



Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Kim Walesh
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: August 8, 2011

Approved

Date

8/12/11

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

**SUBJECT: ADOPTION OF 2011-2012 APPROPRIATION ORDINANCE AND
FUNDING SOURCES RESOLUTION AMENDMENTS FOR THE
FEDERAL AND STATE WORKFORCE INVESTMENT ACT (WIA FUND)**

RECOMMENDATION

Adoption of the following 2011-2012 Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act (WIA) Fund (290):

- a. Increase the estimate for Earned Revenue by \$1,509,191;
- b. Increase the National Emergency Grant (NEG) Dislocated Workers – NUMMI appropriation in the amount of \$1,493,839; and
- c. Establish an appropriation to the Office of Economic Development for the Exemplary Performance Award in the amount of \$15,352.

OUTCOME

These recommended appropriation actions will recognize and make available grant awards from the Department of Labor (DOL) through the State's Employment Development Department (EDD). Currently, work2future has over 9,000 unemployed adult and dislocated worker clients and is witnessing a still increasing demand for its services. The additional NEG funding will enhance work2future's ability to provide comprehensive services to New United Motors Manufacturing Incorporated (NUMMI) workers, while continuing to meet all of its DOL-mandated performance measures and, at the same time, buffer work2future's operations from the significant reductions of 58% in its core formula funding incurred over the last two years.

HONORABLE MAYOR AND CITY COUNCIL

August 8, 2011

Subject: NUMMI Re-Employment National Emergency Grant and Exemplary Performance Award

Page 2

The Exemplary Performance Award may be used by work2future for allowable costs under the Workforce Investment Act.

BACKGROUND

The New United Motors Manufacturing Incorporated (NUMMI) ceased operations in April 2010. More than 4,700 full-time employees were laid off from the NUMMI plant alone. Over 2,800 direct and indirect suppliers were forced to close or downsize due to the NUMMI plant closure, affecting an additional 10,000 workers. Of the total number of affected workers, approximately 800 NUMMI employees and 900 employees of direct and indirect suppliers reside in work2future's service area.

On August 3, 2010, work2future staff submitted and the City Council approved appropriation ordinance and funding sources resolution amendments to the Workforce Investment Act (WIA) Fund to establish an appropriation for the 25% Additional Assistance Grant Funding of \$970,000 and for the NUMMI National Emergency Grant (NEG) Dislocated Workers Project first funding increment of \$2,006,901. The second increment funding would be released once all participating Workforce Investment Boards (WIBs) reached the 70% expenditure rate on the first increment of the NEG allocation. With these funding allocations, work2future provided training, supportive, and case management services to 550 NUMMI eligible clients over the original enrollment goal of 470.

In June 2011, EDD notified work2future of the NUMMI NEG second increment funding of \$1,493,839, which represents work2future's share of the total amount of \$7,839,983 released by the State. These funds will allow for the provision of services to NUMMI Dislocated Workers through March 31, 2012, in addition to the carryover bridge and first increment funding.

work2future also received an Exemplary Performance award of \$15,352 for meeting or exceeding its State-mandated performance measures for Program Year (PY) 2009-2010.

ANALYSIS

The second increment of NUMMI NEG funding will leverage the Trade Adjustment Assistance Act (TAA), other federal funding sources, and the Governor's 25% funding. Re-employment services provided to NUMMI-related participants include assessments, labor market information workshops, basic and remedial education, counseling, occupational and/or vocational skills training, supportive services and job placement activities. Moreover work2future and the other affected WIBs coordinate to leverage activities to ensure that NUMMI Dislocated Workers have access to all of the resources and services available to them through co-enrollments and co-case management.

work2future's anticipated total enrollment of 570 through the end of the program far exceeds the original projected enrollment goal of 447. An influx of participants residing outside work2future's Local Workforce Investment Area (LWIA) has transferred to work2future's

HONORABLE MAYOR AND CITY COUNCIL

August 8, 2011

Subject: NUMMI Re-Employment National Emergency Grant and Exemplary Performance Award

Page 3

NUMMI Career Transition Center for assistance to find employment. In FY 2011-2012, work2future anticipates enrolling an additional 20 participants due to recent administrative layoffs at the NUMMI plant facility.

work2future plans to set aside the Exemplary Performance award to provide additional client services, technology enhancements, and workforce development training for work2future's staff.

work2future is scheduled to present a spending plan for the second increment of NUMMI NEG funding to its Executive Committee on August 18, 2011, its Finance Committee on September 14, 2011 and to work2future's Board on September 15, 2011.

EVALUATION AND FOLLOW-UP

The NUMMI NEG grant in the amount of \$1,493,839 and the Exemplary Performance Award of \$15,352 have been evaluated and approved for funding by EDD.

Ongoing progress reports will be submitted to EDD, work2future's Board, and to the City's Community and Economic Development Committee.

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 criterion regarding the use of public funding equal to or greater than \$1 million. This memorandum will be posted on the City's website for the August 30, 2011 Council agenda.

COORDINATION

This memo has been coordinated with the City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL

August 8, 2011

Subject: NUMMI Re-Employment National Emergency Grant and Exemplary Performance Award

Page 4

FISCAL POLICY ALIGNMENT

The NUMMI NEG Grant and the Exemplary Performance Award support Initiative 7 of the City's Economic Development Strategy, "Prepare Residents to Participate in the Economy Through Training, Education, and Career Support."

COST SUMMARY/ IMPLICATIONS

The recommended budget action in this memorandum will recognize revenues and appropriate the following amount: \$1,493,839 for the NUMMI NEG Grant and \$15,352 for the Exemplary Performance Award, for a total of \$1,509,191. With the NUMMI NEG Grant, work2future will be able to provide to existing and additional NUMMI clients assessments, labor market information, workshops, basic and remedial education, counseling, occupational and/or vocational skills training, supportive services and job placement activities. In addition, work2future will use the Exemplary Performance award to provide additional client services, technology enhancements, and workforce development training for work2future's staff.

BUDGET REFERENCE

Not applicable.

CEQA

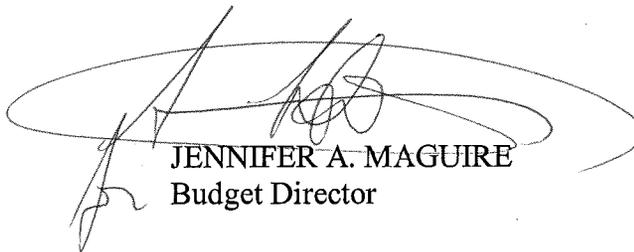
Not a project; File No. PP10-067 (b): Appropriation Ordinance.

/S/

KIM WALESH

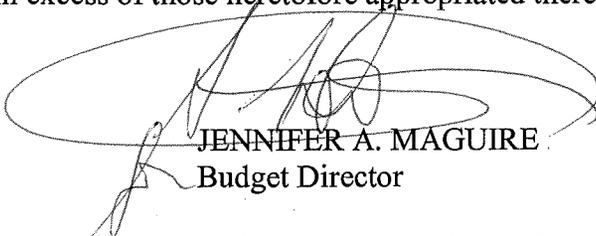
Director of Economic Development

Chief Strategist



JENNIFER A. MAGUIRE
Budget Director

I hereby certify that there will be available for appropriation in the Workforce Investment Act Fund in the Fiscal Year 2011-2012 moneys in excess of those heretofore appropriated therefrom; said excess being at least \$1,509,191.



JENNIFER A. MAGUIRE
Budget Director

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