



CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

February 3, 1982

CITY HALL
915 I STREET - 95814
(916) 449-5704

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: SAEOC Interim Management

APPROVED
BY THE CITY COUNCIL

FEB 9 1982

OFFICE OF THE
CITY CLERK

The attached memo was circulated to members of the Council within the last few days. It describes difficulties with funding and management of the Sacramento Area Economic Opportunity Council.

The Board of Supervisors has adopted a plan, also described in the attached memo, for dealing with the problems and, if possible, preserving the funding for this community.

RECOMMENDATION

It is recommended that the City Council express support of the Board of Supervisors plan.

Respectfully submitted,

MAC MAILES
Assistant City Manager
for Community Development

Recommendation Approved:

for: Walter J. Slipe, Jr.
Walter J. Slipe, City Manager

February 9, 1982

OFFICE OF THE CITY MANAGER

MEMORANDUM

February 3, 1982

TO: Members of the City Council

SUBJECT: Sacramento Area Economic Opportunity Council

SAEOC, following several months of administrative and political upheaval, recently received several very serious setbacks.

1. The Federal Department of Health and Human Services suspended all funding for the Head Start Program.
2. Current year funding has not been released to the regions for distribution to SAEOC and other Community Action Agencies in the State.
3. Region 9 (San Francisco Office) of H.H.S. put SAEOC on notice that no expenditures after January 1, 1982 could be guaranteed fundable.
4. Mass layoffs and resignations of SAEOC key management and line personnel occurred.
5. The County government, unable to verify continuing services for County funded nutrition and delta area transportation programs, cancelled both contracts with SAEOC.
6. SETA review and audit of youth work experience programs found "serious deficiencies". The SETA Executive Director has taken the first steps toward defunding SAEOC's Department of Labor CETA programs.

As a result of the above, County Executive Brian Richter presented the attached report to the Board of Supervisors which approved the following:

1. Head Start funding will be continued but program administration will be performed by Human Resources Corporation, a San Francisco based consulting firm.
2. U.S. Health and Human Services Department will be requested to transfer all remaining SAEOC program and fiscal monitoring and administration to the Sacramento Employment and Training Agency during the interim period from now until October 1982.

The interim period until October of this year is the only period which can be dealt with at this time. The Federal Government is currently developing plans and legislation to convert community action agency funding programs to

community services block grants to be delivered through the State Governments with allocation and monitoring to be performed by State Governments. The Federal Government is withholding current calendar year funding because decisions have not yet been made at the Federal level concerning levels of funding past September nor has identification of local recipient agencies been made.

Given the unstable condition of SAEOC and the uncertainty of H.H.S. interim funding of all but Head Start programs, the Board of Supervisors actions seem to be the most reasonable course available to preserve the Head Start program and other line services which might become fundable under a continuing resolution of the Congress.

The DOL programs assigned to SAEOC are, of course, controllable by SETA.

The need for the Board of Supervisors to act quickly to preserve as much funding as possible prevents the effective use of a temporary SAEOC Board of Directors and staff as suggested in the attached letter from Alice Huffman, Director of State O.E.O.

It appears that the most timely alternative with the best chance of success lies with the utilization of the existing Board of Directors and staff as outlined in the attached report from SETA.

As of this writing, nothing is required of the City Council. However, it would probably be advisable to take some action supportive of the Board of Supervisors at next Tuesday's Council meeting.

We will keep you informed of developments as they occur and will agenda appropriate items if and when the need arises. If you have any questions or comments, please call me.



MAC MAILES
Assistant City Manager
for Community Development