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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND 2013 APR 11 PM 3:14

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Kelley Kahn

SUBJECT: WIB Budget Modification

DATE: April 8, 2013

City Administrator

Date

Approval

4/11/13

COUNCIL DISTRICT: All

RECOMMENDATIONS

Staff recommends that the City Council adopt a Resolution authorizing the City Administrator to:

- 1) Reallocate Fiscal Year 2011-2012 Workforce Investment Act (WIA) Formula funds that are at risk of de-obligation, with the approval of the Oakland Workforce Investment Board, without returning to City Council; and
- 2) Amend the Comprehensive One Stop Career Center contract with the Oakland Private Industry Council, Inc. to include an additional \$200,000 in Fiscal Year 2011-2012 Workforce Investment Act Dislocated Worker funds for training services for Dislocated Workers effective April 1, 2013 – June 30, 2013.

EXECUTIVE SUMMARY

As a result of periods of program inactivity and the use of American Recovery and Reinvestment Act (ARRA) funds in place of the Workforce Investment Act (WIA) funds in Fiscal Year 2010-2011, the Oakland Workforce Development System accumulated a surplus of WIA Formula funds. The State Employment Development Department (EDD) recently notified the Oakland Workforce Investment Board (WIB) Executive Director that Oakland is at risk of having Fiscal Year 2011-2012 WIA Formula funds de-obligated if they are not expended or accrued by June 30, 2013.

Out of a total budget of \$6,426,370, staff has identified an unallocated fund balance of \$200,000 in FY 2011-2012 Dislocated Worker funds, which must be expended by June 30, 2013, and recommended to the Oakland WIB that these funds be allocated to our adult service providers. The Oakland WIB approved staff's recommendation on March 28, 2013, with direction to staff to report outcomes distinctly on this \$200,000 allocation within its quarterly performance reporting process. The Oakland Private Industry Council (OPIC) has the largest caseload of dislocated workers in our system. Lao Family Community

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Development and the Unity Council declined the opportunity of receiving additional Dislocated Worker funding. The English Center requested consideration for up to four Dislocated Worker training slots. Staff is asking that the English Center work with the Oakland PIC to support funding for those training slots.

Staff is analyzing projected expenditures of WIA funds carefully. In the event staff identifies other Fiscal Year 2011-2012 funds that are at risk of de-obligation by EDD, it is seeking authorization to reallocate said funds rapidly with the approval of the Oakland WIB, without returning to City Council. Staff anticipates that there could be an additional \$200,000 in Youth funding at risk and is closely monitoring expenditures.

OUTCOMES

An additional 45 dislocated workers will receive training and other job placement support services as a result of the \$200,000 allocation to OPIC. The anticipated placement rate for these clients is 75% (34 job placements). In the event other Fiscal Year 2011-2012 WIA funds must be reallocated, staff will distinctly report the outcomes related to each reallocation within its quarterly performance reports through the WIB's System Leadership Committee, Youth Council, Executive Committee, and full WIB.

BACKGROUND/LEGISLATIVE HISTORY

There was a period of time in 2010 when the Oakland Workforce Development System did not spend its Formula Fund allocations due to contracting delays and the use of ARRA funds in place of WIA funds. As a result, the Oakland Workforce Development System accumulated a carry-forward balance of State-allocated WIA funds. WIA Formula funds are available for two years. Following a review of fund balances and anticipated expenditures through June 30, 2013, staff has determined that our system is at risk of not spending its entire Dislocated Worker allocation given the current course of expenditures. These funds are allocated to provide a range of services, including intensive training, case management, and job placement support to unemployed jobs seekers who were previously employed and lost their jobs due to lay-offs. Of a total FY 2011-2012 budget of \$6,426,370, approximately \$200,000 of Dislocated Worker funds is at risk.

Staff anticipates that there could be an additional \$200,000 in Youth funding at risk and is closely monitoring those expenditures as well. Oakland must be positioned to act quickly to re-allocate and expend those funds for WIA allowable services by June 30, 2013, such as summer employment program start up activities, including outreach, orientation, training, and job development.

ANALYSIS

The City is in the final stages of completing the transition of assuming all of the roles and responsibilities of System Administration for Oakland's Workforce Investment Act (WIA) funds. During the complex transition period in 2010-2011, the City received large amounts of ARRA funding, which were spent in lieu of WIA Formula funds.

Staff must continue to track projected WIA expenditures and have the ability to reallocate funds that are determined to be at risk of de-obligation by the State. The Oakland WIB is aware of this situation, and has recently approved staff's recommendation to allocate \$200,000 of Dislocated Worker funds. The Oakland PIC is the only adult service provider with the caseload and positioned to spend these funds by June 30, 2013.

Time is of the essence. If staff identifies the need to reallocate additional Fiscal Year 2011-2012 WIA funds before they are de-obligated, there will not be time to return to the City Council for authorization. Staff is therefore requesting authorization to reallocate WIA funds as needed, without returning to City Council, with the approval of the Oakland WIB, which can be convened for special meetings in 72 hours. In total, out of a budget of \$6,426,370 in FY 2011-2012, this recommended action will correct the possible under-expenditure of up to \$400,000 (6%), which includes the \$200,000 for additional training for dislocated workers and up to another possible \$200,000 in Youth funds.

