

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to acceptance of Program year (PY) 2017-18 Workforce Innovation and Opportunity Act (WIOA) Carry-In Report and request for authority to modify the PY 2017-18 Annual Plan Budget.

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

1. NOTE and FILE the November 9, 2017 joint Workforce Development Board (WDB) and Economic Development Department (EWDD) report, attached to the Council file, relative to the acceptance of PY 2017-18 WIOA Carry-In Report and request for authority to modify the PY 2017-18 Annual Plan Budget
2. ACCEPT the November 21, 2017 joint WDB and EWDD report (PY 2017-18 Carry-In Report), attached to the Council file for the.
3. APPROVE the proposed modifications to the PY 2017-18 Workforce Development Board (WDB) Year 18 Annual Plan budget as detailed in the November 21, 2017 Joint WDB and EDD report, attached to the Council file.
4. AUTHORIZE the General Manager, EWDD, or designee, to:
 - a. Accept reimbursements from the Social Security Administration (SSA) for serving as an Employment Network under the SSA's Ticket to Work Program (as previously approved under Council File No. 12-0818) and authorize EWDD to appropriate and expend within the Disability Employment Initiative Fund No. 54N upon presentation of supporting documentation.
 - b. Appropriate and expend Carry-In funds for City-funded programs, e.g., HireLA's Youth, Cash for College, and the Summer Youth Employment Program.
 - c. Negotiate and execute amendments to agreements with workforce service providers to provide for a combination of Workforce Investment Act and WIOA funds, as needed.
 - d. Negotiate and execute amendments to agreements with service providers as detailed in the *Other Workforce-Related Grants* worksheets.
5. AUTHORIZE the General Manager of EWDD, or designee, to prepare Controller Instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer; and, REQUEST the Controller to implement the instructions as set forth in Attachment 3 of the November 21, 2017 joint WDB and EWDD report, attached to the Council file.

Fiscal Impact Statement: The WDB and EDD report that the November 9, 2017 joint WDB and EWDD report discusses WIOA grants and other workforce-related program revenues. The EWDD budget reflects the City's preliminary Cost Allocation Plan 39 rates for related costs (fringe benefits and central services) applicable for Fiscal Year (FY) 2016-17 and are expected to be approved by the City's federal cognizant agency this FY. The joint report complies with City

financial policies that allow reimbursement up to grant limitations.

Community Impact Statement: None submitted.

Summary:

On December 12, 2017, your Committee considered November 9, 2017 and November 21, 2017 joint WDB and EWDD report relative to acceptance of PY 2017-18 WIOA Carry-In Report and request for authority to modify the PY 2017-18 Annual Plan Budget. According to the WDB/EWDD, the EWDD has received final allocations for all the grants identified in the PY 2017-18 Annual Plan. Also, the EWDD has completed the FY closeout of PY 2016-17. Attachment 2 of the joint report lists all the funding sources and a comparison of the projected and actual PY 2017-18 new allocations and carry-in funds from PY 2016-17; as shown, the EWDD's total revenue of \$73,529,588 is \$5,690,989 more than the original revenue projection of \$67,838,599 indicated in the PY 2017-18 Annual Plan.

The WDB/EWDD also noted that the WIOA funds are subject to a 10 percent administrative cap regulation as set forth in the WIOA Final Rule CFR Parts 683.205 and 683.215. These specific administrative costs as defined in the federal regulations include all administrative costs salaries, expenses, and related costs (fringe benefits and central services), WIOA funded share of City Attorney, Controller, and Personnel Department support costs, and the administrative costs of the 16 WorkSource Centers. The total WIOA administrative costs reflected in the modified Annual Plan budget is within the 10 percent administrative limit. The increase of new revenues and the carry-in funds contained in this transmittal modify the approved PY 2017-18 Annual Plan budget (Council File No. 17-0635).

The \$5,691 million increase in revenues is primarily due to carry-in funds and grant funds received after the approval of the Annual Plan. This increase is offset by allocations approved by the WDB through separate actions. On February 8, 2017, the State released WIOA funding planning estimates to the local areas. These estimates were used to prepare the original Annual Plan budget. After the Annual Plan was approved by the WDB, the actual Adult, Dislocated Worker, and Youth formula fund allocations, which provide the primary funding for WorkSource and YouthSource centers, were reduced by the State \$3.1 million from the planning estimates. As noted in Attachment 1 of joint report, the EWDD has partially closed this budget gap to \$1.15 million through internal reductions to staffing and other administrative cuts. Finally, in the joint report, the EWDD detailed a number of proposed actions that would close the funding gap.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the joint report and detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



MEMBER VOTE

PRICE: YES
BUSCAINO: YES
HUIZAR: YES

ARL
12/12/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-