



Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

**FROM: Kim Welsh
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 IN THE
WORKFORCE INVESTMENT ACT (WIA) FUND FOR THE AMERICAN
RECOVERY AND REINVESTMENT ACT (ARRA) TRANSITION
SUPPLEMENTAL SUPPORT PROJECT**

RECOMMENDATION

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

- a. Increase the estimate for Recovery Act – Federal Revenue by \$985,000;
- b. Establish an appropriation to the Office of Economic Development for Recovery Act - 25% Additional Assistance - Transition Supplemental Support Project in the amount of \$985,000.

OUTCOME

These recommended appropriation actions will recognize and make available funding received from the State's Employment Development Department (EDD) to bridge the gap caused by work2future's funding reductions and the increased need to provide services to ARRA carryover participants and new participants enrolling for services. The grant will allow work2future to provide intensive case management services, training, and supportive services to ARRA participants still in transition and 400 new Dislocated Worker participants at work2future's One-Stop Centers.

August 8, 2011

Subject: ARRA Transition Supplemental Support Project Grant

Page 2

BACKGROUND

The U.S House of Representatives and Senate approved the American Recovery and Reinvestment Act of 2009 (ARRA) on February 17, 2009. The funding is intended to preserve and create jobs, promote the nation's recovery, and to assist those impacted by the recession 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 implementation of 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 ARRA funding: a) transparency and accountability in the use of Recovery Act funding; b) timely spending of the funds and implementation of activities; c) increasing workforce system capacity and service levels; and d) using data and workforce information to guide strategic planning and service delivery.

In 2009, work2future was awarded ARRA formula and Rapid Response funding in the amount of \$12,759,635 through EDD. The term for the ARRA Adult, Dislocated Worker, Youth program, and Rapid Response funding was from February 17, 2009 through June 30, 2011.

In June 2011, EDD notified work2future of the award of discretionary grant funding for an ARRA Transition Supplemental Support Project in the amount of \$985,000 to augment work2future's declining formula funding and respond to the increased demand for client services.

ANALYSIS

The ARRA Transition Supplemental Support Project award will supplement work2future's Program Year (PY) 2011-2012 formula allocation funding of \$9,707,877. The \$985,000 of ARRA Transition Supplemental Support funding will help to mitigate the impact of the loss of ARRA funding and the anticipated increase in the demand for services due to the high unemployment rate. These funds will help restore work2future's capacity to assist its Dislocated Worker participants from the first post-ARRA year in the areas of case management, career coaching, workshops, training and supportive services.

EVALUATION AND FOLLOW-UP

The ARRA Transition Supplemental Support discretionary grant award in the amount of \$985,000 was evaluated and approved for funding by EDD.

work2future will submit its spending plan for this grant award to the Executive Committee and Finance Committee for approval on August 18, 2011 and September 14, 2011, respectively, and to the work2future Board as a consent item on its regularly scheduled meeting of September 15, 2011.

HONORABLE MAYOR AND CITY COUNCIL

August 8, 2011

Subject: ARRA Transition Supplemental Support Project Grant

Page 3

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 Office of the City Manager and the City Attorney's Office.

FISCAL POLICY ALIGNMENT

The ARRA Transition Supplemental Support Project supports 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 \$985,000 for the ARRA Transition Supplemental Support Project to fund intensive case management services, training, and supportive services to ARRA participants still in transition and 400 new Dislocated Worker participants at work2future's One-Stop Centers.

HONORABLE MAYOR AND CITY COUNCIL

August 8, 2011

Subject: ARRA Transition Supplemental Support Project Grant

Page 4

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 there from; said excess being at least \$985,000.



JENNIFER A. MAGUIRE
Budget Director

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