

**TO: Workforce Investment Board  
Executive Committee**

**DATE: March 10, 2003**

**FROM: WIB Staff**



**For Action**



**For Information**



**For Discussion**

**SUBJECT: WIA Reauthorization**

**PROPOSED MOTION(S): That this is committee write letters to their elected officials with recommendations in three categories: 1) to strengthen business as customer and business leadership, 2) align resources and accountability to the needs of customers and the goals of WIA, and 3) clarify and strengthen Federal, State, and local roles.**

**DISCUSSION: Now is the time to influence elected officials regarding the 2004 WIA reauthorization and provide input and recommendations about what is needed and works in Merced County.**

**ATTACHMENT(S): Critical Issues Paper**

## **Action to Address the Critical Workforce Crisis in Merced**

### **Workforce Investment is necessary:**

For Merced County, the quality of the Workforce and the academic achievement level of students in the K-12 education system have historically been two major constraints to its ability to improve the economic vitality of the region. Over 1/3 of the County's population 25 years and older do not have a high school diploma, and only 11% have a BA degree of higher.

Merced is the youngest County in California. Youth between the ages of 0-18 represent 35.6 % of the population. The linkages between the success of education and the future workforce are critical.

Jobs in Merced County grew by 16.1% between 1990 and 2000, a higher rate than the 13.7% population growth. This was not reflected in the growth in real wages. Between 1970 and 1998 real wages (adjusted for inflation) dropped in Merced County by 8.1 %, while climbing by 6.4% in the State as a whole. This trend reflects the poor skills of the workforce, which in turn, affects the regions ability to attract higher paying jobs.

Since July 2002 through February 2003 Merced has had 16 employers close their doors, which displaced 416 workers. Twenty five percent of the individuals laid off were limited English speaking with poor basic education skills. Reemployment opportunities for those with basic skill deficiencies are limited. Funding was reduced in "02" and again in "03" to address the needs of displaced workers and the trend to continue to reduce resource to this group is proposed again in "04".

### **The following action is needed:**

- Support the reauthorization of the Workforce Investment Act, with minimum changes, to allow the program to mature. Phase in any changes.
- Continue the support of youth programs in WIA reauthorization to serve both in and out of school youth.
- WIA is one tactic in workforce investment. Strengthen the One Stop delivery system by creating a new way to fund the cost of infrastructure of the One Stop Center delivery system, while providing better linkages to other programs funded by the One Stop Partners.
- Restored funding to FY 2002 levels.

### **Local Economy Drives Community Prosperity:**

The Workforce Investment Board of Merced County has positioned itself to work collaboratively with Economic Development and Education and to engage both public and private sector resources to identify needs, and provide appropriate education and training opportunities to advance the skills of our citizens. They have guided the development of the One Stop Center system entitled, Worknet of Merced. The Centers provided 43,000 units of service in 2002, and the demand had an increase during the first half of 2003 by 12%.

#### **The following action is needed:**

- Strengthen the Business Customer and Business Leader role at the local level to drive the Investment and meet the needs of Merced's Employers.
- Support the continuation of the One Stop Partners represented on the WIB. Contributions to the One Stop should be linked to the ability to influence policy.
- The Personal Reemployment Accounts proposed by the Administration should have local level Workforce Investment Board oversight.
- Oppose additional mandates or assumption of other program functions in WIA reauthorization that do not include funding to accomplish them.