



CITY OF DURHAM | NORTH CAROLINA

Date: December 28, 2010

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Kevin Dick, Director, Office of Economic and Workforce Development
Nicholas McCoy, Senior Workforce Development Manager
Office of Economic and Workforce Development

Subject: Amendment to the City of Durham Employment and Training 2008-2010 Grant Project Ordinance to supersede Grant Project Ordinance # 13965 and Amendment to the City of Durham Employment and Training 2009-2011 Grant Project Ordinance to supersede Grant Project Ordinance # 14059

Executive Summary

This item amends the City of Durham Employment and Training 2008 - 2010 Grant Project Ordinance # 13965 (GPO) and the City of Durham Employment and Training 2009 - 2011 Grant Project Ordinance # 14059 to correct a de-obligation of funds from the City of Durham Employment and Training 2009 - 2011 Grant Project Ordinance # 14059 that was taken forward in error. Funds should have been de-obligated from the City of Durham Employment and Training 2008 - 2010 Grant Project Ordinance # 13965.

This item will decrease the City of Durham 2008-2010 Employment and Training Grant Project Ordinance by \$23,596.13, from \$1,605,839.00 to \$1,582,242.87, and increase the City of Durham 2009-2011 Employment and Training Grant Project Ordinance by \$23,596.13, from \$1,769,080.87 to \$1,792,677.00 to accurately reflect a de-obligation in unspent 2008-2010 Workforce Investment Technical Assistance training funds by four businesses that had previously been awarded Incumbent Worker Training Grants.

Recommendation

Staff recommends that City Council authorize the City Manager to accept the amended State of North Carolina Employment and Training Grants by executing the grant documents and adopting the City of Durham and State of North Carolina Employment and Training Grant Project Ordinance FY 2008-2010 in the amount of \$1,582,242.87 and the City of Durham and State of North Carolina Employment and Training Grant Project Ordinance FY 2009-2011 in the amount of \$1,792,677.00.

Background

Funds in the City of Durham Employment and Training 2008-2010 and 2009-2011 Grant Project Ordinances are federal funds allocated to the City of Durham under the authority of the Workforce Investment Act of 1998 by the United States Department of Labor Employment and Training Administration, through the North Carolina Department of Commerce - Division of Workforce Development. The Workforce Investment Act authorizes the use of these funds to conduct workforce development activities within the local workforce investment area.

The Office of Economic and Workforce Development (OEWD) receives Notices of Fund Availability from the North Carolina Department of Commerce, Division of Workforce Development, periodically during the year as additional funding is awarded to the Durham Workforce Development Board under the administration of OEWD. Funds received are added to Employment and Training grant project ordinances to provide additional workforce development activities for Durham residents and employers. Included among streams of additional funding are Incumbent Worker Training Grant funds that are awarded to businesses to train existing workforces.

The North Carolina Incumbent Workforce Development Program offers opportunities for North Carolina businesses to compete for funding that will help them train existing employees. This training is geared toward skill upgrades for the purposes of career advancement and/or layoff prevention. Funds flow from the North Carolina Department of Commerce – Division of Workforce Development through the Durham Workforce Development Board/Office of Economic and Workforce Development.

Funds that are unspent by the businesses that received grant awards must be reflected in decreased employment and training grant project ordinances and must be de-obligated from the total grant amount for the various Workforce Investment Act programs.

Issues/Analysis

Four businesses that were previously awarded incumbent worker training grants did not utilize their full funding. The following businesses that had under-expenditures in their training programs are as follows: Roadmark Corporation (\$17,000), Shipman Technologies (\$4.17), Geomagic (\$500) and Crosscom Inc. (\$6,091.96). Roadmark Corporation was unable to utilize their full grant award due to their chosen training provider cancelling the training. Shipman Technologies, Geomagic and CrossComm's unspent funds are related to changes made to their training plans or savings realized from adjusting their training plans.

To accurately reflect a decrease of \$23,596.13 in Incumbent Worker funds, an amended City of Durham Employment and Training 2008 - 2010 Grant Project Ordinance in the amount of \$1,582,242.87 has been prepared to supersede Grant Project Ordinance # 13965. This new Grant Project Ordinance must be adopted in order to reflect this decrease in funding. This item will decrease the City of Durham 2008-2010 Employment and Training Grant Project Ordinance by \$23,596.13, from \$1,605,839.00 to \$1,582,242.87.

To accurately reflect an increase of \$23,596.13 in Incumbent Worker funds, an amended City of Durham Employment and Training 2009 - 2011 Grant Project Ordinance in the amount of \$1,792,677.00 has been prepared to supersede Grant Project Ordinance # 14059. This new Grant Project Ordinance must be adopted in order to reflect this increase in funding to correct the de-obligation of funds taken forward in error. This item will increase the City of Durham 2009-2011 Employment and Training Grant Project Ordinance by \$23,596.13, from \$1,769,080.87 to \$1,792,677.00.

The following amount is appropriated for the City of Durham Employment and Training 2008-2010 Grant Project Ordinance:

WIA-Administrative	\$120,016.00
WIA-Adult	\$375,274.00
WIA-Dislocated Worker	\$342,740.00
WIA-Youth	\$389,666.00
WIA-Technical Assistance	\$354,546.87
MIS – Data	
JobLink	
Performance Incentive	
Business Liaison	
Demo Project Sales	
JobLink Charter	
Incumbent Worker Service Fee	
Incumbent Worker Grant – Roadmark Corp.	
Incumbent Worker Grant – Cormetech, Inc.	
 Total	 \$1,582,242.87

The following amount is appropriated for the City of Durham Employment and Training 2009-2011 Grant Project Ordinance:

WIA-Administrative	\$118,621.00
WIA-Adult	\$324,468.00
WIA-Dislocated Worker	\$352,482.00
WIA-Youth	\$390,638.00
WIA-Technical Assistance	\$606,468.00
JobLink	
Business Services	
WIA Performance Incentive	
Pilot Demonstration Grant	
Youth Demonstration Grant	
 Total	 \$1,792,677.00

Alternatives

Council may choose to not approve the Grant Project Ordinances, as amended, or may choose

to approve specific line items within the amended Grant Project Ordinances. If Council chooses to not approve the amended Grant Project Ordinances, the Office of Economic and Workforce Development would not be in compliance with the state process for administering funds.

Financial Impact

This item will decrease the City of Durham 2008-2010 Employment and Training Grant Project Ordinance by \$23,596.13, from \$1,605,839.00 to \$1,582,242.87 and increase the City of Durham 2009-2011 Employment and Training Grant Project Ordinance by \$23,596.13, from \$1,769,080.87 to \$1,792,677.00.

Neither of the grant project ordinance changes impact the General Fund.

SDBE Summary

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBEs are involved in this item.