

**Workforce Investment Board of Merced County
Finance Committee**

**Dept of Workforce Investment Small Conference Room
1880 W. Wardrobe Ave, Merced, CA**

August 25, 2004, 7:30-9:00 a.m.

Meeting Agenda



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1. Call to Order
 2. Approve Agenda
 3. Approve Minutes (June 30, 2004)
 4. Public Opportunity to Speak
 5. Discussion
 - a. Costs for Staff Support to Youth Programs
 6. Information Agenda
 - a. Year-End Fiscal Report
 - b. Youth Funds – PY 03/04 Contracts
 - c. Grants Update
 - d. Enterprise Zone Vouchering
 7. Chair Comments
 8. Next Meeting Date – September 30, 2004.....
 9. Adjourn

Workforce Investment Board of Merced County
Finance Committee
Department of Workforce Investment (Small Conf Rm)
1880 W. Wardrobe Ave, Merced, CA
Wednesday, June 30, 2004, 7:30–9:00 a.m.
Meeting Minutes



Members Present: Lee Andersen, Andrea Baker, John Fowler, Vann (Mike) Smith (Chair)

Members Absent: Ed Anderson, Alfonse Peterson (Vice Chair)

Staff Present: Dave Davis, Dee Knight, Joanne Presnell, Jackie Walther-Parnell

1. **Call to Order:** The Chair called the meeting to order at 7:39 a.m. A sign-in sheet was used in lieu of roll call.
2. **Approve Agenda:** It was *M/S/C Fowler/Andersen* to approve the agenda as published.
3. **Approve Minutes (April 26, 2004):** It was *M/S/C Andersen/Baker* to approve the April 26, 2004 minutes.
4. **Public Opportunity to Speak:** None.

5. Discussion:

a. 501-3c Information Update: Mr. John Fowler noted he received the final report on the feasibility study for the nonprofit Community Development Corporation (501-3c). The report recommended creating a 501-3c with limited scope by deferring the connection with education and workforce, and concentrating solely on the financial aspect. It contained suggestions of how the 501-3c should be structured, and the costs for its first year of operation.

He noted the financing (seed money) was discussed with the County Executive staff, but due to the current budget restrictions, it was recommended the creation of a 501-3c be postponed for about one year. In a briefing given to the Board of Supervisors (BOS) in May 2004, it was recommended that the BOS defer this project until budget year 2005/2006.

The Grant Writer, Ms. Kirsten Lee, is looking for any possible grants that will help fund this project. Mr. Fowler will check on getting a copy of the report on a CD to the Finance Committee.

6. Information Agenda:

a. Fiscal Report: Staff provided handouts of the Allocations, Obligations and Expenses for FY 2003/04 (July 1, 2003-June 30, 2004) through May 31, 2004, gave an overview of the report, and answered specific questions.

Staff noted adult expenditures are at approximately 70 percent, dislocated worker is approximately 66 percent, and youth is over 60 percent. This includes the current year's funding plus carryover.

There will be a carryover next year for the Youth Program, which is already obligated in the new contract. Staff will verify the accuracy of the contract balance for In-School-Youth.

On the WIA Contracts, it was recommended for reporting purposes that the total contract amount (first column) be reduced by the anticipated amount not to be expended.

b. Fiscal Year 2004/2005 Allocations: Staff provided a WIA formula fund comparison graph showing the allocation for this year and comparing it to the allocations for 2002/2003. The biggest drop over the three-year period is in the youth allocation.

c. Five-Year Strategic Plan Modification: Staff noted this is the yearly modification required by the Workforce Investment Act to show how we plan to expend our allocations. It will be submitted to the Executive Committee with a recommendation for approval and signature in July 2004.

d. Jobs for California Graduates Closeout Report: Staff noted the final payment of \$3,314.97 was made to Jobs for California Graduates. Per request of the fiduciary to County Counsel, the payment was made directly to County Bank. The Department will respond to the state on how it will prevent this happening again, and then the state will issue a final report.

It was recommended that the Workforce Investment Board set some guidelines for nonprofit boards/audit committees by having them attend training on financial oversight before a contract is awarded, or request documentation of such training.

7. Chair Comments: The Chair asked if it was possible for the Finance Committee to meet the week before the Executive Committee has its meeting. Staff noted a fiscal report could not be prepared that early in the month.

8. Next Meeting Date: The next meeting is July 28, 2004, 7:30-9:00 a.m., in the Wardrobe Large Conference Room.

9. Adjourn: The meeting adjourned at 8:32 a.m.

Minutes prepared by Devilla D. Knight.

TO: Finance Committee

DATE: August 25, 2004

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Fiscal Report

PROPOSED MOTION(S): None. Information Only.

DISCUSSION: Attached are the Year-end Fiscal Report through June 30, 2004, and the Contracts Report showing the status of contracts through August 20, 2004. Staff will be present at the meeting to answer questions.

