

TO: WIB Executive Committee

DATE: 07/26/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Reallocation of Youth Funds

PROPOSED MOTION(S): Approve the reallocation of approximately \$76,050 of PY 2003/04 Out-of-School youth funds to Younger youth funds.

DISCUSSION: Merced County has contracts with Merced County Office of Education Regional Occupational Program to provide Workforce Investment Act services to youth ages 14-18, and out-of-school youth, ages 17-21. The younger youth program has been in existence since September 2000. The out-of-school program began in September 2003 as a result of the previous provider terminating its contract with Merced County.

WIA Section 129 (c)(4) states that at a minimum, 30 percent of youth funds shall be used to provide youth activities to out-of-school youth. With the closure of JCG and the late start of the MCOE out-of-school program, funds were allocated to the out-of-school program at a 35% rate, rather than the previous 30% rate of other out-of-school programs. Later, when it became evident that at least 30% of the youth funds would actually be spent on out-of-school youth, and additional out-of-school funds were available but would not be spent by the out-of-school program, the decision was then made to allow the younger youth program to include more of their participants in the summer work experience program. To cover these younger youth costs necessitates moving approximately \$76,050 of out-of-school funds to the younger youth contract.

Amendments need to be made to both contracts. The movement of this money will still allow the WIA required 30/70 split of youth funding between programs to be maintained. This action is being taken after-the-fact to allow for actual costs rather than forecast spending. The exact amount will be calculated July 31, 2004.

ATTACHMENT(S): N/A