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File No. 14-0805-S2

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the use of funds from the Audit Repayment Fund (ARF) for Disallowed Federal Workforce Development Grant costs for the Chicana Service Action Center.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Economic and Workforce Development Department (EWDD), or designee to:
 - a. Use funds from the ARF No. 593, subject to available fund balance, to reimburse the Workforce Innovation Act (WIA) Fund No. 44A for \$193,496 in disallowed costs or return \$193,496 to the California Employment Development Department (EDD) pending instructions from EDD
 - b. Prepare Controller instructions and/or make necessary technical adjustments consistent with Council and Mayor action on the City Administrative Officer's (CAO) report dated April 18, 2018, attached to the Council file, subject to approval of the CAO; and, Request the Controller to implement those instructions.

2. AUTHORIZE the Controller to:
 - a. Establish a new account, 22PXXX, titled Chicana Service Action Center Disallowed Costs, within the ARF No. 593 and appropriate \$193,496, based on the available fund balance.
 - b. Transfer up to \$193,496 of expenditures from WIA Fund No. 44A to the ARF No. 593, Account No. 22PXXX, Chicana Service Action Center Disallowed Costs.
 - c. Upon presentation of proper documentation by EWDD, refund up to \$193,496 to the EDD from WIA Fund No. 44A.
 - d. Upon presentation of proper documentation by EWDD, transfer up to \$193,496 of expenditures from the Workforce Innovation and Opportunity Act Fund No. 57W to the WIA Fund No. 44A.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. The above recommendations are in compliance with the City's Financial Policies in that sufficient funding in the ARF may be used to repay \$193,496 in disallowed costs owed for 2014-15 Program Year expenditures from WIA Grant funds.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on April 24, 2018, your Economic Development Committee considered Joint Economic and Workforce Development Department and Workforce Development Board report and CAO report relative to the use of funds from the ARF for Disallowed Federal Workforce

Development grant costs for the Chicana Service Action Center. The CAO reports that the EWDD is requesting approval to use funds in the ARF to repay \$193,496 in disallowed Program Year 2014-15 costs from WIA federal workforce development grant funds provided to the former Chicana Service Action Center under contract for workforce development services in the Boyle Heights/East Los Angeles service area. EWDD states that the repayment will either be submitted to the City 2017-18 Workforce Development Annual Plan in order to maintain the funding for local workforce development programs, or be submitted directly to the grantor, EDD, pending final negotiation with EDD. After an opportunity for public comment was held, the Committee moved to approve the CAO's recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

A handwritten signature in black ink, appearing to be "L. Huizar", written in a cursive style.

MEMBER VOTE

PRICE: YES

BUSCAINO: YES

HUIZAR: YES

ME
4/24/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-