

CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

R-11

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

DEBORAH R. MILLS
DIRECTOR

September 10, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize funding in the amount of \$149,452 from the General Fund (GP) to offset the impacts of Federal Sequestration on Workforce Investment Act (WIA) funding allocations and enable the Pacific Gateway to continue the current level of employment and training service for the remainder of FY13; and increase appropriations in the General Fund (GP) in the Human Resources Department (HR) by \$149,452. (Citywide)

DISCUSSION

On May 1, 2013, the Department of Labor notified each State of their respective Workforce Investment Act (WIA) funding allocations for Program Year 13-14 (PY 13-14). This notice specified that, due to the impacts of Federal Sequestration, all mandated funding reductions would be applied to Base Funds available for the first quarter in PY 13-14 (July 1, 2013 – September 30, 2013). On May 8, 2013, the Pacific Gateway and other Workforce Investment Boards (WIBs) were notified by the State of their respective PY 13-14 WIA funding allocations for Base Funds, as well as Advance Funds available October 1, 2013- June 30, 2014. Historically, Adult and Dislocated Worker Base Funds account for approximately 30 percent of the total allocation. Due to Sequestration, this amount has been reduced to 6.1 percent of the total allocation. As a result of the reduction in available base funds, Pacific Gateway estimated a funding shortfall of \$732,337 for its Adult and Dislocated Worker programs.

Pacific Gateway immediately took necessary steps to avoid further program and fiscal challenges due to Sequestration by reducing \$582,885 in expenditures through the end of September 2013. Pacific Gateway could not make any additional expenditure reductions without jeopardizing the ability to meet basic performance requirements and is unable to make up \$149,452 of the Sequestration reduction.

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The Human Resources Department (HR) has been working with the Financial Management Department (FM) to address this funding shortfall for the First Quarter of PY 13-14. As a result of these efforts, HR requests a one-time General Fund transfer to offset the impacts of Sequestration and allow Pacific Gateway to continue the delivery of employment, training, education, and business services to employers and area residents for the remainder of FY 13. Although funding allocations for PY 14-15 are currently unknown, Pacific Gateway is evaluating possible solutions and realigning services to potential Federal funding levels to prevent future shortfalls, and does not anticipate needing any additional one-time funding.

This matter was reviewed by Deputy City Attorney Gary J. Anderson and by Budget Management Officer Victoria Bell on August 13, 2013.

TIMING CONSIDERATIONS

City Council action is requested on September 10, 2013, in order to facilitate processing of required documents.

FISCAL IMPACT

An appropriation increase of \$149,452 is requested in the General Fund (GP) in the Human Resources Department (HR). Approval of this recommendation authorizes a one-time GP transfer to supplement Workforce Investment Act (WIA) Adult and Dislocated Worker allocations in order for Pacific Gateway to continue the current level of employment and training services for the remainder of FY 13. Approval of this recommendation will result in uninterrupted employment preparation, placement, and retention services to several thousand residents.

SUGGESTED ACTION:

Approve recommendation.


Respectfully submitted,



DEBORAH R. MILLS
DIRECTOR OF HUMAN RESOURCES

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APPROVED:



PATRICK H. WEST
CITY MANAGER