

TO: Workforce Investment Board (WIB)

DATE: 7/17/03

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Local Workforce Investment Areas (LWIAs) Consortium

PROPOSED MOTION(S): Information Only

DISCUSSION: An informal consortium of LWIAs has been formed to pursue funding opportunities to mitigate recent WIA funding reductions. The Central Valley LWIAs represented are Merced, Kings, Fresno, Madera, San Joaquin, Stanislaus, Kern and Tulare. In addition to these LWIAs, several LWIAs to the east and west of the valley who have also experienced cuts have joined the consortium in support of their valley neighbors, and in response to the anticipated regional affects these cuts will have. These LWIAs are Motherlode, San Benito, Santa Barbara and San Luis Obispo.

The consortium has begun correspondence with the Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley, California asking for assistance to secure funding. The consortium has chosen Merced to be its spokes-county.

ATTACHMENT(S): Letter, US Department of Labor, June 6, 2003



**DEPARTMENT OF
WORKFORCE INVESTMENT**

Andrea T. Baker
Director

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June 6, 2003

Juan Regalado, Agricultural Services Specialist
US Department of Labor
Employment and Training Administration
1900 Garden Road
Monterey, CA 93940

Dear Juan Regalado:

As a member of the Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley, California, you are no doubt aware of the significant impact that workforce issues have on economic development in our region. Indeed, several of the Task Force's long-term goals (most notably, to "increase personal wealth, lower poverty, and raise employment and wage rates") are inextricably linked to the need to better prepare our workforce for today's jobs and tomorrow's careers.

As provided for by the Workforce Investment Act of 1998, the Local Workforce Investment Areas (LWIAs) throughout the Central Valley are charged with the responsibility of training workers to meet the demands of both existing and potential employers. True economic development cannot be achieved without ensuring that the labor force keeps pace with employer's ever-changing needs. Accomplishing this is a task that the LWIAs throughout the Valley are exceptionally committed to.

Like any other important public service, preparing people for work requires considerable resources. In April 2003, allocations of Workforce Investment Act (WIA) dollars for all the LWIAs in California were announced. While LWIAs in the San Francisco Bay Area experienced an increase in funding, all Central Valley LWIAs experienced funding reductions, with the average funding cut being an alarming 27%. These cuts will affect adults, youth, and dislocated workers currently receiving a comprehensive array of services under WIA-funded programs. In response to this crisis, which is sure to negatively impact economic development progress throughout the Valley, several LWIAs have come together to actively pursue funding opportunities that can mitigate this devastating loss. The LWIAs represented in this informal consortium are: Merced, Kings, Fresno, Madera, San Joaquin, Stanislaus, Kern and Tulare. In addition to these Central Valley LWIAs, several LWIAs to the east and west of the Valley who have also experienced cuts have joined the consortium in support of their Valley neighbors and in response to the anticipated regional affects these cuts will have. These LWIAs are Motherlode, San Benito, Santa Barbara and San Luis Obispo.

The devastating budget cuts described above coincide with changes in the economy that are driving increased need for the services that LWIAs provide through their One-Stop career centers. In order for businesses, particularly Central Valley businesses, to survive and grow in the changing economy, they must have access to a workforce that is flexible and prepared to meet challenges. Workers must have basic and vocational skills that can keep pace with the changing demands of an increasingly diversified economy. One-Stops prepare workers to meet all of these challenges, and the increasing numbers of individuals seeking services at the One-Stops bears this out.

As it will come as no surprise to anyone familiar with the Central Valley, we face overwhelming demographic, social and economic challenges that make it difficult to carry out workforce investment activities even under ideal budget conditions. The Valley has the highest proportion of dependent populations (under age 16 or over age 64) of any region in California. Over the past decade, the average household income in the Central Valley has been 20% lower than the state average. In March 2003, the average unemployment rate for the Central Valley Counties mentioned as members of this consortium was over 15%, compared to the state average of 6.8%. Low educational attainment rates throughout the Valley mean that clients receiving services under WIA-funded programs require more intensive and costly basic education training to prepare them for even entry-level positions. These are just a few examples of the barriers to employment that Central Valley LWIAs are charged with mitigating.

It is the hope of the consortium that the Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley, California will be able to assist the LWIAs in securing funding so that workforce activities absolutely necessary to the economic development of the Central Valley can continue.

Sincerely,

Andrea T. Baker
Director

CC: Valley County Directors