



General Government (II): Page 11/Issue 212 Workforce Investment Act (WIA)— Discretionary Fund Expenditure Plan

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- In 2009-10, the federal WIA provided a total of about \$497 million in base funding for California's workforce system. The American Recovery and Reinvestment Act (ARRA) provided an additional \$470 million. Combining the base and ARRA funds, the state received a total of about \$967 million for workforce development programs.
- As prescribed by federal law, local workforce investment areas receive about 85 percent of the state's WIA allocation, while the remaining 15 percent of WIA funds are available for state discretionary purposes. In 2009-10, the amount of WIA 15 percent discretionary funds is about \$141 million.
- For 2010-11, the ARRA WIA funding has expired. Additionally, the overall WIA base funding for California decreased to \$460 million, of which about \$73 million is available for state discretionary purposes. The remaining \$73 million for 2010-11 represents an overall reduction of about 48 percent.
- The table on the next pages compares the Governor's proposed expenditures by category and initiative to current-year estimates. The Governor's proposal provides funding for a myriad of workforce programs, including initiatives for nurses, parolees, and veterans.
- Both houses appropriated the \$73 million in WIA discretionary funds. The issue in Conference is the allocation of these funds to individual initiatives.
- The Legislature should review and potentially modify the administration's WIA discretionary proposal to meet legislative priorities, including opportunities for General Fund savings.



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(In Millions)

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Budget Schedule/Category	2009-10 Total	2010-11 Total	Difference	Percent Change
WIA Administration and Program Services				
Federally Mandated State Activities for ARRA	\$4.6	\$4.2	-\$0.4	-9%
Industry Clusters of Opportunity—Technical Assistance	2.5	—	-2.5	-100
Employment Development Department (EDD)	1.2	1.4	0.2	17
California Unemployment Insurance Appeals Board	0.1	0.1	0.0	—
California Workforce Investment Board Administration	0.3	0.3	0.0	—
Audit, Compliance, and Fraud Prevention	4.7	5.4	0.7	15
Labor Market Information Program	2.0	2.3	0.3	15
Local Program Oversight and Technical Assistance	7.5	8.7	1.2	16
Financial Management and Information Technology	2.1	2.4	0.3	14
Policy Development and Partner/Program Coordination	2.2	2.2	—	—
Clusters of Opportunity	0.5	0.5	—	—
Subtotals	(\$27.7)	(\$27.5)	(-\$0.2)	(-1%)
Growth Industries—High Wage/High Skill Job Training				
Green Technology/Green Collar Jobs	\$8.8	\$2.0	-\$6.8	-77%
Community Colleges WIA Coordination/Program Integration	0.6	0.6	—	—
Incentive Grants	0.7	0.2	-0.5	-71
Regionalized Economic Stimulus	2.0	0.8	-1.2	-60
Employment Training Panel (ETP) projects	3.0	1.0	-2.0	-67
Workforce Services Network	2.0	—	-2.0	-100
Subtotals	(\$17.1)	(\$4.6)	(-\$12.5)	(-73%)

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Budget Schedule/Category	2009-10 Total	2010-11 Total	Difference	Percent Change
Industries with a Statewide Need—Expansion of Workforce				
Health Care—Nurse Education Initiative	\$7.7	\$6.3	-\$1.4	-18%
At Risk/Youthful Offender Gang Prevention	—	2.0	2.0	new
Sector Initiatives/Economic Stimulus	—	0.2	0.2	new
Critical Shortage Industries: Nurses/Health Care/Infrastructure/Logistics	16.9	6.0	-10.9	-64
State match to ARRA Projects or anticipated Federal Competitive Grants	2.5	—	-2.5	-100
Critical Shortage Industries: Nursing Skills Initiative (NSI)	5.4	—	-5.4	-100
Critical Shortage Industries: Allied Health Initiative (AHI)	10.0	2.0	-8.0	-80
Subtotals	(\$42.5)	(\$16.5)	(\$-26.0)	(-61%)
Removing Barriers for Special Needs Populations				
Offenders				
CDCR Parolee Services	\$14.0	\$6.0	-\$8.0	-57%
EDD Parolee Services	1.0	0.5	-0.5	-50
Incentive Grants	1.6	0.5	-1.1	-6
Services to Long-Term Unemployed	0.1	—	-0.1	-100
Veterans				
Governor’s Award for Veterans’ Grants	9.5	6.0	-3.5	-37
Veterans/Disabled Veterans’ Employment Services	0.7	0.7	—	—
Engineer Training for Veterans’	0.6	—	-0.6	-100
Veterans Training	12.7	5.6	-7.1	-56
Youth, Young Adults, Low-Wage Earners, Special Needs Populations				
Department of Education WIA Coordination/Program Integration	0.4	—	-0.4	-100
Youth Grants	0.5	0.5	—	—
At Risk/Youthful Offender Gang Prevention	7.5	2.9	-4.6	-61
Academic Bridge Summer Employment Curriculum	3.0	—	-3.0	-100
Green Technology/Green Collar Jobs	2.0	2.0	—	—
Subtotals	(\$53.6)	(\$24.7)	(\$-28.9)	(-54%)
Totals	\$140.9	\$73.3	-\$67.6	-48.0