

CITY OF OAKLAND
AGENDA REPORT

2010 SEP 30 PM 6:14

To: Office of the City Administrator
Attn: Dan Lindheim
From: Office of the Mayor/ Oakland Workforce Investment Board
Date: October 5, 2010

Re: A Report And Resolution Authorizing the City Administrator to Accept And Appropriating \$6,050,607.00 In Fiscal Year (FY) 2010-2011 Workforce Investment Act (WIA) Title I Funds, Allocating Such Funds To Workforce Development Service Providers Through A Competitive Procurement Process, And \$1,093,462.00 In Competitive Grant Awards To Provide Employment Training Services

SUMMARY

The City of Oakland has made workforce development a top priority, as we have recognized that a healthy workforce is an imperative for a robust economic development strategy. The budget developed by the Oakland Workforce Investment Board (WIB) and - approved on August 12 2010 represents a fundamental shift in the policy and organizational direction for the Oakland WIB. In the FY10-11 budget, the City will have the requisite resources to fulfill its fiduciary responsibility as the System Administrator for the WIB. This is a shift that has been long in the making.

Staff believes that this new direction will allow the WIB the opportunity to modernize Oakland's workforce system and meet its legal responsibilities to both set policy and monitor WIA funds and programs.

Under this new structure, the WIB will be in a better position to inform the City's larger economic and workforce strategies. The Oakland WIB staff will be housed in the Community and Economic Development Agency (CEDA). This will allow WIB staff to work closely with the City's economic development staff to produce a more symbiotic relationship between the City's economic and workforce development strategies.

BACKGROUND

On August 12, 2010 the Board of the Oakland WIB approved the FY2010-2011 budget as presented to Council above, with all its implications. This budget represents a fundamental shift in how federal workforce dollars are directed and overseen in Oakland, and is a culmination of years of planning by the City of Oakland and the Oakland WIB.

The transition of these functions into the City will enable Oakland to develop and implement workforce development policy that ultimately improves the delivery of services for jobseekers and employers.

Item: _____
City Council
October 5, 2010

It has been the purpose of the City of Oakland to make workforce development a top priority for City staff along with economic development, so that Oakland and area residents benefit from new investments and job creation activities. To achieve this, the Oakland WIB will fund staffing and the creation of a new department within CEDA for workforce development. This will return the Oakland WIB administration to CEDA, which previously supported the workforce development staff until 2007. This structural change will clearly and directly link and elevate the City's Economic Development and Workforce Development activities within CEDA.

WIB staff will directly work with Economic Development staff within CEDA for a well coordinated effort tying economic development with workforce development activities. Economic Development staff is the primary interface with the business community for the City of Oakland, developing and maintaining connections to new businesses, growing businesses and priority industries, and providing assistance to businesses in contraction. Workforce development can directly leverage the existing efforts of CEDA's Economic Development staff in identification of key industries and their supporting businesses; their work with growing and emerging businesses in green technology, healthcare/life sciences and other priority industries; and their services providing businesses with technical assistance, enterprise zone tax credits, and other financial incentives. Economic Development is the first responder interfacing with employers and is able to gain real-time local labor market information on employer needs for new workers and incumbent training for their current workforce. Also, the Economic Development staff is best suited to help employers with layoff aversion assistance and business closure to better utilize Rapid Response funding in the community. This level of connection and relation with the business community will provide the WIB with timely labor market information to help shape programming and policy to reflect the real-time needs of Oakland.

