



Date: August 19, 2014

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Kevin Dick, Director of Economic and Workforce Development
Esther Coleman, Interim Workforce Development Senior Manager
Subject: 2014-2016 Job Driven National Emergency Grant Project Ordinance

Executive Summary

This item recommends the approval of a Grant Project Ordinance for the Job Driven National Emergency Grant Funds received on August 8, 2014, by the Durham Workforce Development Board/Office of Economic and Workforce Development in the amount of \$355,049.00.

Recommendation

To authorize the City Manager to accept the 2014-2016 Job Driven National Emergency Grant funds by executing the grant documents; and

To adopt the 2014-2016 Job Driven National Emergency Grant Project Ordinance in the amount of \$355,049.00.

Background

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 becomes available or when special funding is awarded.

On August 8, 2014, OEWD staff received written notification from the North Carolina Department of Commerce of the Job Driven National Emergency Grant (JDNEG) award of \$276,157 for On-the-Job Training (OJT) to be used for long-term unemployed clients defined as individuals with twenty-seven weeks of unemployment in aggregate since the December 2007-June 2009 recession. In addition, the State has allocated \$60,532 for program staff and \$18,360 for administration costs for a total grant award to the Durham Workforce Development Board/ OEWD of \$355,049.

The Job Driven National Emergency Grant offers opportunities for long-term unemployed to overcome skills gaps through in-demand skills training and On-the-Job training with local businesses. Funds flow from the North Carolina Department of Commerce – Division of Workforce Solutions through the Durham Workforce Development Board/OEWD.

Issues/Analysis

The funds received for JDNEG grants will allow OEWD through the contracted service provider (Educational Data Solutions, Inc. or EDSI) to provide (OJT) for 24 or more long-term unemployed clients with various in-demand occupations. The OJT opportunities will allow WIA clients to overcome skills gaps and gain full-time employment at a rate above the City of Durham's livable wage.

For this grant, the client must be a long-term unemployed client with 27 weeks in aggregate of unemployment since the December 2007-June 2009 recession. A contract is formed between a business with an open position and EDSI for the purpose of developing a training program for the client related to his/her assessed skills gap. The business is provided a subsidy of up to 90% of the new hire's wages dependent on the number of individuals employed by the company.

In addition, the funds will allow EDSI to screen long-term unemployed for in-demand skills trainings that will be offered at Durham Technical Community College (DTCC) and to place graduates. The in-demand trainings will be funded by JDNEG grant funds provided by the North Carolina Department of Commerce directly to DTCC for the purpose of curriculum development and training, i.e., approximately 65 long-term unemployed WIA clients.

Approval of this Grant Project Ordinance will allow the Workforce Investment Act (WIA) program to provide 24-30 additional On-the-Job training opportunities for long-term unemployed clients and to screen 65 long-term unemployed to receive in-demand skills training through DTCC.

Alternatives

Council may choose not to approve the Grant Project Ordinance or may choose to approve specific line items within the Grant Project Ordinance.

If Council chooses not to approve the Grant Project Ordinance, OEWD would have a lower operating budget and would have less resource capacity to implement the employment and training objectives outlined in the Issues/Analysis section.

Financial Impact

WIA funds are federal formula dollars administered by OEWD. Funding or not funding this item will have no impact on the City's 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.

Attachments

City of Durham Job Driven National Emergency 2014-2016 Grant Project Ordinance, 1 page.

Letter of Award Notification for Job Driven National Emergency Grant dated August 8, 2014, 2 pages.