



**Date:** June 5, 2012

**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 2010-2012  
Grant Project Ordinance Superseding Grant Project Ordinance # 14215

### **Executive Summary**

This item amends the City of Durham Employment and Training 2010 - 2012 Grant Project Ordinance # 14215. The amendment reflects a decrease of \$6,036.02 in Workforce Investment Technical Assistance funds for unspent training funds by two businesses that were previously awarded Incumbent Worker Training Grants. This item will decrease the City of Durham 2010-2012 Employment and Training Grant Project Ordinance by \$6,036.02 from \$2,267,751.00 to \$2,261,714.98.

### **Recommendation**

Staff recommends that City Council authorize the City Manager to accept the amended State of North Carolina "Employment and Training" Grant by executing the grant documents and adopt the City of Durham North Carolina and the State of North Carolina "Employment and Training" Grant Project Ordinance FY 2010-2012 in the amount of \$2,261,714.98.

### **Background**

Funds in the City of Durham Employment and Training 2010-2012 Grant Project Ordinance 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 Solutions. 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 Solutions, 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. 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 and Analysis**

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 Solutions through the Durham Workforce Development Board/Office of Economic and Workforce Development.

Two businesses that were previously awarded incumbent worker training grants did not utilize their full funding. The businesses that had underexpenditures in their training programs were as follows: The Copernicus Group (\$1,522) and CrossComm, Inc. (\$4,514.02). Unspent funds are related to changes made to their training plans, savings realized from adjusting their training plans or changes in personnel making training no longer necessary.

To accurately reflect a decrease of \$6,036.02 in Incumbent Worker funds, an amended Grant Project Ordinance in the amount of \$2,261,714.98 is being prepared to supersede Grant Project Ordinance # 14215. This new Grant Project Ordinance must be adopted in order to reflect this decrease in funding.

This item will decrease the City of Durham 2010-2012 Employment and Training Grant Project Ordinance by \$6,036.02 from \$2,267,751.00 to \$2,261,714.98.

### **Alternatives**

Council may choose to not approve the Grant Project Ordinance, as amended, or may choose to approve specific line items within the amended Grant Project Ordinance. If Council chooses to not approve the amended Grant Project Ordinance, 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 2010-2012 Employment and Training Grant Project Ordinance by \$6,036.02, from \$2,267,751.00 to \$2,261,714.98.

### **SDBE Summary**

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

### **Attachments**

Amended City of Durham 2010-2012 Employment and Training Grant Project Ordinance superseding Grant Project Ordinance # 14215, 2 pages.