Item: _____

City Council
October 5, 2010

FISCAL IMPACT

The budget proposed and approved by the Oakland WIB for FY2010-2011 is as follows:

Oakland Workforce Investment Board
Annual Budget PY 2010 - 2011 (July 1, 2010 - June 30, 2011)

#	Line Items	Proposed FY10-11 WIA Formula Budget
City's Operation		
1	Business and Professional Services	\$0.00
2	Operation and Maintenance	\$0.00
3	Rapid Response Services	\$100,000.00
4	Fiscal Monitoring and Compliance	\$40,000.00
5	EEOC and ADA Compliance	\$0.00
6	WIB Program Personnel	\$684,000.00
7	City Operation Subtotal	\$824,000.00
One Stop Services		
8	Individual Training Account & On the Job Training	\$400,000.00
9	Adult and DW Supportive Services	\$350,000.00
10	Innovation RFP	\$468,000.00
11	Older Workers (ASSETS)	\$150,000.00
12	Adult & DW Program Services and Administration (including the one-stop affiliates)	\$1,758,351.00
13	Youth One Stop (Mayor's Summer Jobs Program)	\$200,000.00
14	Youth Wages	\$455,500.00
15	Youth Supportive Services	\$194,669.00
16	Youth Program Services and Administration	\$860,000.00
17	EastBay Works	\$169,890.00
18	System Administrator (FY 09-10 and ARRA)	\$0.00
19	One Stop Operator (FY 09-10 and ARRA)	\$0.00
20	One Stop Subtotal	\$5,006,410.00
Rapid Response Services		
21	Business Services	\$100,000.00
22	Outreach	\$20,197.00
23	Program Support	\$100,000.00
24	Rapid Response Subtotal	\$220,197.00
25	WIA Formula Total	\$6,050,607.00

Item: _____

City Council
October 5, 2010

Grants (Special Projects)		
26	National Emergency Grant for On the Job Training	\$725,462.00
27	Earmark for Green Jobs Corps	\$285,000.00
28	High Concentration Youth Grant	\$83,000.00
29	Grant Subtotal	\$1,093,462.00
30	GRAND TOTAL	\$7,144,069.00

REVENUES FOR FY 10-11

WIA FY 10-11 Revenues

Account	Amount Allocated
Formula FY 10-11 WIA Youth	\$1,932,169.00
Formula FY 10-11 WIA Adult	\$1,929,767.00
Formula FY 10-11 WIA Dislocated Workers	\$1,467,630.00
Formula FY 10-11 WIA Rapid Response	\$330,197.00
Grant Code 113 (incentive fund)	\$8,862.00
Grant Code 153 (incentive fund)	\$15,836.00
Rapid Response fund from FY08- 09 that needs to be allocated (this was distributed at the end of the last fiscal year)	\$366,146.00
Subtotal	\$6,050,607.00
Grant Revenues: applied with various community based groups, therefore funds are encumbered per the proposals.	
NEG for On the Job Training	\$725,462.00
High Concentration Youth	\$83,000.00
Oakland Green Jobs Corps (Earmark)	\$285,000.00
Subtotal	\$1,093,462.00
Total Workforce Training Dollars	\$7,144,069.00

Additionally, in Fiscal Year 2010-2011, the WIB will carry forward unexpended funds of approximately \$5,730,196 as of July 1, 2010.

On the following special page is an explanation of each line item, as well as a brief explanation of the categories.

Item: _____

City Council
October 5, 2010

OAKLAND'S ADMINISTRATION AND MONITORING OF WIA FUNDS

The City of Oakland, as the grant recipient of WIA funds for the Oakland Workforce Investment Board has fiduciary responsibilities and accountability for the administration and monitoring of all WIA expenditures. With the proposed budget and realignment of fiscal management within the City administrative structure, the City and WIB will be able to meet the core functions of:

1. Fiscal management;
2. Program monitoring;
3. Effective and efficient service delivery;
4. Policy development; and
5. Strategic planning and program development

