

TO: Executive Committee

DATE: 04/03/06

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: PY 2006 Allocation – Revised Designation of Areas of Substantial Unemployment

PROPOSED MOTION(S): Information only.

DISCUSSION: The Department of Labor Employment and Training Administration (ETA) defines the nation’s areas of substantial unemployment (ASU). The States calculate their state and in-state ASU using census data. This year the 2000 census data was to be used, but it was discovered a census data processing problem created misleading and erroneous results in the ASU calculations.

ETA has now instructed the states to recalculate their state and within state ASUs using 1990 census data. Because of the delay, ETA will not be able to calculate the state formula allocations normally issued at the beginning of program year for the WIA adult and youth programs.

This means that the normal allocation process has been disrupted. ETA will allocate initially to assure states receive a minimum amount equivalent to the higher of

- 90% of the prior year allocation, or**
- .25% of the total funds available for states.**

California can expect to get its funds in two portions, July 1st and October 1st. Consequently, LWIAs can expect a similar allocation schedule. This impacts our youth contractors most. They will not know their youth allocation at contract negotiations, and can expect to see dollars available in July, October and then carryover monies in November.

ATTACHMENT (S): N/A