



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Paul Krutko  
Jennifer A. Maguire

**SUBJECT:** SEE BELOW

**DATE:** June 1, 2009

Approved

*Christine F. Shypp*

Date

*6/5/09*

**COUNCIL DISTRICT:** City-wide  
**SNI AREA:** N/A

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE WORKFORCE INVESTMENT ACT FUND FOR THE FEDERAL AND STATE WORKFORCE INVESTMENT ACT GRANTS**

## RECOMMENDATION

- 1) Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act Fund (290) for 2008-2009:
  - a) Establish an estimate for Recovery Act – Federal Revenue in the amount of \$109,000;
  - b) Establish an estimate for the State Governor’s Economic Stimulus Revenue in the amount of \$401,736;
  - c) Establish a Recovery Act – Workforce Adult Program appropriation to the Office of Economic Development in the amount of \$34,000;
  - d) Establish a Recovery Act – Workforce Federal Dislocated Worker Program appropriation to the Office of Economic Development in the amount of \$75,000; and,
  - e) Establish an appropriation to the Office of Economic Development for the State Governor’s Economic Stimulus Dislocated Worker Program in the amount of \$401,736.
  
- 2) Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act Fund (290) for 2009-2010:
  - a) Establish an estimate for Recovery Act – Federal Revenue in the amount of \$11,748,306;
  - b) Establish a Recovery Act – Workforce Adult Program appropriation to the Office of Economic Development in the amount of \$1,992,103;
  - c) Establish a Recovery Act – Workforce Federal Dislocated Worker Program appropriation to the Office of Economic Development in the amount of \$4,373,400;

- d) Establish a Recovery Act – Workforce Federal Youth Worker Program appropriation to the Office of Economic Development in the amount of \$4,744,413; and,
- e) Establish a Recovery Act – Workforce Federal Rapid Response Program appropriation to the Office of Economic Development in the amount of \$638,390.

## **OUTCOME**

The recommended appropriation actions will recognize and make available funding received through federal and state stimulus actions to be used to provide employment and training services to youth and adult individuals, advance the City's Green Vision and Clean-Tech jobs, and support local economic recovery efforts.

The additional stimulus funding will provide work experience to up to 1,200 local youth through a Summer Jobs for Youth program as well as additional services for up to 2,000 adult and dislocated clients.

## **BACKGROUND**

The U.S. House Representatives and the Senate approved the American Recovery and Reinvestment Act of 2009 (ARRA) on February 17, 2009. The ARRA funding dedicates the majority of its funds to several priority areas, particularly job training services.

The funding is intended to preserve and create jobs, promote the nation's recovery, and to assist those impacted by the recession. With the increase in employment and training services funding, the workforce systems will play a vital role in America's economic recovery by offering assistance to workers who are facing unprecedented challenges to retool their skills and re-establish themselves in areas where occupation demands are greater, particularly in the industries where exponential growth is expected.

The rapid response funding is intended to provide activities such as assisting workers to quickly return to productive positions in the labor force, assisting employers to explore alternatives for layoffs through human resource solutions, providing local communities, workforce investment partners, employers and workers with timely and pertinent information, and providing counseling workshops on financial assistance and other career counseling services.

Another source of funding is the State Governor's Economic Stimulus funding from the Employment Development Department (EDD) distributed in December 2008 to assist dislocated workers as a result of the economic slowdown. The funds were distributed based on the Local Workforce Investment Areas (LWIA) proportionate shares of adult and dislocated worker funds.

Implementation of the ARRA is governed under the existing WIA Act of 1998 and the current Training and Employment Guidance Letter (TEGL) No. 14-08, OMB circulars, and State Directives. In TEGL 14-08 section 5, the General Policy guidelines state four guiding principles for the utilization of the ARRA namely: a) transparency and accountability in the use of the Recovery Act funding; b) timely spending of the funds and implementation of activities; c)

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increasing workforce system capacity and service levels; and 4) using data and workforce information to guide strategic planning and service delivery.

ARRA funding may only be used for authorized WIA Act activities as provided in the TEGL. The LWIAs are expected to move quickly to use the ARRA funding, in conjunction with other available funds. WIA funding for Adults, Dislocated Workers, and Youth must be spend by the end of June 30, 2011.

Pursuant to WIA regulations, the LWIAs must conduct oversight and monitoring of its WIA activities to determine whether or not there is compliance with programmatic, accountability and transparency provisions of the ARRA, and other applicable laws and regulations.

The EDD Employment and Training Administration (ETA) is developing reporting requirements for the ARRA funds with the intent to minimize any new data collection requirements.

