

INFORMATION NOTICE

WORKFORCE SERVICES

Number: WSIN07-22

Date: November 19, 2007

Expiration Date: 6/30/08

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: WIA TWO PERCENT HOLD BACK ON FUNDING

The purpose of this notice is to inform you that in the Notice of Obligation (NOO) issued to California, the Department of Labor (DOL) withheld two percent of the funds from the second round of the WIA Adult and Dislocated Worker programs. The action leading to this reduction was identified on the NOO as follows; "FY 08 Adv portion of PY 07 funding less 2% withheld – pending legal review of previously enacted rescission provision."

We are of the opinion that since these funds were not provided in the DOL NOO, there is a possibility that amounts will need to be rescinded from your R8 subgrants invoking the provisions contained within Section 8 of the subgrant which states "this subgrant agreement is valid and enforceable only if ... (2) sufficient funds [are] available to the State by the United States Government for the fiscal years covered by this subgrant agreement for the purposes of this program. In addition, this subgrant agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress and Legislature or any statute enacted by the Congress and Legislature which may affect the provisions, terms, or funding of this subgrant agreement in any manner."

Additionally, though the full amount of second round funds are contained in your subgrant, the State will only be able to release 98 percent of those amounts since the full amount of cash has not been authorized by the DOL.

We have contacted the DOL and the National Governor's Association and asked that they provide an explanation regarding the reduction of funds. Should there be a change in status a subsequent notice will be issued.

If you have any questions, please contact April Eales at (916) 653-9150.

/S/ BILL BURKE
Assistant Deputy Director
Workforce Services Branch

/S/ BOB HERMSMEIER
Chief
Workforce Services Division

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