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CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Melvin Gupton, Interim Director
Detroit Workforce Development Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director *IG.*

DATE: May 5, 2009

RE: 2009-2010 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, May 7, 2009 at 2:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Joseph Harris, Chief Financial Officer
Pamela Scales, Budget Department Director
Donna McAlister, Budget Department Team Leader
Arese Robinson, Mayor's Office

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Detroit Workforce Development (21)

FY 2009-2010 Budget Analysis by the Fiscal Analysis Division

Summary

The Detroit Workforce Development Department is a Grant Agency. The recommended 2009-2010 budgeted appropriations total $60.1 million, which represents a $1.7 million increase from the current fiscal year budget. The Department's recommended net tax cost to the City is $1,700, which is an increase of $1,700 from last FY.

2008-2009 Surplus/(Deficit)

There is no projected deficit or surplus for the 2008-2009 fiscal year.

Detroit Workforce Development Department (21)

Budgeted Professional and Contractual Services by Activity	FY 2008-09 Budget	FY 2009-10 Recommended	Increase (Decrease)
Adult Client Services	8,420,883	4,670,999	(3,749,884)
Youth Services	55,200	738	(54,462)
Total	**$ 8,476,083**	**$ 4,671,737**	**$ (3,804,346)**

Overtime

There is $150,000 of budgeted salary overtime expenditures in the Mayor's 2009-2010 Proposed Budget, which is equal to the overtime budgeted in fiscal year 2008-2009. As of March 31, 2009, the Department has expended $71,271 on overtime with a remaining balance of $78,729 for fiscal year 2008-2009.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for fiscal year 2009-2010 for the Detroit Workforce Development Department.

Appropriation/Program	Redbook Positions FY 2008-09	Filled Positions 3/31/2009	Mayor's Budget Positions FY 2009-10	Over/(Under) Actual to 08/09 Budget	Mayor's Recommended Turnover
Detroit Workforce Development Department (21):					
11637 Work First Training Related	**0**	**0**	**0**	**0**	**$ -**
11961 Work First FY07	**0**	**0**	**0**	**0**	**$ -**
218599 DWDD Reallocation Clearing FY 07	**95**	**77**	**131**	**(18)**	**$ -**
218571 WIA Adult FY 09-Core	**36**	**18**	**0**	**(18)**	$ -
21XXXX Leave of Absence	0	1	0	1	$ -
21XXXX Worker's Comp.	0	0	0	0	$ -
21XXXX Unmatched Positions	0	3	0	3	$ -
TOTAL	**131**	**99**	**131**	**(32)**	**$ -**

Proposed Layoffs and Position Changes

The Mayor's 2009-2010 Proposed Budget does not include any layoffs.

Significant Changes in Funding by Appropriation

Capital Improvement

There are no capital improvements in the Mayor's 2009-2010 Proposed Budget.

Appro.	Program	
11652	General Fund Account – Late Fees FY09	Funds for this program in the amount of $1,700 have been included in the Mayor's 2009-2010 Proposed Budget.
12236	DWDD Reallocation Clearing	Funds for this program in the amount of $1.0 million have been included in the Mayor's 2009-2010 Proposed Budget.
12784	JET FY10	The Mayor's 2009-2010 Proposed Budget is $18.75 million, which is a decrease of $0.8 million from fiscal year 2008-2009. The former appropriation account was 12477 – JET 09.
12785	JET State GF/GP FY10	The Mayor's 2009-2010 Proposed Budget is $4.5 million, which is a decrease of $0.38 million from fiscal year 2008-2009. The former appropriation account was 12478 – JET State 09.
12787	Food Stamp Only FY10	The Mayor's 2009-2010 Proposed Budget is $0.95 million, which is an increase of $0.3 million from fiscal year 2008-2009. The former appropriation account was 12479– Food Stamp Only FY09.
12788	Food Stamp Only SS FY10	The Mayor's 2009-2010 Proposed Budget is $22,975, which is a decrease of $803 from fiscal year 2008-2009. The former appropriation account was 12480 – Food Stamp Only SS FY09.
12789	Promoting Responsible Fatherhood FY10	The Mayor's 2009-2010 Proposed Budget is $0.5 million, which is the same as fiscal year 2008-2009. The former appropriation account was 12481 – Promoting Responsible Fatherhood FY09.
12790	Employment Service FY10	The Mayor's 2009-2010 Proposed Budget is $1.7 million, which is an increase of $8,931 from fiscal year 2008-2009. The former appropriation account was 12482 – Employment Service FY09.
12792	Trade FY10	The Mayor's 2009-2010 Proposed Budget is $1.3 million,

