

TO: Finance Committee

DATE: August 31, 2005

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Youth Funds Carry Forward

PROPOSED MOTION(S): None. Information Only.

DISCUSSION: After submission of final invoices by Merced County Office of Education (MCOE) for their contracts ending June 30, 2005, there is approximately \$328,905 remaining - \$119,339 in the Older Youth Contract, and \$209,566 in the Younger Youth contract. These funds may be made available to be added to FY 2005/06 contracts.

Current WIA regulations require that **at least** 30% of Youth Program funds be spent on Older Youth Programs. It is important that, if these carry-forward funds are added to MCOE's FY 2005/06 contracts, the funds must be allocated to ensure required percentages of Older Youth expenditures to meet WIA requirements. In addition to the current requirement of 30% to Older Youth, it is very possible that there will soon be a change in the regulation to require that more than 30% is to be spent on Older Youth. In fact, the new percentages could be changed to as high as 70% required for Older Youth with only 30% allocated to Younger Youth.

At this time, the 05/06 contracts with MCOE are allocated 40% to Older Youth and 60% to Younger Youth. If the carry-forward funds were allocated to the 05/06 contracts in the same percentages, the maximum to be added to the Younger Youth contract would be \$197,343, with the remaining \$141,562 added to the Older Youth Contract. This would not, however, guarantee that the required percentages would not change during the life of the contracts.

ATTACHMENT(S): None