



CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

May 15, 1980

CITY HALL
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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Contracts Between the City of Sacramento and
Community Based Organizations for CETA Funds

SUMMARY:

On March 13, 1979 the Council approved the extension of the new project agreements to June 30, 1980. The Council also approved that the duration for all new agreements between the City and Community Based Organizations for CETA funding be for 18 months.

BACKGROUND INFORMATION

On January 16, 1979 the Council approved agreements between the City and 21 Community Based Organizations for Title VI Project Program Entitlements beginning January 16, 1979 and ending June 30, 1979. On June 5, 1979 the Council approved the extension of these agreements until June 30, 1980.

On October 9, 1979 the Council approved agreements between the City and 31 Community Based Organizations for Titles IID and VI sustaining level entitlements beginning October 1, 1979 and ending September 30, 1980.

On March 20, 1979 the Council approved a schedule whereby all future agreements (both sustaining and projects) would begin and end on the same date, and that all agreements be for a period of 18 months. The City sent out over 100 Request for Proposals to Community Based Organizations on February 20, 1980. These needed to be returned May 16, 1980 for CETA funding beginning October 1, 1980.

On April 24, 1980 the City received word from the Department of Labor that a hiring freeze had been imposed on all Title VI participants effective April 25, 1980. This action was taken in response to the budget revision recently submitted to Congress by the Administration providing for deferral of \$203 million in Title VI budget authority, and a national end-of-fiscal year 1980 enrollment level under Title VI of 149,000.

By the City Council
Office of the City Clerk

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This hiring freeze basically means that any funds not spent cannot be otherwise used and will become part of the \$203 million transferred from the CETA program to the Trade Readjustment Act deficit. All positions that are or become vacant cannot be refilled in order that the enrollment declines to 149,000 by the end of fiscal year 1980.

There are 21 agreements between the City and Community Based Organizations that terminate June 30, 1980 and are funded with Title VI funds. These contracts cannot be extended because the enrollment level in the Annual Plan for FY 79-80 included a participant enrollment decrease July 1, 1980. With the freeze regulation, a modification of the Annual Plan will not be allowed to increase the number of Title VI participants. The agreements that terminate June 30, 1980 will require the termination of 245 positions from 21 agencies (agency list attached).

Part 678 of the regulation for Public Service Employment Programs under Title VI states that: "At least fifty percent of the funds available under this part be expended for P.S.E. jobs in projects." It further states that: "All projects shall be planned not to exceed eighteen months from their commencement."

All of the agreements that are to be terminated June 30, 1980 have a commencement date of January 16, 1979.

FINANCIAL DATA

The City received a total allocation of \$9,171,104 for FY 79-80. Of this amount, \$5,277,380 was for Title VI funding. At Council direction during its January 16, 1979 meeting, the maximum amount of funds possible to serve the greatest number of participants between January 1979 and June 30, 1980 was spent. To achieve this, the staff recommended an additional number of agencies be funded to provide for more participants. These additional participant enrollments were based on the amount of funds allocated, and meet the Council-approved schedule of having all agreements begin and end at the same time. The schedule called for a three-month time period in which projects would not be funded (July through September).

CONCLUSION

Unless the hiring freeze is rescinded by the Department of Labor for Title VI participants and additional funding is allocated for Title VI projects for the period July 1, 1980 to September 30, 1980, the agreements that are to terminate June 30, 1980 cannot be extended.

Respectfully submitted,


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Associate Management Analyst

For City Council Information:


Walter J. Slips, City Manager

May 20, 1980

TITLE VI PROJECT FUNDED AGENCIES

State of California - Employment Development Department

Sacramento Municipal Utility District

Community Resources Project, Inc.

Sacramento Safety Council

Sacramento Single Persons Selfhelp Group

Valley Area Construction Opportunity Program, Inc.

Consejos, Inc.

Grant Joint Union High School District

University of California, Davis

Capital Park Renters' Fund, Inc.

Episcopal Community Services, Inc.

Northern California Women for Apprenticeship, Inc.

California Park and Recreation Society

Sacramento City Unified School District

Asian Community Center of Sacramento Valley, Inc.

La Familia Counseling Center

Conception, Inc.

Sacramento Area Economic Opportunity Council

Sacramento Chinese Community Service, Inc.

WEAVE, Inc.

Catholic Social Services