ATTACHMENT(S): Fiscal Report and Contracts Status Report

**MERCED COUNTY DEPARTMENT OF WORKFORCE INVESTMENT
FISCAL REPORT FOR FINANCE COMMITTEE
For Fiscal Year 2003/04
July 1, 2003 - June 30, 2004
Through 6/30/04**

Target 100.00%

	BUDGET						ACTUAL			Carryover as % of Available Obligations	Obligations of 03/04 Funds Carried to FY 04/05	Carryover not Obligated	Unobligated Carryover as % of 03/04 Appropriation
	Planned for New Funds Based on Plan Mod 7/1/03 to 6/30/04	Carryover Funds From 02/03	Adjust to Carryover FY 02/03	Additional Funds	Adjustments 04/09/04	Budget for Available Funds	Accrued Expenditures FY to Date	Available For FY 04/05	Percent Expended to Date				
ADULT													
03/04 Allocation	Core A \$ 395,760	\$ 148,748	\$ 17,620			\$ 562,128	\$ 611,580	\$ (49,452)	108.80%		\$ 73,007		
	Core B \$ 322,884	\$ 120,142	\$ 14,231			\$ 457,257	\$ 521,200	\$ (63,943)	113.98%		\$ 54,268		
	Intensive \$ 163,297	\$ 62,931	\$ 7,455			\$ 233,683	\$ 118,035	\$ 115,648	50.51%		\$ 9,609		
	Training \$ 659,139	\$ 240,285	\$ 28,463		\$ (8,003)	\$ 919,884	\$ 487,358	\$ 432,526	52.98%		\$ 274,808		
	Admin \$ 171,231	\$ 63,556	\$ 7,530			\$ 242,317	\$ 98,234	\$ 144,083	40.54%		\$ 12,648		
	Other					\$ 10,006		\$ 10,006	0.00%				
	Total \$ 1,712,311	\$ 635,662	\$ 75,299			\$ 10,006	\$ (8,003)	\$ 2,425,275	75.72%	34.39%	\$ 424,340	\$ 164,528	9.61%
DISPLACED WORKER													
03/04 Allocation	Core A \$ 416,806	\$ 42,927	\$ 22,325	\$ 3,998		\$ 486,056	\$ 486,028	\$ 28	99.99%		\$ 60,957		
	Core B \$ 443,981	\$ 45,993	\$ 23,918	\$ 3,998		\$ 517,890	\$ 426,363	\$ 91,527	82.33%		\$ 45,296		
	Intensive \$ 252,582	\$ 26,063	\$ 13,553			\$ 292,198	\$ 186,872	\$ 105,326	63.95%		\$ 18,139		
	Training \$ 374,568	\$ 38,327	\$ 19,932		\$ (428)	\$ 432,399	\$ 239,642	\$ 192,757	55.42%		\$ 66,963		
	Admin \$ 165,326	\$ 17,034	\$ 8,859			\$ 191,219	\$ 89,032	\$ 102,187	46.56%		\$ 11,520		
	Total \$ 1,653,263	\$ 170,344	\$ 88,587	\$ 7,996	\$ (428)	\$ 1,919,762	\$ 1,427,937	\$ 491,825	74.38%	29.75%	\$ 202,875	\$ 288,950	17.48%
YOUTH													
03/04 Allocation	* In School \$ 1,271,075	\$ 219,165	\$ 311,108			\$ 1,801,348	\$ 1,678,061	\$ 123,287	93.16%		\$ 361,602		
	* Out of School \$ 544,747	\$ 511,383	\$ 725,920	\$ 3,219		\$ 1,785,269	\$ 942,718	\$ 842,551	52.81%		\$ 842,551		
	Admin \$ 201,758	\$ 81,172	\$ 115,225			\$ 398,155	\$ 141,968	\$ 256,187	35.66%		\$ 17,872		
	Total \$ 2,017,580	\$ 811,720	\$ 1,152,253	\$ 3,219	\$ -	\$ 3,984,772	\$ 2,762,747	\$ 1,222,025	69.33%	60.57%	\$ 1,222,025	\$ -	0.00%
* RAPID RESPONSE													
03/04 Allocation	\$ 375,000					\$ 375,000	\$ 296,044	\$ 78,956	78.95%	Rapid Response funding is through 9/30/04.			
02/03 Supplemental	\$ 100,000					\$ 100,000	\$ 91,792	\$ 8,208	91.79%				
	\$ 475,000	\$ -	\$ -	\$ -	\$ -	\$ 475,000	\$ 387,836	\$ 87,164	81.65%				
All Programs	\$ 5,858,154	\$ 1,617,726	\$ 1,316,139	\$ 21,221	\$ (8,431)	\$ 8,804,809	\$ 6,414,927	\$ 2,389,882	72.86%				

* RAPID RESPONSE Grant period ends 9/30/2004

BUDGET: Includes all funds available for fiscal year based on Plan submitted to EDD

OBLIGATIONS: Includes funds obligated in contracts and ITA's

Youth Program Funds (excludes Admin)