PUBLIC OUTREACH/INTEREST

The Oakland WIB is the City's largest policy and oversight board, comprised of more than 40 representatives from business, government, community and labor. The WIB's Executive Committee and the full Board approved the \$200,000 Dislocated Worker fund allocation.

COORDINATION

Workforce Development staff works closely with the Finance and Management Agency, which oversees the expenditures and drawdowns of the Workforce Investment Act funds through the State's Job Training Administration (JTA) system.

COST SUMMARY/IMPLICATIONS

These recommended budget modifications have no impact on the City's General Purpose fund.

The \$200,000 in Dislocated Worker funds related to the allocation recommendations for the Oakland PIC must be expended by June 30, 2013. The Oakland PIC has a very large

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caseload of dislocated workers and its staff has expressed confidence in its ability to increase training services for its clients between April 1, 2013 and June 30, 2013. The funds have been appropriated and are in Workforce Investment Act Fund 2195, Workforce Development unit 02971, Project G453398, Program SC03.

At the time of this writing, staff is not aware of any other specific WIA fund re-allocation needs beyond what is discussed in this report, but is working closely with FMA and EDD to monitor our expenditure projections and is prepared to act quickly to avoid de-obligation by the State.

SUSTAINABLE OPPORTUNITIES

Economic: The additional services for 45 dislocated workers will enable at least 75% of them to obtain employment.

Environmental: This report does not directly address environmental sustainability.

Social Equity: All of the clients served within the City's Workforce Development system are unemployed and face various barriers to employment.

For questions regarding this report, please contact Al Auletta, Program Manager, at 238-3752.

Respectfully submitted,



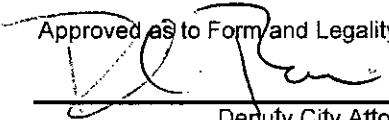
Kelley Kahn, Director
Office of Economic and Workforce
Development

Reviewed by:
John R. Bailey, Executive Director
Oakland Workforce Investment Board

Prepared by:
Al Auletta, Program Manager
Office of Economic and Workforce Development

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Approved as to Form and Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR 1) TO REALLOCATE FISCAL YEAR 2011-2012 WORKFORCE INVESTMENT ACT FORMULA FUNDS THAT ARE AT RISK OF DE-OBLIGATION, WITH THE APPROVAL OF THE WORKFORCE INVESTMENT BOARD, WITHOUT RETURNING TO CITY COUNCIL AND 2) TO AMEND THE COMPREHENSIVE ONE STOP CAREER CENTER CONTRACT WITH THE OAKLAND PRIVATE INDUSTRY COUNCIL, INC. TO INCLUDE AN ADDITIONAL \$200,000 IN FISCAL YEAR 2011-2012 WORKFORCE INVESTMENT ACT DISLOCATED WORKER FUNDS FOR TRAINING SERVICES FOR DISLOCATED WORKERS EFFECTIVE APRIL 1, 2013 TO JUNE 30, 2013

WHEREAS, the Oakland Workforce Investment Board (“WIB”) is mandated by the Workforce Investment Act of 1998 (“WIA”) to oversee the expenditure of WIA funding in partnership with the Mayor as chief elected official in a designated Workforce Investment Area such as the City of Oakland; and

WHEREAS, the City of Oakland’s total allotment of WIA Title I and special grant funds for Fiscal Year 2011-12 was \$6,426,370; and

WHEREAS, the WIB budget for FY 2011-2012 “Reserved” \$223,312 in Dislocated Worker funding; and

WHEREAS, all Fiscal Year 2011-2012 WIA funds that are not accrued by June 30, 2013 will be de-obligated by the State Employment Development Department; and

WHEREAS, the Oakland Private Industry Council has a large caseload of Dislocated Workers and is about to expend all of its Adult and Dislocated Worker Training funds; and

WHEREAS, the Oakland Workforce Investment Board on March 28, 2013 approved the allocation of an additional \$200,000 of Fiscal Year 2011-2012 Dislocated Worker funds to its adult service providers for training services for WIA-enrolled dislocated workers through June 30, 2013; and

WHEREAS, the Oakland Private Industry Council has the largest caseload of dislocated workers and can partner with the English Center for the four clients it wishes to train; and

WHEREAS, other Fiscal Year 2011-2012 WIA Formula funds may be at risk of de-obligation by the State, which would require immediate action to reallocate and expend said funds by June 30, 2013;and

WHEREAS, the funds have been appropriated and are in Workforce Investment Act Fund 2195, Project G453398, Workforce Development unit 02971, Program SC03; now, therefore, be it

RESOLVED: That the City Council authorizes the City Administrator to reallocate Fiscal Year 2011-2012 WIA Formula funds that are at risk of de-obligation, with the approval of the Oakland Workforce Investment Board, without returning to City Council; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to amend the Comprehensive One Stop Career Center contract with the Oakland Private Industry Council, Inc. to include an additional \$200,000 in Fiscal Year 2011-2012 Workforce Investment Act Dislocated Worker funds for training services for Dislocated Workers effective April 1, 2013 – June 30, 2013; and be it

FUTHER RESOLVED: That the City Administrator and her designees are hereby authorized to take whatever action is necessary with respect to said funds and budget consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, GALLO, GIBSON McELHANEY, KALB, KAPLAN, SCHAAF, REID and PRESIDENT
KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California