	25.87%
PART II	68.42%	31.58%
PART III	49.17%	50.83%
TOTAL	191.72%	108.28%

Averages are now obtained for each WIA:

WPGRI **63.91%**
WSPC **36.09%**

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 2014 PERCENT	PY 2015 PERCENT	AVG	90%	ALLOCATIONS PER THREE-PART FORMULA	HOLD-HARMLESS APPLICABLE?
WPGRI	65.55	65.13	65.34	58.81	63.91%	NO
WSPC	34.45	34.87	34.66	31.19	36.09%	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 31.19% and its allocation without the hold-harmless is 36.09% the allocation percentage for WSPC will be 36.09%. Since 90% of WPGRI’s previous two year average is 58.81% and its allocation without the hold-harmless is 63.91% the allocation percentage for WPGRI will be 63.91%.

Final Allocation Percentages for Youth Activities

WPGRI
WSPC

63.91%
36.09%

For comparative purposes, listed below are the allotment percentages for PY 2016 and the previous four years.

WIA	PY12 ADULT	PY12 YOUTH	PY13 ADULT	PY13 YOUTH	PY14 ADULT	PY14 YOUTH	PY15 ADULT	PY15 YOUTH	PY16 ADULT	PY16 YOUTH
WPGRI	68.43	65.52	69.28	65.55	69.26	65.55	68.84	65.13	67.62	63.91
WSPC	31.57	34.48	30.72	34.45	30.74	34.45	31.16	34.87	32.38	36.09

In summary, the percentage allocations for ADULTS and YOUTH for PY 2016 are listed below.

AREA	ADULTS	YOUTH
WPGRI	67.62%	63.91%
WSPC	32.38%	36.09%

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 2016 ADULT and YOUTH funding.

Questions concerning this subject may be directed to the Assistant Director of Workforce Development Services, Department of Labor and Training at (401) 462-8712

ATTACHMENT 1

12-month Annual Average Labor Force Statistics				
July 2014 - June 2015 (Unbenchmarked)				
	Labor			Unemployment
City/Town in Greater Rhode Island WIA	Force	Employed	Unemployed	Rate
BARRINGTON	8,417	8,034	383	4.6
BRISTOL	12,158	11,432	726	6.0
BURRILLVILLE	8,860	8,270	590	6.7
CENTRAL FALLS	8,636	7,923	713	8.3
CHARLESTOWN	4,127	3,823	304	7.4
COVENTRY	18,777	17,585	1,192	6.3
CUMBERLAND	19,186	18,143	1,043	5.4
EAST GREENWICH	6,868	6,463	405	5.9
EAST PROVIDENCE	24,221	22,502	1,719	7.1
EXETER	3,895	3,666	229	5.9
FOSTER	2,876	2,695	181	6.3
GLOCESTER	5,892	5,590	302	5.1
HOPKINTON	4,768	4,450	318	6.7
JAMESTOWN	3,225	3,079	146	4.5
JOHNSTON	15,594	14,514	1,080	6.9
LINCOLN	12,122	11,430	692	5.7
LITTLE COMPTON	1,901	1,800	101	5.3
MIDDLETOWN	8,008	7,546	462	5.8
NEW SHOREHAM	806	700	106	13.2
NEWPORT	13,396	12,625	771	5.8
NORTH KINGSTOWN	14,628	13,860	768	5.3
NORTH PROVIDENCE	17,913	16,706	1,207	6.7
NORTH SMITHFIELD	6,738	6,373	365	5.4
PAWTUCKET	36,281	33,488	2,793	7.7
PORTSMOUTH	8,865	8,331	534	6.0
SCITUATE	6,090	5,716	374	6.1
SMITHFIELD	11,227	10,545	682	6.1
SOUTH KINGSTOWN	16,506	15,498	1,008	6.1
TIVERTON	8,786	8,251	535	6.1
WARREN	5,767	5,389	378	6.6
WARWICK	46,169	43,463	2,706	5.9
WEST GREENWICH	3,190	2,994	196	6.1
WEST WARWICK	16,219	15,065	1,154	7.1
WESTERLY	11,403	10,487	916	8.0
WOONSOCKET	18,969	17,347	1,622	8.6
Greater RI ASU	412,484	385,783	26,701	6.5
CRANSTON	41,195	38,479	2,717	6.6%
PROVIDENCE	86,225	79,435	6,790	7.9%
Providence-Cranston WIA	127,420	117,914	9,507	7.5%

Greater RI ASU consists of Greater RI WIA less the towns of Richmond & Narragansett

ATTACHMENT 2

**RHODE ISLAND
LOCAL AREA UNEMPLOYMENT STATISTICS
July 2014 - June 2015 (Benchmarked)
for ASUs**

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Average
PROVIDENCE-CRANSTON WIA													
LABOR FORCE	130,031	129,414	128,394	128,265	128,681	128,248	127,754	127,084	126,942	127,015	127,816	129,125	128,231
EMPLOYMENT	118,672	118,523	118,426	118,856	119,349	119,338	117,216	117,279	117,450	118,691	119,151	120,544	118,625
UNEMPLOYMENT	11,359	10,891	9,968	9,409	9,332	8,910	10,538	9,805	9,492	8,324	8,665	8,581	9,606
UNEMPLOYMENT RATE	8.7	8.4	7.8	7.3	7.3	6.9	8.2	7.7	7.5	6.6	6.8	6.6	7.5%
GREATER RHODE ISLAND WIA													
LABOR FORCE	432,223	431,372	427,159	427,043	428,497	427,179	425,396	423,896	423,368	423,068	425,090	429,977	427,022
EMPLOYMENT	400,561	400,619	399,368	400,576	401,845	401,479	394,281	394,251	394,910	398,951	400,674	406,437	399,496
UNEMPLOYMENT	31,662	30,753	27,791	26,467	26,652	25,700	31,115	29,645	28,458	24,117	24,416	23,540	27,526
UNEMPLOYMENT RATE	7.3	7.1	6.5	6.2	6.2	6.0	7.3	7.0	6.7	5.7	5.7	5.5	6.4%