



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: BC 24-053, **Version:** 1

Receive the Monterey County Workforce Development Board FY 2023-24 Semiannual Financial Status Report for the Workforce Innovation and Opportunity Act (WIOA) funded programs through March 31, 2024.

RECOMMENDATION:

It is recommended that the Budget Committee:

Receive the Monterey County Workforce Development Board FY 2023-24 Semiannual Financial Status Report for the Workforce Innovation and Opportunity Act (WIOA) funded programs through March 31, 2024.

SUMMARY/DISCUSSION:

Workforce Innovation and Opportunity Act (WIOA) revenues are drawn down from the State Employment Development Department (EDD) and from the U.S. Department of Labor (DOL) as expenses are incurred. Expenses are paid on a reimbursement basis from State and Federal allocations. Program expenditures are aligned with program revenue. The Workforce Development Board (WDB) received funding in two rounds for the Adult and Dislocated Worker programs. The first round of funding was received July 1, 2023 - September 30, 2023, and was 16% of the annual allocation; the second round of funding was received October 1, 2023 - June 30, 2024, and provided the remaining 84% of the allocation. Youth funding is received once annually.

The WDB has up to two years to spend down its Adult, Dislocated Worker, and Youth formula allocations. The prior year's allocation from a given funding stream must be fully expended before the current year's allocation will be made available, and allocation amounts unspent after two years are recaptured by the State. The WDB can transfer up to 100% of funding from the Adult program to the Dislocated Worker program, or from Dislocated Worker to Adult; however, based on current circumstances, funds cannot be transferred to or from the Youth program.

As the fiscal agent for regional grants, the WDB is the lead on key initiatives for the North Central Coast Regional Planning Unit (RPU) which includes the workforce development boards of Monterey, Santa Cruz, and San Benito counties. The WDB is the lead on a number of non-WIOA discretionary grants, including the June 1, 2023 through March 31, 2026 High Road Construction Careers State grant that funds a \$1.9 million tri-county pre-apprenticeship training program in partnership with the Monterey/Santa Cruz Building and Construction Trades Council and the Laborers Training Center to provide training to 126 individuals over a thirty-month period. Secondly, the WDB is the lead on the January 1, 2023 through October 31, 2025 Regional Equity and Recovery Partnerships State grant of \$1.15 million to support regional workforce development boards and community college partnerships and provide an employment training program for 121 participants in a variety of occupations.

The WDB is also the Regional Training Coordination lead for WIOA staff and partners in the America's Job Centers of California (AJCC).

The WDB has received National Dislocated Worker Grant Disaster Recovery funding in 2023 and 2024 to provide employment and training opportunities in support of storm clean-up and restoration efforts within Monterey County.

The WDB has an agreement with Equus Workforce Solutions (formerly ResCare) to provide WIOA career and training services to Adults and Dislocated Workers. For FY 2023-24, Equus had goals to enroll and serve 425 Adults and 75 Dislocated Workers with training and employment opportunities. Equus is currently on track to meet these goals.

In addition, the WDB has an agreement with Equus and Turning Point to provide WIOA Youth services in northern and southern Monterey County, respectively. During the past fiscal year, the service providers' combined goals were to enroll and serve 220 Youth participants and provide 178 of these youth with work experience. Equus and Turning Point are currently on track to meet these goals.

The WDB has also received non-WIOA funding from the Monterey County Probation Department to provide training opportunities to participants under Assembly Bill (AB) 109 Program special project grants. In addition, the Silver Star youth program, which provides training and employment assistance to at-risk and justice-involved youth, is funded through the County.

The WDB's financials as of March 31, 2024 are as follows:

FY 2023-24 Total WIOA Formula Allocations	\$ 6,032,737
FY 2022-23 Total WIOA Funds Carried In	<u>\$ 3,581,176</u>
Total Available WIOA Funds on July 1, 2023	\$ 9,613,913
Less Expenses through March 31, 2024	(\$ 3,698,986)
WIOA Formula Grants, Total Balance	<u>\$ 5,914,927</u>
Total Available Other Grants Funds on July 1, 2023	\$ 704,807
Less Expenses through March 31, 2024	<u>(\$ 458,603)</u>
Other Grants, Total Balance	<u>\$ 246,204</u>
Total Available State Discretionary Funds on July 1, 2023	\$ 5,860,844
Less Expenses through March 31, 2024	(\$ 797,900)
State Discretionary Grants, Total Balance	<u>\$ 5,062,945</u>

The decline in individuals' participation in training and employment services has been a common occurrence for WDBs in California and across the United States, with most WDBs seeing a 20% drop in their clientele relative to pre-pandemic participation levels.

With the low unemployment rate in Monterey County, the WDB and its service providers continue to see lower numbers of individuals accessing services, primarily in the Dislocated Worker program, the WDB has developed several initiatives to reach out to and serve current and new participants looking for training services. The WDB has developed training programs for Community Health Workers and has partnered with Joby Aviation for on-the-job training opportunities.

It should also be noted that, due to recent changes to the requirements for eligible training providers, the State's EDD has reduced the number of training providers that can be recommended to participants requesting training in Monterey County. Because of these new training provider performance and administrative requirements, the reduction of available training providers has resulted in a lower training expenditure rate. The WDBs in California are required to spend 30% of their Adult and Dislocated Worker funds on training. The WDB has not been able to provide the full suite of training services to its clients, which is reflected on the spending reported above.

The WDB carry-in funding from FY 2022-23 came from both of its adult WIOA programs, but primarily from the Dislocated Worker grant, due to the low unemployment rate during this reporting period and the state of the current labor force. Funds from FY 2022-23 must be fully expended before the WDB can begin to use its FY 2023-24 allocation. Based on fewer enrollments in the Dislocated Worker program and the reduction of State-approved training providers, client training has been underspent, which is the bulk of the carry-in funds from prior years that must be made up during this fiscal year. The WDB will be transferring \$1,100,000 from the Dislocated Worker program to the Adult program to allow the WDB to serve more clients in Monterey County.

OTHER AGENCY INVOLVEMENT:

The WDB is partnering with the Probation Department for the AB 109 grant and with the County Administrative Office (CAO) for the Silver Star Program.

FINANCING:

There is no financial impact to Monterey County General Funds in receiving this report.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This work supports the Board of Supervisors' Strategic Initiative that supports economic development, system alignment and accountability, service integration and continuous improvement.

- √ Economic Development: Through collaboration, strengthen economic development to ensure a diversified and healthy economy

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ATTACHMENTS:

FY 2023-24 Semiannual Financial Status Report