Line Item and Cost	Description	Strategic Purpose
1. Business and Professional Services (\$434,441)	System-wide coordination and support for business services and WIB initiatives and priorities (e.g. recent workforce study, new program development, etc.), technical assistance and infrastructure building. This line will bear the significant burden for the System Administration transition. We don't anticipate that this line item will remain at this level in the upcoming years.	Developing the strategic plan to implement the WIB initiatives and policy directives will require some outside consulting resources. This is especially the case for successfully implementing an industry sector approach for creating a direct employment pipeline for Oakland job-seekers.
2. Operation and Maintenance (\$200,000)	WIB meeting support, program development, supplies, membership dues, travel, equipment, periodical subscriptions, job fairs, WIB marketing etc. Staff anticipates that the cost of operation will rise with the increased number of WIB staff and activities.	Robust fiscal monitoring and program review will require staff professional development; increasing the engagement of private sector will require substantial marketing and re-branding of the Oakland WIB.
3. Rapid Response (\$100,000)	In most Local Workforce Investment Areas, the governmental entity serves as the rapid response coordinator because the area's economic development efforts and business supportive service happens through the City or County. This line item will support rapid response activities such as responding to the WARN notice and Labor Market Information, liaison to the Business	CEDA's current Economic Development resources will be supplemented to enable more creative solutions to situations where the City receives notice of planned layoffs by large employers.

Item: _____

City Council
 October 5, 2010

	Assistant Center, coordination with the one-stop center, assists business to other City based services, education regarding applicable tax credits and other available business incentives to assist in off-setting the expense of operating a business to avert layoffs, and assist with strategic workforce development planning.	
4. Fiscal Monitoring and Compliance (\$154,178)	City's oversight and fiscal monitoring to ensure all fiscal compliance as mandated by the EDD. In the process of developing the City's reporting infrastructure, staff anticipates that the City's Financial Management Agency will use additional time to develop and manage new reporting systems.	The City will have greater transparency, accountability and responsibility by assuming the System Administrator role that has historically been outsourced.
5. Equal Employment OC and American Disability Act (ADA) Compliance (\$93,000)	This is a new mandate from EDD to ensure that all City and Service Delivery facilities are EEOC and ADA compliant. The scope of work will include self assessed monitoring review and the development of monitoring policies and procedures.	This is a one-time incurred cost. These functions will be assumed by the new Executive Director.
6. WIB Program Personnel (\$824,000)	A total of five program personnel to administer the WIB: 1) Executive Director, 2) Program Manager (Deputy Director), 3) Program Analyst II, 4) Program Analyst II, and 5) Administrative Assistant. This amount includes salaries, benefits, rent and other shared costs for administering WIA funds. Duties and responsibilities include: <ul style="list-style-type: none"> ▪ Program monitoring and evaluation as required by EDD ▪ Website maintenance and other marketing activities ▪ Maintain Federal, state, and city 	In our survey of other local area Workforce Investment Boards, Oakland would be at the lower end of the employee count and cost spectrum. Alameda County has a staff of 13, Contra Costa County has 16, Los Angeles has 6, while Sacramento has 5 employees.

Item: _____

City Council
 October 5, 2010

	compliance and reporting activities <ul style="list-style-type: none"> ▪ Liaison to federal and state agencies ▪ Program and fund development ▪ Business service procurement ▪ Contracting and resource sharing agreement with WIB mandated partners, ▪ Technical assistant to service providers ▪ Support the WIB committee meetings ▪ Provide labor market information to policy makers, economic development staff and respond to public requests ▪ Support all WIB initiatives, produce information and analysis as requested by the Committees ▪ Provide planning and capacity building support ▪ Manage subcontracts 	
--	--	--

The proposed 2010-2011 WIA Formula Budget commits approximately \$824,000 (11.5%) of the total \$7,1444,069 to fund the costs of assuming the System Administration role in the workforce development system. A detailed budget narrative as approved by the Oakland Workforce Investment Board on August 12, 2010 is attached hereto as *Appendix A*.

KEY ISSUES AND IMPACTS

The budget will create an administrative department within the Community Economic Development Agency (CEDA) to provide fiscal and program oversight; compliance with local, state, and federal regulations; and staffing to support the WIB Board in developing policy that integrates workforce with the City’s economic development priorities and services. The WIB staff will administrate contracts with service providers to ensure Oakland meets or exceeds all required state performance measures, and will be the sole entity to contract with and report to the State Employment Development Department. This new structure will remove the inherent duplication of administrative and oversight functions in the current system, provide new clarity of roles for program and fiscal performance, and create a more responsive, transparent, and effective workforce development system.

