

**To: Workforce Investment Board**

**Date: Nov 15, 2001**

**FROM: Youth Council / WIB Executive Committee**

**For Action**  
 **For Information**  
 **Meeting Notes**

**SUBJECT: Renegotiation of Arbor, Inc. Contract**

**PROPOSED MOTION: That the Workforce Investment Board ratify the action taken by the Executive Committee on October 29, 2001 to concur with the Youth Council's recommendation to renegotiate the Arbor contract for the 19-21 Older Youth Program.**

**DISCUSSION: Arbor, Inc. is the provider for Merced County's Older Youth Year Round Program. The Arbor contract is intended to serve 500 youth over a 20 month program. In the first 8 months 175 youth were scheduled to be enrolled into the program. However, only 55 were actually enrolled. The second year of the program an additional 325 youth were scheduled to enroll. As of October (July, August, September and October), only 26 have been added to the program. To exacerbate this problem, Arbor has added staff to handle an unrealized increased number of clients. This has caused an escalation of costs without an appropriate increase in clients served.**

**On September 14, 2001, the Youth Council's Operations Committee directed PITD to contact Arbor with the intent to renegotiate the contract with lower numbers of youth being served at reduced costs. Arbor responded with a recommendation to de-obligate \$489,000 from the current contract amount of \$1,855,233 leaving the amount of \$1,366,233. They also proposed the number of youth enrollments be reduced from 500 to 300.**

**At their meeting on October 12, 2001, the Youth Council approved a counter proposal to de-obligate \$862,722 from the current \$1,855,233 leaving the amount of \$992,342. They also proposed that the number of youth enrollments be reduced from 500 to 175.**

**On October 29, 2001 the WIB Executive Committee approved the Youth Council's recommendation and voted to send the decision to the WIB for ratification.**

**ATTACHMENT: N/A**

