

TO: WIB Executive Committee

DATE: 12/21/01

FROM: WIB Staff

- For Action**
- For Information**
- Meeting Notes**

SUBJECT: Financial Update and Request for Funds Transfer from Dislocated Worker Activities to Adult Activities

PROPOSED MOTION(S): Move funds from Dislocated Worker Activities to Adult Activities.

DISCUSSION: Staff has been carefully reviewing the current and anticipated costs for both Dislocated Worker Activities and Adult Activities for Fiscal Year 2001/02. The Workforce Investment Act, Section 133 (b) (4) provides the authority for workforce investment areas, with the approval of the Governor, to transfer up to 20 percent of the Dislocated Workers Activities funds to Adult Activities, and up to 20 percent of Adult Activities Funds to Dislocated Workers Activities. The Workforce Investment Act, Section 133 (c) allows the Governor to recapture and reallocate funds from any LWIA that did not obligate at least 80 percent of its Adult or Dislocated Worker Allocations.

To date, Merced County has had a higher demand for Adult Services than for Dislocated Worker Services. This can cause a shortage in Adult Funds and prevent us from obligating the 80 percent of Dislocated Worker Funds that must be obligated by the end of this fiscal year.

Our preliminary estimate is that 10 percent of Merced County's Dislocated Worker funds should be transferred to Adult Activities to meet the needs of the program participants in Merced County. Staff will be carefully monitoring rescission updates from the State and will make a final report and recommendation on the amount of the transfer request at your January 7th meeting.