**ANALYSIS**

work2future was awarded through EDD a total of ARRA funding in the amount of \$11,857,306 and \$401,736 for State economic stimulus for a total funding of \$12,259,042 as shown on the table below:

<b>Grant Code</b>	<b>Term</b>	<b>Program</b>	<b>Amount</b>
102	02/17/09 to 06/30/11	ARRA- Adult Program	\$2,026,103
103	02/17/09 to 06/30/11	ARRA-Youth Program	\$4,744,413
105	02/17/09 to 06/30/11	ARRA-Dislocated Worker Program	\$4,448,400
106	02/17/09 to 06/30/11	ARRA Rapid Response Program	\$ 638,390
306	12/01/08 to 12/31/09	State Governor's Dislocated Workers Program	\$ 99,273
429	12/01/08 to 12/31/09	State Governor's Dislocated Workers Program	\$ 302,463

<b>Total</b>	<b>\$12,259,042</b>
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The Adult federal ARRA funding of \$2,026,103 and Dislocated Worker funding of \$4,448,400 were based on work2future's current allocation of local WIA Adult and Dislocated Worker formula funds. These funding sources will be used to serve 1,500 to 2,000 Adults and Dislocated workers through June 30, 2011, and to assist in funding additional training, workshops, supportive services and needs related payments to WIA eligible clients. These services will be provided in conjunction with other services being offered under the regular Adult and Dislocated Worker funding.

The WIA youth formula funding of \$4,744,413 was awarded based on work2future's current local allocation of WIA Youth formula funds. These additional dollars will augment current

youth services by funding a Summer Jobs for Youth Program that will serve an estimated 1,000 to 1,200 youth between June and September 2009.

The youth will range in ages from 15 to 24 years and will work up to eight weeks during the summer. The program will include linking youth with public sector employers (e.g. City, County, State, VTA, and school districts) and no-profit institutions. All youth will receive 4 hours per week of work readiness training, in addition to their actual work experience.

Any unspent funds from 2009 may be used to provide an additional 4-12 weeks of employment services to older youth clients (ages 19 to 24) or may be applied for a similar Summer Youth Job Program during the Summer of 2010.

In addition, work2future was awarded \$638,390 in Rapid Response ARRA funding that will be used to defray costs of required and allowable activities such as assisting workers to quickly return to productive positions in the labor force, assisting employers to explore alternatives for layoffs through human resource solutions, providing local communities, workforce investment partners, employers and workers with timely and pertinent information, and providing counseling workshops on financial assistance and other career counseling services.

work2future also was awarded \$401,736 in State of California Governor's economic stimulus funding. This funding will be used to supplement the current array of workshops available to work2future clients such as additional online training in Microsoft Office, CompTIA Prep, Networking and Troubleshooting and web programming, among others and to provide supplies in the One Stop centers for client use.

work2future presented the Youth program strategy to the Youth Council Committee, and approved on February 24, 2009. The Youth and Adult program strategies were presented and approved by the Finance Committee and the work2future Board on March 11, 2009 and March 19, 2009, respectively.

### **EVALUATION AND FOLLOW-UP**

The Federal ARRA funding (\$11,857,306) and the State Governor's economic stimulus funding of (\$401,736) have been evaluated and approved for funding by the Employment Development Department (EDD).

An on-going progress report will be submitted to the work2future Board and to the City's Community Economic Development Committee at their regular meetings.

### **POLICY ALTERNATIVES**

Not applicable.

### **PUBLIC OUTREACH**

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The recommended action meets the above criteria utilizing public funding equal or greater than \$1 million. Therefore, this memorandum will be posted on the City's website for the June 23, 2009 Council agenda.

### **COORDINATION**

This memo has been coordinated with the work2future Board, Executive, Finance Committee, the Finance Department, and the City Attorney's Office.

### **FISCAL POLICY ALIGNMENT**

The ARRA Adult, Dislocated Worker and Youth programs advance Initiative 9 of the City's Economic Development Strategy by assisting workers who are facing employment difficulties in re-tooling their skills and returning to the workforce, thereby promoting the region's as well as the nation's economy.

The Stimulus funding provides a large investment towards the growth and development of the Green Economy, which in turn provides a tremendous boost to the City of San Jose Green Vision.

### **COST SUMMARY/ IMPLICATIONS**

The recommended budget action in this memorandum will appropriate \$2,026,103 for the Federal ARRA Adult Program; \$4,448,400 for the Federal ARRA Dislocated Worker Program; \$4,744,413 for the Federal ARRA Youth Program; \$638,390 for the Federal ARRA Rapid Response Program and \$401,736 for the State Adult and Dislocated Worker Program.

### **BUDGET REFERENCE**

Not applicable.

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06-01-09

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**CEQA**

Not a project.



for Paul K.  
PAUL KRUTKO  
Chief Development Officer

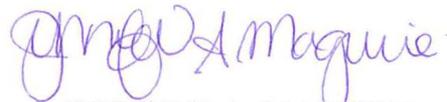


JENNIFER A MAGUIRE  
Budget Director

For questions, please contact Jeff Ruster, work2future Executive Director at 408-535-8183.

I hereby certify that there will be available for appropriation in the Workforce Investment Act Fund moneys in excess of those heretofore appropriated therefrom:

In the Fiscal Year 2008-2009 Workforce Investment Act Fund	\$ 510,736
In the Fiscal Year 2009-2010 Workforce Investment Act Fund	11,748,306



JENNIFER A. MAGUIRE  
Budget Director