		which is an increase of $0.35 million from fiscal year 2008-2009. The former appropriation account was 12483 – Trade FY09.
12484	Job Access Reverse Commute	The Mayor's 2009-2010 Proposed Budget is $0, which is a decrease of $1.5 million from fiscal year 2008-2009.
12793	One Stop Operation GF/GP FY09	The Mayor's 2009-2010 Proposed Budget is $0.5 million, which is no change from the amount in fiscal year 2008-2009. The former appropriation account was 12485– One Stop Operation GF/GP FY09.
12794	WIA Statewide Capacity Building FY09	The Mayor's 2009-2010 Proposed Budget is $25,000, which is an increase of $1,000 from the amount in fiscal year 2008-2009. The former appropriation account was 12486 – WIA Statewide Capacity Building FY09.
12795	WIA Adult FY10	The Mayor's 2009-2010 Proposed Budget is $8.7million, which is an increase of $1.3 million from fiscal year 2008-2009. The former appropriation account was 12487 – WIA Adult FY09.
12796	WIA Dislocated Worker FY10	The Mayor's 2009-2010 Proposed Budget is $10.2 million, which is an increase of $1.44 million from fiscal year 2008-2009. The former appropriation account was 12488 – WIA Dislocated Worker FY09.
12797	WIA Incumbent Worker FY10	The Mayor's 2009-2010 Proposed Budget is $0.3 million, which is an increase of $2,187 from fiscal year 2008-2009. The former appropriation account was 12489 – WIA Incumbent Worker FY09.
12798	WIA Disability Program Navigator FY10	The Mayor's 2009-2010 Proposed Budget is $65,000. This is a new appropriation and was not budgeted for in fiscal year 2008-2009.
12801	WIA Administration FY10	The Mayor's 2009-2010 Proposed Budget is $3.2 million, which is an increase of $0.6 million from fiscal year 2008-2009. The former appropriation account was 12492 – WIA Administration FY09.
12493	No Worker Left Behind	The Mayor's 2009-2010 Proposed Budget is $0, which is a decrease of $0.8 million from fiscal year 2008-2009.
12490	WIA Youth	The Mayor's 2009-2010 Proposed Budget is $0, which is a decrease of $7.2 million from fiscal year 2008-2009.
12491	WIA Youth Statewide FY09	The Mayor's 2009-2010 Proposed Budget is $0, which is a decrease of $62,246 from the amount in fiscal year 2008-2009.

Following is information by appropriation comparing budgeted FY 2008-2009 revenues and 2009-2010 Mayor's recommended revenues.

Significant Revenue Changes

Appropriation	Fiscal Year 2009-2010 Proposed Budget	Fiscal Year 2008-2009 Budget	Difference - This Year Over/Under Last Year
DWDD Reallocation Clearing	$1,000,000	$1,000,000	$0
JET FY 10	$18,750,000	$19,561,270	($811,270)
JET State	$4,500,000	$4,883,356	($383,356)
Food Stamp Only	$950,000	$650,892	$299,108
Food Stamp Only SS	$22,975	$23,778	($803)
Promoting Responsible Fatherhood	$500,000	$500,000	$0
Employment Service	$1,700,000	$1,691,069	$8,931
TRADE	$1,300,000	$950,000	$350,000
Job Access Reverse Commute	$0	$1,500,000	($1,500,000)
One Stop Operations	$500,000	$500,000	$0
WIA Statewide Capacity Building	$25,000	$24,000	$1,000
WIA Adult	$8,664,496	$7,324,009	$1,340,487
WIA Dislocated Worker	$10,262,048	$8,821,458	$1,440,590
WIA Incumbent Worker	$337,426	$335,239	$2,187
WIA Disability Program Navigator	$65,000	$0	$65,000
WIA Administration	$3,231,651	$2,594,449	$637,202
No Worker Left Behind	$0	$798,981	($798,981)
WIA Youth	$8,256,311	$7,204,573	$1,051,738
WIA Youth Statewide		$62,246	($62,246)
WIA Statewide High Concentration	$70,000	$0	$70,000
Total	$ $60,134,907	$58,425,320	$1,709,587

Issues and Questions

1. What percentage of individuals that received job training via DWDD were actually place into employment? What is the retention rate for staying in those jobs?

2. What are the changing program requirements mandated by federal and state governments concerning the JET FY10 program?

3. Workforce Development Department was granted $7.2 million in 2008-2009 FY for WIA Youth, what have been accomplished so far with this grant?

4. What careers are your training programs currently focusing on?

5. How are citizens informed of training opportunities?

6. What impact does the $3.75 million reduction in professional and contractual services have on the Adult Client Services Program?