

CITY OF OAKLAND
COUNCIL AGENDA REPORT

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: September 30, 2004

RE: **RESOLUTION SUPPORTING THE CITY OF OAKLAND'S CONTINUED DESIGNATION AS A WORKFORCE INVESTMENT AREA AND OPPOSING CALIFORNIA PERFORMANCE REVIEW SECTION GG23, A RECOMMENDATION TO REALIGN AND CONSOLIDATE WORKFORCE INVESTMENT AREAS AND BOARDS**

SUMMARY

The California Performance Review directed by Governor Schwarzenegger recommends the realignment and consolidation of Workforce Investment Areas and Workforce Investment Boards (Section GG23). The recommendation targets Workforce Investment Areas that have "Temporary" designation as defined by the Workforce Investment Act of 1998, which means areas that have a population base of fewer than 500,000 residents. The City of Oakland, therefore, is at risk of losing its designation as a Workforce Investment Area, which would result in a loss of autonomy and a likely reduction in funding for the City's workforce development programs. Staff recommends that the City adopt a resolution in support of retaining Oakland's designation as a Workforce Investment Area and in opposition to the California Performance Review recommendation to realign and consolidate Workforce Investment Areas and Boards.

FISCAL IMPACTS

As a designated Workforce Investment Area, the City of Oakland will receive \$6,043,890 in Formula Workforce Investment Act (WIA) funding directly from the State in FY 2004-2005 for workforce development programs and activities within Oakland. If Oakland loses its designation and is consolidated with a regional consortium, the City would no longer directly receive WIA Formula funding. Although the City would continue to receive WIA funding through the consortium, in all probability the amount would be significantly less than the City currently receives. More significantly, the City would lose autonomy in how its WIA funds are allocated.

BACKGROUND

The Workforce Investment Act of 1998 automatically designates jurisdictions with a population base of more than 500,000 as Workforce Investment Areas. The Workforce Investment Act also gives state governors the discretion of designating Workforce Investment Areas that have fewer than 500,000 residents. For areas with more than 200,000 residents and fewer than 500,000, this discretionary designation is called "Temporary." The Davis Administration granted the City of Oakland "Temporary" designation in 2000 as defined under WIA.¹ With this designation, the

¹ Public Law 105-220, Section 112; and 20 Code of Federal Regulations Parts 661.220 and 661.230

City directly receives funding for the administration and delivery of employment and training services and has its own Workforce Investment Board, appointed by the Mayor, to establish priorities and policies and oversee programs designed to meet the needs of Oakland job seekers and employers in alignment with the City's goals and policies.

KEY ISSUES AND IMPACTS

The California Performance Review (CPR) is intended to identify ways to reduce waste and unnecessary costs to taxpayers. Among the CPR's many recommendations is a realignment and consolidation of Workforce Investment Areas based on the assumption that doing so would reduce overall administrative costs. Local areas such as Oakland would still need their own administrative structures, and consolidating Workforce Investment Boards (WIBs) would eliminate local control and reduce local business involvement and support. In addition, Oakland's overall allocation of WIA funds would in all likelihood be reduced from its current levels. The potential reduction in autonomy and funding would impact Oakland's social equity goals, limiting, for example, services for idle youth, parolees, welfare recipients and seniors.

PROGRAM DESCRIPTION

The California Workforce Association (CWA), which represents 50 Workforce Investment Areas throughout the State, is working with local Workforce Investment Boards (WIBs) to argue against the realignment and consolidation recommendation in the CPR and pose alternative recommendations to reduce costs. Staff plans to engage the Oakland WIB business leadership to support CWA's efforts by testifying at public hearings, writing letters, and through private discussions with key State officials. A number of WIB directors suggested that we also get our local legislative bodies to adopt resolutions in support of efforts to prevent the realignment and consolidation recommendations from going into effect. This action is particularly important for Oakland given our vulnerability as an area with "Temporary" designation. With such a resolution from the Oakland City Council, Workforce Development staff and the City's Legislative Liaison will coordinate efforts to make Oakland's case to our delegation in Sacramento as well as to the Office of the Governor, the Labor and Workforce Development Agency and the State Workforce Investment Board. Time is of the essence. The CPR recommends that the consolidation plan go into effect by July 1, 2005.

SUSTAINABLE DEVELOPMENT

Economic: Loss of designation would likely result in a reduction in funding to provide comprehensive services for local businesses, which is one of Oakland's most significant business attraction and retention incentives.

Environmental: There are no environmental impacts associated with this issue.

Social Equity: Loss of designation could limit Oakland's ability to focus services on target populations, such as idle youth and ex-offenders.

DISABILITY AND SENIOR CITIZEN ACCESS

Loss of designation could result in a reduction of funding for Oakland's Older Workers program, which currently receives \$150,000 from the Oakland WIB.

RECOMMENDATIONS AND RATIONALE

Staff recommends that the City Council adopt the resolution to support Oakland's designation as a Workforce Investment Area and oppose the California Performance Review recommendation in section GG23 to realign and consolidate Workforce Investment Areas and Boards. If the CPR recommendation goes into effect, Oakland will likely experience a reduction in funding for employment and training programs and will lose autonomy over how it allocates Workforce Investment Act funding.

ACTION REQUESTED OF THE CITY COUNCIL

Adopt the resolution supporting the City of Oakland's continued designation as a Workforce Investment Area and opposing the California Performance Review recommendation to realign and consolidate Workforce Investment Areas and Boards, and authorizing and directing the City Administrator or her designee to submit letters to the Governor and the State Legislature that will actively express to State officials the City's opposition to said recommendation.

Respectfully submitted,



DANIEL VANDERPRIEM

Director of Redevelopment, Economic
Development and Housing

Prepared by:


Al Auletta, Workforce Development Manager

APPROVED AND FORWARDED
TO THE RULES AND
LEGISLATION COMMITTEE



Office of the City Administrator

Item: _____
Rules and Legislation Committee
September 30, 2004

Approved as to form and
legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

**RESOLUTION SUPPORTING THE CITY OF OAKLAND'S CONTINUED DESIGNATION AS A
WORKFORCE INVESTMENT AREA AND OPPOSING CALIFORNIA PERFORMANCE
REVIEW SECTION GG23, A RECOMMENDATION TO REALIGN AND CONSOLIDATE
WORKFORCE INVESTMENT AREAS AND BOARDS**

WHEREAS, the City of Oakland has "Temporary" designation as a Workforce Investment Area as defined under the Workforce Investment Act (WIA) of 1998 due to the City's population base of under 500,000 residents; and

WHEREAS, the City receives WIA formula and discretionary funding directly from the State and has its own Workforce Investment Board appointed by the Mayor to oversee programs and set local policies for the use of WIA funds in Oakland; and

WHEREAS, California Performance Review Section GG23 recommends the realignment and consolidation of 20 to 30 Workforce Investment Areas, targeting areas that have fewer than 500,000 residents; and

WHEREAS, a consolidation would in all probability result in a significant loss of funding and autonomy for Oakland workforce development programs and services; now, therefore be it

RESOLVED: That the best interests of the City of Oakland would be served by continuing Oakland's designation as a Workforce Investment Area; and be it

FURTHER RESOLVED: That the City Council of the City of Oakland opposes the recommendation in Section GG23 of the California Performance Review to realign and consolidate Workforce Investment Areas and Boards; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Administrator or her designee to submit letters to the Governor and the State Legislature that will actively express to State officials the City's opposition to said recommendation, and take other action with respect to the issue consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN and PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California