Item: _____

City Council
 October 5, 2010

The change will minimally impact current programming levels. In the proposed FY 10-11 budget, access to training and to supportive services will increase to meet the demands of the unprecedented unemployment rate, and create space for new ideas and programs to be piloted in the Oakland's workforce development system. This will be possible, despite the 12% reduction in WIA formula funds from the state to Oakland in FY2010-2011, due to the reduction of administrative expenses in the reorganized structure.

PROGRAM AND POLICY DESCRIPTION

Currently, the contracts are being procured for Youth and Adult employment service providers which includes the One-Stop Operator, One Stop Comprehensive Center and One Stop Affiliate centers.

The FY2010-2011 Oakland WIB budget will:

1. Enable the City to meet its responsibility as the grant recipient of WIA funds to ensure in managing programs under this subgrant including performing appropriate monitoring activities and taking prompt corrective action plan against known violations of WIA. In the recent review by the State of California Office of the Inspector General, the report stated that the WIB needs to "more actively" oversee the Oakland PIC and its subcontractors. The proposed FY10-11 budget will allow the City to conduct effective program and fiscal monitoring. Currently, the Oakland WIB does not have the administrative structure to meet its responsibilities under WIA. In a survey sample of various WIB's, the staffing level consists of between six to twenty-two staff. The City is proposing five staff to administer and monitor WIA programs, funding and ensure federal, state and local compliance. This staffing level has been previously approved by the WIB Board in prior years' budgets, but has not yet been realized; and
2. Establish support for the Workforce Investment Board to fulfill its core function to direct policy and oversee WIA funding; and
3. Integrate Oakland's workforce development strategy with our economic development strategy. This integration will happen as the City's administration of the WIB will be housed in the City's Community and Economic Development Agency (CEDA); and
4. Implement the National Emergency Grant (NEG) for On the Job Training that was awarded to the City of Oakland - a competitive grant in the amount of \$725,462.00 to provide on the Job Training. This grant was written to include partnerships with Volunteers of America and Youth Employment Partnership to provide skills assessment, pre-employment training, and on the job placement with private sector partners in construction, health care, and trade and logistics. Each partners will be awarded

Item: _____

City Council
October 5, 2010

\$70,000.00 to administer the pre-employment training, career counseling, case management and job placement; and

5. Implement the High Concentration Youth grant that was awarded to the City of Oakland - a competitive grant in the amount of \$83,000 to provide additional youth employment services. This grant was written in partnership with Youth Employment Partnership.

EVALUATION OF PAST PERFORMANCE

Appendix B contains a full report of Oakland clients served by WIA formula and ARRA stimulus funds during FY2009-2010 (July 1 2009 to June 30 2010), as provided by the PIC to the WIB at the August 18, 2010 WIB Quality Assurance committee meeting.

SUSTAINABLE OPPORTUNITIES

Economic: Job training efforts funded by the Oakland WIB are intended to improve client employability through education, training, and support services, toward attaining the Board's goal of economic self-sufficiency for all clients. The workforce development system also promotes business development through placement services, customized training subsidies, and technical services for employers.

Environmental: Several Youth Employment Partnership, Inc. programs use environmental improvement as a means to promote employment. Projects include recycling, neighborhood beautification, fire fuel reduction and materials re-use through building deconstruction.

Social Equity: These programs promote social equity by improving client earning power, both immediately through job placements and for the long-term through education and training.

DISABILITY AND SENIOR CITIZEN ACCESS

The FY2010-2011 budget contains funding for the City of Oakland's ADA and EEOC Compliance Officers to conduct a thorough audit and assessment of our system and partners' facilities and services to ensure fair access. This process, while a biennial process required by the State EDD for recertification of the Oakland WIB, has not been conducted in Oakland in the past. With funding for this process Oakland can ensure compliance for disability and senior citizen access in its one-stop centers and other affiliated service providers.