Total Youth Expenditures \$ 2,620,779
 ISY Expenditures 64.03%
 OSY Expenditures 35.97%

**MERCED COUNTY DEPARTMENT OF WORKFORCE INVESTMENT
WIA CONTRACTS**

Contract/Vendor Name	Contract Number	Total Contract Amt	Start Date	End Date	Contract Balance	Budget 2003/04 Only	* Expenditures To-Date	** Inv's Rec'd Not Yet Pd	*** Inv Through	**** % Billed	Comments
Merced Adult School, PLATO Lab (ERC)	2003132	\$ 22,284	07/01/03	06/30/04	\$ 18,904.66	\$ 22,284.00	\$3,379.34	\$ -	June '04	15%	
Merced College-LB Campus PLATO Lab	2002236	\$ 127,820	07/01/02	06/30/04	\$ 9,580.43	\$ 60,019.00	\$ 118,239.57	\$ -	June '04	93%	
Merced College-LVN	2003264	\$ 101,822	01/01/04	06/30/05	\$ 63,639.50	\$ 33,942.00	\$38,182.50		May '04	37%	
Merced College-RN	2002119	\$ 137,340	07/01/02	06/30/04	\$ 4,578.00	\$ 96,138.00	\$ 132,762.00	\$ -	May '04	97%	
Merced College-CA Wellness Foundation	2003190	\$ 85,428	04/01/03	03/31/06	\$ 56,689.45	\$ 29,569.00	\$28,738.55		June '04	34%	
Merced County Office of Education-ISY	2003122	\$ 1,322,726	07/01/03	06/30/04	\$ (96,709.69)	\$ 1,322,726.00	\$1,124,507.56	\$ 294,928.13	June '04	107%	Pending corr to inv/addl b/u docs/June est
Merced County Office of Education-OSY	2003266	\$ 603,623	09/22/03	06/30/04	\$ 148,023.88	\$ 603,623.00	\$249,027.41	\$ 206,571.71	June '04	75%	Pending corr to inv/addl b/u docs/June est
Merced County Office of Education-OSY	2003266	\$ 246,246	07/01/03	09/19/03	\$ 44,523.15	\$ 246,246.00	\$201,722.85		Feb '05	82%	
		\$ 2,647,289.00			\$ 249,229.38	\$ 2,414,547.00	\$ 1,896,559.78	\$ 501,499.84			

* Expenditures To-Date include entire contract period.

** Inv's Rec'd Not Yet Pd include invoices recently received and invoices requiring corrections/backup.

*** Invoiced Through shows latest dates of service covered by invoices.

**** % Billed is of entire contract, not just current year.

TO: Finance Committee

DATE: August 25, 2004

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Merced County Ordinance – Fee for Enterprise Zone/LAMBRA Voucher Application

PROPOSED MOTION(S): None. Information Only.

DISCUSSION: The Enterprise Zone/LAMBRA Programs target economically distressed areas throughout California. Special state and local incentives encourage business investment and promote the creation of new jobs. The purpose of the Enterprise Zone/LAMBRA Programs is to provide tax incentives to businesses and allow private sector market forces to revive the local economy. Enterprise Zone/LAMBRA companies are eligible for substantial tax credits and benefits. With Hiring Tax Credits, a business can earn up to \$31,590 in State tax credits for each qualified employee hired. Merced County has areas that have been designated Enterprise Zone/LAMBRA areas.

The Merced County Department of WI is the designated vouchering agent in Merced County that provides this service to employers. The number of Enterprise Zone/LAMBRA Voucher applications has been increasing, and is impacting Workforce Investment Act funds. To recover some of the costs incurred by WI, the Merced County Board of Supervisors has adopted a fee ordinance. The State of California also anticipates requiring a state fee of \$10. There has not yet been a start date set for that fee. Merced County Department of WI will collect the state fee in addition to the county fee and forward the state fee to the state.

This county fee is based on the estimated cost per application incurred by the Department of WI in 2003-04. There were 1,981 Enterprise Zone/LAMBRA Voucher applications processed in 2003-04 with a potential state tax credit benefit of \$62,579,790 to employers over 5 years. The Workforce Investment Act Section 195(7)(A) states, "Income under any program administered by a public or private nonprofit entity may be retained by such entity only if such income is used to continue to carry out the program." The Dept of WI will be charging a fee to pay for staff costs and overhead incurred through the Enterprise Zone/LAMBRA Voucher promotion and application process. The users will be charged a fee of \$40 per application submitted to WI, plus, when it becomes effective, a \$10 fee for the state. The estimated cost per application for FY 2004-05 was based on staff time, which was \$78 for FY 2003-04. The \$40 fee per application does not cover the full cost, and will be used to defray the increasing cost to WI. This fee does not include any state imposed fees that would have to be passed on to the business requesting this service. In FY 2005-06, and in subsequent years, the cost will be determined based on actual costs for staff providing service in the Enterprise Zone/LAMBRA application process during the preceding year.

ATTACHMENT(S): N/A