

TRANSMITTAL #2

MEMORANDUM

November 18, 2010

TO: Workforce Development Council

FROM: Roger B. Madsen, Director *Roger B. Madsen*

SUBJECT: WIA Stimulus Funds under the American Recovery and Reinvestment Act (ARRA)

ACTION REQUESTED: Recommend Approval of Plans for ARRA Stimulus Funds' Closeout

BACKGROUND:

At its April 2009 meeting, the Council approved plans for use of the American Recovery and Reinvestment Act (ARRA) funding distributed to the state to provide employment and reemployment services to the many individuals who require these services. The purpose of this transmittal is to seek approval of final closeout strategies for the WIA ARRA funds.

WIA ARRA funds provided additional funds to serve more individuals and expand opportunities for employment and training under the Governor's 15% and under Adult, Dislocated Worker and Youth programs at the local level. With the large number of individuals impacted by the recession, funds were expected to be spent quickly and effectively to return individuals to work in high demand jobs.

State level staff has carefully monitored ARRA funds available vs. outstanding obligations and note that full expenditure of Adult, Dislocated Worker and Youth ARRA funds will occur during the final quarter of this calendar year.

However, full expenditure of the Governor's 15% ARRA Reserve Funds as planned may not occur since 1) staff charges for state level oversight will end with the closeout of local Adult, Dislocated Worker and Youth funds; and 2) regional projects developed in concert with industry and education that offer training opportunities in alternative energy, health care, advanced manufacturing and/or other high growth occupations may not expend all funds authorized by the Council.

Recommendations for Governor's 15 Percent Reserve Funds:

Due to the continuing high numbers of dislocated workers in need of WIA services, staff recommends that any ARRA 15 Percent Reserve funds which are not fully expended as initially authorized by the Council be used to support additional Dislocated Worker services.

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