

# Agenda Report

**TO:** CITY COUNCIL **DATE:** July 23, 2001  
**THROUGH:** LEGISLATIVE COMMITTEE  
**FROM:** CITY MANAGER  
**SUBJECT:** **OPPOSE THE PENDING FEDERAL REDUCTION OF  
WORKFORCE INVESTMENT ACT (WIA) FUNDS FOR 2001-2002**

## RECOMMENDATION

It is recommended that the City Council:

1. oppose the proposed rescissions to the Workforce Investment Act funds for Fiscal Year 2001-2002, and
2. authorize the Mayor to send letters to appropriate authorities stating Pasadena's position on this item.

## BACKGROUND

Over the past month, several rescissions of the Workforce Investment Act (WIA) funding for 2001-2002 have been introduced at the federal level. At present, the primary reductions proposed to the current annual WIA allocation include a \$217.5 million cut proposed by the Senate Appropriations Committee, and an additional \$141.5 million proposed in an amendment introduced by Senator John McCain to the supplemental appropriations bill. Cumulatively, these actions would cut the WIA programs by approximately 50%. Attached is an example of a recent memo received by the City's One Stop Center staff outlining the latest proposed rescission. While there may be additional amendments over coming weeks suggesting other rates of reduction to WIA funds for 2001-2002, the impact of any such reduction will be negative in decreasing the availability of job training and placement services in the Foothill service delivery area. Such reductions will particularly impact persons who have limited or no marketable skills and are in need of specific skills training to enter or remain in the paid labor force.

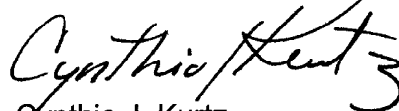
The primary rationale articulated to support such reductions is based on the slow expenditure of funds by most WIA-funded organizations, as the City implements the first year of this new legislation, which became effective July 1, 2000. There does not appear to be a clear recognition at the federal level that delays in

expenditures in this first year are due to the transition from the former JTPA (Job Training Partnership Act) system to the new WIA system, establishing new Workforce Investment Boards at state and local levels, developing and implementing new performance standards, modifications to the service delivery system, etc. as required by WIA. However, the rate of expenditure in the first year of implementation of WIA is neither an indicator of demand for service nor an indicator of need, and is not an appropriate basis for reducing these funds.

### **FISCAL IMPACT**

The impact of a 50% reduction in WIA funding would mean a near 50% cut in local job programs and services for the Foothill Employment and Training Consortium, with only 50% of clients receiving essential employment services. Clients in need of individualized job training who have already been approved for such training during the 2001-2002 fiscal year may not be able to receive their scheduled services. Should an alternate rate of reduction in WIA funds be approved at the federal level, there will be a nearly-proportionate reduction in intensive job-training services for those in need of and eligible for such services.

Respectfully submitted,



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City Manager

Prepared by:



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Attachment