



County of Monterey

Item No.7

Board Report

Board of Supervisors
Chambers

168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: BC 23-166

November 29, 2023

Introduced: 11/21/2023

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

Receive the Monterey County Workforce Development Board FY 2022-23 Semiannual Financial/Close Out Status Report for the Workforce Innovation and Opportunity Act (WIOA) funded programs through June 30, 2023

RECOMMENDATION:

It is recommended that the Board of Supervisors Budget Committee:

Receive the Monterey County Workforce Development Board FY 2022-23 Semiannual Financial/Close Out Status Report for the Workforce Innovation and Opportunity Act (WIOA) funded programs through June 30, 2023

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 its funding in two rounds for the Adult and Dislocated Worker programs. The first round of funding was received July 1, 2022 - September 30, 2022, and was 16% of the allocation; the second-round funding was received October 1, 2022 - June 30, 2023, providing the remaining 84% of the allocation.

The WDB has up to two years to spend down its Adult and Dislocated Worker formula allocations. WIOA Youth funding is similarly allocated. 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 2023-26 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 to provide training to 126 individuals over a thirty-month period. Secondly, the WDB is the lead on the 2023-25 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).

In May 2023, the WDB received a new National Dislocated Worker Grant (NDWG) of \$1,582,380 to respond to the damage caused by atmospheric rivers and severe storms during winter 2022-23 and support up to 53 participants with training and employment to clean up and restore storm-affected areas within Monterey County, including Point Lobos, Asilomar, and Big Sur, over a two-year period.

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 2022-23, Equus had goals to enroll and serve 350 Adults and 150 Dislocated Workers with training and employment opportunities.

In addition, the WDB has an agreement with Equus and Turning Point to provide WIOA Youth services in northern Monterey County. During the past fiscal year, the service providers' combined goals were to enroll and serve 220 Youth participants and provide 130 of these youth with work experience.

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

The WDB's financials as of June 30, 2023 are as follows:

2022-23 Total WIOA Formula Allocations	\$ 6,628,190
2021-22 Total WIOA Funds Carried In	\$ 4,462,370
Total Available WIOA Funds on July 1, 2022	\$11,090,560
Less Expenses Through June 30, 2023	(\$ 7,509,498)
WIOA Formula Grants, Total Balance	<u>\$ 3,581,062</u>
Total Available Other Grants Funds on July 1, 2022	\$ 711,544
Less Expenses Through June 30, 2023	(\$ 711,544)
Other Grants, Total Balance	<u>\$ 0</u>
Total Available State Discretionary Funds on July 1, 2022	\$ 3,415,046
Less Expenses through June 30, 2023	(\$ 1,147,898)
State Discretionary Grants, Total Balance	\$ 2,267,148

For 2023-24, the WDB's WIOA formula allocation was \$6,032,737 - a \$595,453 reduction from the prior year. The additional carry-over funds from prior years help the WDB to maintain the current level of service to the community for Program Year (PY) 2023-24.

The COVID-19 pandemic and the following period of economic uncertainty has had a continued impact on the WDB's services provided directly to the public during FY 2022-23. The decline in individuals' participation 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.

Because 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 new initiatives to reach out to and serve current and new participants looking for training services. The WDB has developed training programs for Information Technology and 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 (a) 30% of their Adult and Dislocated Worker funds on training, and (b) 20% of their Youth funding on work experience. 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 PY 2021-22 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, with more jobs being posted than there are individuals to fill those jobs. Funds from PY 2022-23 must be fully expended before the WDB can begin to use its PY 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.

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

Prepared by: Elizabeth Kaylor, Management Analyst III, 5385

Approved by: Christopher Donnelly, WDB Executive Director, 6644



ATTACHMENTS:

FY 2022-23 Semiannual Financial/Close Out Status Report