

**TO: Workforce Investment Board
Executive Committee**

DATE 12/2/02

FROM: WIB Staff



For Action



For Information



Meeting Notes

SUBJECT: Information on CalWorks Contract Reduction

PROPOSED MOTION(S): Approve the changes as outlined below.

DISCUSSION: Merced County Human Services Agency notified the Department of Workforce Investment (WI) in late October that, due to budget cutbacks from the State, HSA was reducing the CalWorks Contract for the period 5/1/02 through 5/31/03. HSA originally estimated the reduction at \$1,000,000. After considerable negotiations and adjustments to CalWorks programs and CalWorks staffing, it was determined that the final reduction to the contract would be \$822,115. There will be no reduction in services provided to WIA participants.

The following is an outline of changes within the department (WI) necessitated by the reduction in this contract:

- Reduction of extra-help employees. Permanent employees are being transferred from CalWorks activities to WIA activities. There has been no change in number of staff providing WIA services.
- A shift in overhead and pooled costs within the department based on the percentage of department staff allocated to CalWorks and WIA. This is expected to be minimal and overhead costs will remain within WIA guidelines.
- Reduction of **staff** transportation and travel. WIB travel has not been affected.
- Merced College contract 200160, Fees for Services, ends 12/31/02. Staff recommends that the contract not be renewed. This contract originated under JTPA and the number of students who are provided these services has greatly decreased under WIA. Services will be provided by Department of Workforce Investment employees with no loss of services to participants.

Attachments: N/A