

**TO: WIB**

**DATE: 1/11/02**

**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): Request that the Workforce Investment Board approve moving 10 percent of Merced County Dislocated Worker Funds current allocation to Adult Activities.**

**DISCUSSION: The Workforce Investment Act, Section 133 (b) (4) provides the authority for Workforce Investment Boards, 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.**

**So far this program year the Merced County One-Stop system has been providing services to a larger number of adult customers than dislocated workers. This is due to a variety of factors, to include the new definition of dislocated workers under the Workforce Investment Act (WIA). Previously, long-term unemployed (a large number of our customers) were defined as dislocated workers. Under WIA they now fall into the adult category.**

**A similar situation occurred last program year, which required the Workforce Investment Board to approve transfer of 15% of dislocated worker funds into the adult category.**

**The Executive Committee approved, at their January 7, 2002 meeting, that 10 percent of Merced County's Dislocated Worker funds for the current year should be transferred to Adult Activities to meet the needs of the adult participants in Merced County.**