

Legislation Text

File #: 15-16502, Version: 1

Amend the Charlotte Regional Workforce Consortium Agreement and Contract Services for Performance Management

Action:

- A. Adopt a resolution approving the second amended and restated Charlotte Regional Workforce Consortium Agreement to designate Charlotte Works as the local fiscal agent, and**
- B. Authorize the City Manager to negotiate and execute a contract with Charlotte Works for performance management.**

Staff Resource(s):

Tracy Dodson, City Manager's Office
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Explanation

- Charlotte Works is the Workforce Development Board for Mecklenburg County and provides programs and services to businesses and job seekers within the County.

Action A

- Charlotte Works is funded by Workforce Innovation and Opportunity Act (WIOA) funds that originate from the United States Department of Labor (DOL). Currently, these funds pass through the North Carolina Department of Commerce (NC Commerce) to the City of Charlotte. The City disburses the funds to Charlotte Works.
- WIOA requires an executed agreement between the Chief Local Elected Officials (CLEO) of the units of government within the geography served by a local workforce development board.
- The Charlotte Regional Workforce Consortium Agreement (Consortium Agreement) outlines the responsibilities of the CLEOs (Mayor of City of Charlotte and Mecklenburg County Commissioner Chair) as they relate to the governance and operation of Charlotte Works. These responsibilities include:
 - Approve and sign annual required WIOA Plans, Memorandums of Understanding (MOU), and Career Center Infrastructure Cost Sharing Agreement;
 - Appoint members to the local workforce development board of directors. Currently, the City has 80 percent of board member appointments, and the County has 20 percent; and
 - Accountable for fiscal integrity, which includes designation of a fiscal agent. The City of Charlotte is currently designated as fiscal agent; The City and County are liable for fiscal integrity.
- The basis for the City's current role as the fiscal agent and pass-through entity is two-fold:
 - Language in the WIOA states that the Chief Local Elected Official has the ultimate responsibility and accountability for allowable grant expenditures and
 - Language in the WIOA also states that the Chief Elected Official may designate an entity to serve as a local grant sub-recipient for such funds or as a local fiscal agent.
- The City has interpreted and operationalized this language by contractually agreeing with Charlotte Works that they will invoice the City monthly.
- This interpretation has yielded a structure in which staff from three departments within the City process monthly payments to Charlotte Works.

- Charlotte Works, in turn, processes payments to its vendors and sub-contractors that perform direct services such as career center management, career development activities, training scholarships, job referral and retention services, and supportive services.
- On April 23, 2021, the Charlotte Works Board of Directors approved to “move forward with the proposed next steps to request the revision of the Charlotte Regional Workforce Consortium Agreement based on the proposed recommendation to designate Charlotte Works as local fiscal agent.”
- The designation of Charlotte Works as local fiscal agent will:
 - Increase Charlotte Works’ control over financial reporting to NC Commerce and DOL; this removes possibility for error in the reporting and reimbursement process;
 - Decrease turnaround time (currently approximately 40 days) for monthly reimbursements, that average \$620,123, to Charlotte Works, adult and youth service providers, job seekers, and businesses;
 - Charlotte Works could draw funds down as needed versus monthly and provide payments to sub-contractors and vendors via Automated Clearing House;
 - Decrease any cash flow issues for Charlotte Works, service providers, job seekers, and businesses;
 - Allow Charlotte Works to provide better customer service to clients and to expand partnerships with smaller, grass roots organizations, and small- and mid-size businesses; and
 - Decrease City of Charlotte’s monthly staff time taken to review, and process draw downs and reimbursement.
- Specifically, the City will no longer review monthly invoices by Charlotte Works or file annual reports to NC Commerce but will continue to carry out its fiduciary responsibility by relying upon various monitoring processes that are currently in place.
- The amendment of the Consortium Agreement also requires approval by the Mecklenburg County Board of County Commissioners (BOCC). The BOCC will vote on this change at its October 19, 2021 meeting.

Action B

- The City’s annual contract with Charlotte Works outlines performance metrics and City oversight for the organization and its relationship with subcontractors and vendors.
- Corresponding with the amended and restated Charlotte Regional Workforce Consortium Agreement, the Fiscal Year 2022 contract between the City of Charlotte and Charlotte Works will focus on performance measures and have no monetary value.

Attachment(s)

Charlotte Regional Workforce Consortium Agreement
Resolution for Interlocal Charlotte Works Amendment
NC Commerce September 2021 Letter