

Resolution Transferring the Remaining Assets of the PIC, Upon Dissolution, to the City for the Purpose of Supporting the City's Workforce Development Programs

WHEREAS, On December 15, 2006 the Board of Directors of the Private Industry Council (the "PIC"), by resolution, announced its intention to dissolve the PIC, based in part, on the ongoing reductions in governmental funding for workforce development and the numerous compliance obligations that had become harder to fulfill in the face of dwindling resources, and

WHEREAS, The December 15, 2006 resolution of the PIC Board also noted that the City and County of San Francisco (the "City") administers several workforce development programs similar to the program administered by the PIC pursuant to the federal Workforce Investment Act of 1998 ("WIA"), 5 U.S.C. § 2801, et seq., and that the City's Mayor had recently hired a Director of Workforce Development charged with developing a coordinated and comprehensive workforce development system for the City; and

WHEREAS, Pursuant to the Agreement dated June 28, 2007 between the California Employment Development Department (the "EDD"), the PIC, and City (the "Novation Agreement"), the parties agreed that: (1) the City would perform all of the duties and obligations of the existing WIA subgrant agreements between the PIC and the EDD; (2) the PIC would transfer all WIA assets and all rights under the subgrant agreements to the City; and (3) the EDD would release the PIC from all of its obligations under the subgrant agreements; and

WHEREAS, it is possible that unasserted claims based on the acts or omissions by the PIC under the subgrants may be asserted against the City, in future, pursuant to the Novation Agreement; and

WHEREAS, By Agreement dated June 28, 2007 between the City and the PIC, the City accepted the PIC's assignment of all rights and duties arising under contracts between the PIC and 15 local nonprofit organizations who provided services to the PIC in connection with the WIA program; and

WHEREAS, On June 1, 2007, the Board of Directors of the PIC voted to authorize the officers and directors of the PIC to wind up and dissolve the PIC; and

WHEREAS, Since June 30, 2007, the City, through its Director of Workforce Development, has administered the WIA program in addition to other workforce development programs of a similar nature that were already part of the City's workforce development program,

WHEREAS, It is possible that unasserted claims based on the acts or omissions of the PIC under the contracts with the local nonprofits may be made, in future, against the City as PIC's assignee; and

WHEREAS, In light of the past reductions in governmental funding for workforce development, and the likelihood that such reductions will continue due to the budget deficits facing both the State of California and the City, additional funds would provide

needed assistance to the City in its efforts to maintain and expand its workforce development programs; therefore be it

RESOLVED, that the Board of Directors of the PIC does hereby authorize its Acting Chief Financial Officer, upon his determination that all of the PIC's known debts and obligations have been paid, to transfer the remaining assets of the PIC, if any, to the City for the purposes of paying any future obligations of the PIC that have become the liability of the City under the Novation Agreement, the Assignment, or otherwise, and for the purpose of supporting the City's workforce development programs administered through its Director of Workforce Development.