

**TO: Executive Committee**

**DATE: 6/05/06**

**FROM: WIB Staff**

**For Action**

**For Information**

**For Discussion**

**SUBJECT: PY 2006-07 Allocations & PY 2005-06 Rescission and Reallotment**

**PROPOSED MOTION (S): Information only.**

**DISCUSSION: Allocation information for Program Year 2006-07 has been received approximately one month late, and is not yet in final figures. The Department of Labor (DOL) allocated funds to the states based on guidelines issued under Training & Employment Guidance Letter (TEGL) No. 25-05. The TEGL states that computation of the full state allotments for the Adult and Youth programs have been delayed while states identify their Areas of Substantial Unemployment (ASU) data for PY 2006-07.**

**Because of the lack of ASU data, the states were told they would initially receive allotments for the Adult and Youth programs based on the minimum amounts a state would be guaranteed under the WIA formula. Funding to states for the Dislocated Worker (DW) program will reflect the full year's allotment.**

**The State has figured our local allocation using similar provisions. Once all the states have submitted revised ASU data, and the data is certified, DOL will issue the remainder of the formula funds. The State will then revise the allocation to the local Workforce Investment Areas. No dates have been forecast. The State has made it clear that negative as well as positive adjustments may be required once the final computations are made.**

**Program Year 2005-06 Rescission and Reallotment**

**DOL has also announced a federal rescission of 1.0% and a reallotment to the present Adult and Dislocated Worker programs. Those figures for Merced County are:**

| <b>Program</b>           | <b>2005-06 Allocation</b> | <b>Rescission/Reallotment</b> | <b>Adjusted Allocation</b> |
|--------------------------|---------------------------|-------------------------------|----------------------------|
| <b>Adult</b>             | <b>\$1,661,859</b>        | <b>(13,197)</b>               | <b>\$1,648,659</b>         |
| <b>Dislocated Worker</b> | <b>\$1,447, 654</b>       | <b>(10,288) \$505</b>         | <b>\$1,437,871</b>         |

**Program Year 2006-07 Allotments and Planning Estimates**

**Youth funds have been received as an allocation through Master Subgrant Agreement**

**R 760332. Rapid Response funding has been forecast and should not change. Both Youth and Adult funding are now being referred to by the Employment Development Dept as Planning Estimates.**

**Program Year 2006-07 Allocations and Planning Estimates**

| <b>Program</b>        | <b>2006-07 Allocation/PE</b> | <b>2005-06 Allocation</b> | <b>% Change</b> |
|-----------------------|------------------------------|---------------------------|-----------------|
| <b>Adult</b>          | <b>\$1,296,055</b>           | <b>1,648,659</b>          | <b>- 21.4%</b>  |
| <b>Youth</b>          | <b>1,407,379</b>             | <b>1,805,052</b>          | <b>- 22%</b>    |
| <b>Rapid Response</b> | <b>278,173</b>               | <b>211,238</b>            | <b>+ 31.7</b>   |

**ATTACHMENT (S): N/A**