

City of Sacramento

Legislation Text

File #: 2020-01100, **Version:** 1

Title:

Sacramento Employment and Training Agency (SETA) Operating Budget for Fiscal Year 2020/2021

File ID: 2020-01100

Location: Citywide

Recommendation:

Adopt a Resolution approving the Fiscal Year (FY) 2020-2021 Sacramento Employment and Training Agency (SETA) Operating Budget in the amount of \$105,745,852.

Contact: Kriztina Palone, Workforce Development Manager, (916) 808-2260, Office of Innovation and Economic Development; Loretta Su, Fiscal Chief, (916) 263-3875, Sacramento Employment and Training Agency

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Final Budget SETA FY20/21 - Exhibit A

Description/Analysis

Issue Detail: In 1978, the City of Sacramento and the County of Sacramento executed a Joint Exercise of Powers Agreement (JPA) establishing the Sacramento Employment and Training Agency (SETA). Pursuant to Paragraph 21 of the JPA, the budget process requires the SETA Governing Board to approve a recommended budget and submit it to the signatories of the JPA for final approval. SETA's proposed budget for fiscal year (FY) 2019/20 totals \$94,062,055. This reflects a net increase in funding of \$6,477,507 from the prior fiscal year. The Sacramento Employment and Training Agency (SETA) Governing Board has approved an action that requires the review and approval of the Sacramento City Council before such action is considered final and authorized.

Policy Considerations: SETA has been an effective force in connecting people to jobs, business owners to quality employees, education and nutrition to children, and assistance to more than 30,000 customers annually.

Economic Impacts: None

Environmental Considerations: This action is not a project that is subject to CEQA as it is an administrative activity and relates to government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. (CEQA Guidelines § 15378(b)(2) and (b)(4).)

Sustainability: Not applicable

Commission/Committee Action: Not applicable

Rationale for Recommendation: City Council approval is required in accordance with the JPA which requires review and approval by the signatories to the JPA before the annual budget is considered final and authorized.

Financial Considerations: SETA's FY2020-2021 operating budget of \$105,745,852 will be financed by federal grants (\$95,109,757), state grants (\$7,625,278), food nutrition grants (\$1,600,000), and miscellaneous revenues (\$1,410,817). Approval of SETA's final budget will have no fiscal impact on the City's General Fund.

Local Business Enterprise (LBE): Not applicable

Background: SETA provides health and education services to young children, job training and employment opportunities, and funding to neighborhood-based organizations that provide programs and services to low-income communities to help combat poverty, including employment, acculturation, and social services for refugees and other specific immigrant populations.

Approximately 91% of SETA's funding is from Federal grants. The Head Start, Early Head Start and California Department of Education grants represent approximately 74% of the budget, and workforce development funds provided under the Workforce Innovation and Opportunity Act (WIOA) represent another 15% of the budget. Other workforce development services are funded from the Refugee Support Services (RSS), Community Services Block Grant (CSBG), CalWORKs and Ticket-to-Work programs. Additional funding sources include the Sacramento Municipal Utility District (SMUD), California Department of Rehabilitation (DOR), California Department of Corrections and Rehabilitation (CDCR), California Workforce Development Board, Los Rios Community College, Health Education Council, and the City of Sacramento.

SETA's budget for Fiscal Year 2020-2021 totals \$105,745,852 (Exhibit A). This reflects a net increase in funding of \$11,683,797 from the Fiscal Year 2019-2020 budget. This is primarily the result of a \$10.1 million net increase in Head Start, Early Head Start and California Department of Education funds; \$0.9 million increase in Refugee Support Services (RSS) funds; \$1.6 million new funding from the CSBG CARES Act allocation; \$0.6 million new funding from SB1; \$0.1 million new funding from the Health Education Council; a reduction of \$0.8 million in WIOA formula funds; and a net \$0.8 million reduction due to the expiration of various workforce development discretionary grants. The Agency's personnel budget has decreased by 13 positions from the Fiscal Year 2019-2020 budget to a total of 622 regular positions for the Fiscal Year 2020-2021 budget.

Head Start serves 5,208 children from zero to five years old countywide in a family focused early learning program. Funding is provided through the Head Start, Early Head Start and the California Department of Education programs. Health, nutrition, and mental health screenings are also provided.

The Workforce Development Department operates 14 America's Job Centers throughout the county. These centers integrate employment, education, and training resources to over 25,000 customers per year. This is accomplished through grants provided by the Workforce Innovation and Opportunity Act (WIOA) in collaboration with the Employment Development Department, the County Department of Human Assistance and various nonprofit service organizations. SETA is the designated Community Action Agency for the provision of Community Services Block Grant (CSBG) funding in Sacramento County. Programs funded through CSBG provide case management, emergency shelter, transportation, emergency food, and counseling services for at-risk youth, frail elderly, disabled persons, low-income families, and the homeless. Only Sacramento County residents that meet federal poverty income guidelines are eligible for CSBG services.

SETA also administers Refugee Social Service grant funding. The Refugee Program includes vocational, employment, and social adjustment and cultural orientation services for refugees and certain immigrant populations that have been in the U.S. less than five years. Each year, the SETA Governing Board is required to approve a Recommended Budget by June 30th and a Final Agency Budget by October 2nd that meets its funding priorities that is sent to the City and County for final approval.

The recommended budget for Fiscal Year 2020-2021 was presented before the SETA Board on June 4, 2020. Pursuant to Governing Board directive, official notice was published and a public hearing on the budget was opened on that date. At the August 6, 2020, meeting, the Governing Board closed the public hearing and adopted its final budget.