Item: _____

City Council
October 5, 2010

RECOMMENDATION(S) AND RATIONALE

The Oakland Workforce Investment Board approved a motion on August 12th 2010 to approve the FY2010-2011 budget and its implications. It is strongly recommended to Council to pass a resolution allowing for the adoption of the budget as presented and supporting the new restructuring of the City's workforce delivery system.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Oakland City Council accept the report and approve the resolution for the City Administrator to accept and appropriate \$6,050,607.00 in WIA title 1 funds and \$1,093,462.00 in competitive grant awards to provide employment training services.

Respectfully submitted,



Theo F. Oliphant
Executive Director, Public Private Partnerships
Office of the Mayor

Prepared by: Mike Wetzel, Program Analyst II
Community and Economic Development Agency
Oakland Workforce Investment Board

FORWARDED TO THE
CITY COUNCIL


Office of the City Administrator

Item: _____

City Council
October 5, 2010

OFFICE OF THE CITY CLERK
OAKLAND
FILED
2010 SEP 30 PM 6:15

REVISED SEPTEMBER 28, 2010

APPROVED AS TO FORM AND LEGALITY:


DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION ACCEPTING AND APPROPRIATING \$6,050,607 IN FISCAL YEAR 2010-2011 WORKFORCE INVESTMENT ACT TITLE 1 FUNDS PLUS AN ADDITIONAL \$1,093,462 IN FEDERAL AND STATE WORKFORCE DEVELOPMENT GRANT FUNDS, ALLOCATING SUCH FUNDS IN ACCORDANCE WITH THE OAKLAND WORKFORCE INVESTMENT BOARD APPROVED 2010-2011 BUDGET, AND AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO CONTRACTS WITH WORKFORCE DEVELOPMENT SERVICE PROVIDERS THROUGH A COMPETITIVE PROCUREMENT PROCESS WITHOUT RETURNING TO COUNCIL

WHEREAS, the Workforce Investment Act (“WIA”) Title I funding granted to workforce investment areas such as the City of Oakland must be contracted out for the purpose of providing comprehensive education, training, employment and support services for unemployed adults and youth; and

WHEREAS, the City of Oakland’s total allotment of WIA Title 1 funds for the purpose of providing comprehensive employment service to Oakland youth, adults, and dislocated workers for the 2010–2011 fiscal year is \$6,050,607; and

WHEREAS, the City of Oakland will receive additional workforce development grant revenues in the amount of \$1,093,462 (inclusive of \$368,000 of encumbered earmarked grants to various community based organizations) for the purpose of providing comprehensive employment services to Oakland youth, adults, and dislocated workers for the 2010–2011 fiscal year; and

WHEREAS, the Mayor and the Oakland Workforce Investment Board have approved a workforce development budget for fiscal year 2010-2011 to provide comprehensive youth, adult and dislocated worker employment services; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City to accept WIA Title I funds in the amount of \$6,050,607 and other federal and state workforce development grant funds in the amount of \$1,093,462 for fiscal year 2010-2011; and be it further

RESOLVED: That the City Council hereby adopts the workforce development budget for fiscal year 2010-2011 to provide comprehensive youth, adult and dislocated worker employment services as follows:

Oakland Workforce Investment Board
Annual Budget PY 2010 - 2011 (July 1, 2010 - June 30, 2011)

