



County of Monterey

Item No.12

Board Report

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

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Receive the Monterey County Workforce Development Board FY 2024-25 Final Financial Status Report for the Workforce Innovation and Opportunity Act (WIOA) funded programs through June 30, 2025.

RECOMMENDATION:

It is recommended that the Board of Supervisors Budget Committee:

Receive the Monterey County Workforce Development Board FY 2024-25 Final Financial Status Report for the Workforce Innovation and Opportunity Act (WIOA) funded programs through June 30, 2025.

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, 2024 - September 30, 2024, and was 16% of the total allocation; the second round of funding was received October 1, 2024 - June 30, 2025, 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 federal statutes, funds cannot be transferred to or from the Youth program.

As the fiscal agent for a number of regional grants, the WDB is the lead on some key State initiatives for the North Central Coast region, which includes the workforce development boards of Monterey, Santa Cruz, and San Benito counties. Among the non-WIOA discretionary grants, the WDB administers the *High Road Construction Careers* State grant (June 1, 2023, through March 31, 2026), which funds the tri-county pre-apprenticeship training program in partnership with the Laborers Training Center and the Monterey/Santa Cruz Building and Construction Trades Council to provide training to 126 individuals over a thirty-month period. The WDB is also the lead on the *Regional Equity and Recovery Partnerships* State grant (January 1, 2023, through October 31, 2025), to support workforce initiatives in partnership with the four regional community colleges by providing

occupational skills training and career services for 121 individuals in a variety of occupations in demand sectors throughout the tri-county region. Finally, the WDB has contracted with the San Benito County WDB to provide the *Prison to Employment (P2E) 2.0* program to Monterey County participants (March 1, 2024, through June 30, 2025), supporting reentry services and training with workforce pathways for formerly incarcerated individuals across the tri-county region.

The WDB received National Dislocated Worker Disaster Recovery grant funding in 2023 to provide employment and training opportunities to 50 individuals for storm clean-up and restoration efforts within Monterey County, working closely with California State Parks personnel at Big Sur, Point Lobos, and other State parks affected by the 2022-23 winter storms.

The WDB has also received a non-WIOA special project grant from the Monterey County Probation Department to provide training opportunities to participants under the Assembly Bill (AB) 109 program. 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 has an agreement with Equus Workforce Solutions to provide WIOA career and training services to Adults and Dislocated Workers, and agreements with Equus and Turning Point of Central California to provide WIOA Youth services in northern and southern Monterey County, respectively.

The WDB's financials as of June 30, 2025, are as follows:

See Attachment.

With a low unemployment rate (seasonally adjusted) in Monterey County last year, the WDB and its service providers continue to see lower numbers of individuals accessing services, primarily in the Dislocated Worker program. The WDB has several initiatives to reach out to and serve current and new participants looking for training services, such as the Community Health Worker training program grant from the Central California Alliance for Health and a partnership with Joby Aviation for On-the-Job Training (OJT) and youth internship 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 the WDB working more closely with Joby and other employers in Monterey County to set up OJT programs and create transitional job opportunities. As a result, the WDB allocated and spent \$1,552,000 on training for 2024-25 - an increase in expenditures from prior years. The WDBs in California are required to spend 30% of their Adult and Dislocated Worker funds on training.

The WDB carry-in funding from FY 2023-24 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 2023-24 must be fully expended before the WDB can begin to use its FY 2024-25 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 received its 2024-25 formula allocation of \$7,039,398 on June 6, 2024, for an increase of \$1,000,000 over its 2023-24 allocation in which the WDB saw a reduction of \$600,000. For FY 2025-26, the MCWDB allocation is \$7,709,678, marking an increase of \$670,280 from FY 2024-25.

Due to the low utilization of Dislocated Worker funds in Fiscal Year (FY) 2024-25, and the increasing demand for training and employment services through the Adult program, the Monterey County Workforce Development Board (MCWDB) requested a reallocation of resources to better align funding with current program needs. To support the sustained high level of activity in the Adult program, \$963,000 was transferred from the Dislocated Worker program to the Adult program.

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 2024-25 Final Financial Status Report