



**DEPARTMENT OF
WORKFORCE INVESTMENT**

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State of California
Employment Development Department
Compliance Monitoring Section
Compliance Review Division
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

RE: Response to Finding 1
Workforce Investment Act
Fiscal and Procurement Review
Draft Monitoring Report
Program Year 2002-03

The Merced County Department of Workforce Investment has set in place a procedure for calculating One Stop costs and cost allocation plan for One Stop partners. Attached is a copy of that procedure. Our timeline is as follows:

By August 1, 2003: Complete budget of One Stop costs based on prior year costs and anticipated costs.

By August 31, 2003: Meet with each partner to determine their benefit received and the cost of that benefit.

September 11, 2003: The Workforce Investment Board will review the cost allocation plan.

By October 31, 2003: All MOU's will be revised to include the method for determining the cost allocation plan and procedures for determining annual costs.

November 13, 2003: The Workforce Investment Board will approve revised MOU's which includes a cost/resource sharing agreement.

The MOU's will include the **method** for determining the cost allocation and will not need to be revised each year. All new MOU's will include the method for determining the cost allocation plan and procedures for determining annual costs. By August 1st of each year a new cost allocation will be determined and reviewed with partners during the month of August. The Workforce Investment Board will review the cost allocation plan at their meeting in September.

We greatly appreciate Mr. Richard Prouty's expertise and professionalism during his compliance review. It was a pleasure to work with him.

If you have any questions regarding the above, please contact Jackie Walther-Parnell, Operations Officer, at (209) 724-2012 or e-mail jwaltherparnell@co.merced.ca.us.

Sincerely,

Andrea T. Baker
Director

Enc: Copy of Procedure of Allocation of One Stop Costs