#	Line Items	Proposed FY10-11 WIA Formula Budget
City's Operation		
1	Business and Professional Services	\$0.00
2	Operation and Maintenance	\$0.00
3	Rapid Response Services	\$100,000.00
4	Fiscal Monitoring and Compliance	\$40,000.00
5	EEOC and ADA Compliance	\$0.00
6	WIB Program Personnel	\$684,000.00
7	City Operation Subtotal	\$824,000.00
One Stop Services		
8	Individual Training Account & On the Job Training	\$400,000.00
9	Adult and DW Supportive Services	\$350,000.00
10	Innovation RFP	\$468,000.00
11	Older Workers (ASSETS)	\$150,000.00
12	Adult & DW Program Services and Administration (including the one-stop affiliates)	\$1,758,351.00
13	Youth One Stop (Mayor's Summer Jobs Program)	\$200,000.00
14	Youth Wages	\$455,500.00
15	Youth Supportive Services	\$194,669.00
16	Youth Program Services and Administration	\$860,000.00
17	EastBay Works	\$169,890.00
18	System Administrator (FY 09-10 and ARRA)	\$0.00
19	One Stop Operator (FY 09-10 and ARRA)	\$0.00
20	One Stop Subtotal	\$5,006,410.00
Rapid Response Services		
21	Business Services	\$100,000.00
22	Outreach	\$20,197.00
23	Program Support	\$100,000.00
24	Rapid Response Subtotal	\$220,197.00
25	WIA Formula Total	\$6,050,607.00
Grants (Special Projects)		
26	National Emergency Grant for On the Job Training	\$725,462.00
27	Earmark for Green Jobs Corps	\$285,000.00
28	High Concentration Youth Grant	\$83,000.00
29	Grant Subtotal	\$1,093,462.00
30	GRAND TOTAL	\$7,144,069.00

REVENUES FOR FY 10-11

WIA FY 10-11 Revenues

Account	Amount Allocated
Formula FY 10-11 WIA Youth	\$1,932,169.00
Formula FY 10-11 WIA Adult	\$1,929,767.00
Formula FY 10-11 WIA Dislocated Workers	\$1,467,630.00
Formula FY 10-11 WIA Rapid Response	\$330,197.00
Grant Code 113 (incentive fund)	\$8,862.00
Grant Code 153 (incentive fund)	\$15,836.00
Rapid Response fund from FY08- 09 that needs to be allocated (this was distributed at the end of the last fiscal year)	\$366,146.00
Subtotal	\$6,050,607.00
Grant Revenues: applied with various community based groups, therefore funds are encumbered per the proposals.	
NEG for On the Job Training	\$725,462.00
High Concentration Youth	\$83,000.00
Oakland Green Jobs Corps (Earmark)	\$285,000.00
Subtotal	\$1,093,462.00
Total Workforce Training Dollars	\$7,144,069.00

Additionally, in fiscal year 2010-2011, the WIB will carry forward unexpended funds of approximately \$5,730,196 as of July 1, 2010; and be it further

RESOLVED: That the City Council hereby authorizes the City Administrator or his designee to fund workforce development activities, and to negotiate and enter into contracts with workforce development providers selected through a competitive procurement process without returning to Council, in accordance with the adopted budget, with the exception of contracts funded from the following budget categories, which will be subject to Council approval:

Budget Line Item #10 for "Innovation RFP" in the allocated amount of \$468,000;

Budget Line Item #12 with respect to the "One-Stop Affiliates" only (projected budget of up to \$750,000 for all affiliate sites);

Budget Line Items #13-16 for Youth Services in the aggregate amount of \$1,710,169;

and be it further

RESOLVED: That each contract for workforce development activities funded with FY 2010-2011 WIA Title I funds shall have written performance benchmarks consistent with WIA regulations, and that the City shall expressly retain the contractual right to terminate the contract of a service provider that materially fails to meet the contract performance benchmarks (e.g., achievement of less than 50 – 75% of performance target) and reallocate such funds to other providers that meet their benchmarks; and be it further

RESOLVED: That the City Administrator or his designee is hereby authorized to take whatever action is necessary with respect to said funding and said contracts consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES - KERNIGHAN, NADEL, QUAN, DE LA FUENTE, BROOKS, REID, KAPLAN,
AND PRESIDENT BRUNNER

NOES –

ABSENT-

ABSTENTION-

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California