



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Alexa Jeffress
Director Economic and
Workforce Development
Department

SUBJECT: General Fund Contract Extension to
WIOA Adult and Youth Service
Providers

DATE: April 28, 2022

City Administrator Approval

Date: May 5, 2022

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing Approval And Re-Allocation Of An Amount Not To Exceed Eight Hundred Eighty-Five Thousand Three Hundred Four Dollars (\$885,304) From The General Fund For Fiscal Year 2022-23 To Current Workforce Innovation and Opportunity Act (WIOA) Adult And Youth Service Providers For Operational Support From July 1, 2022 Through December 31, 2022 With The Approval Of The Oakland Workforce Development Board (OWDB).

EXECUTIVE SUMMARY

Staff is recommending that the City Council adopt a resolution authorizing the approval and re-allocation of an amount not to exceed \$885,304 from the General Fund for Fiscal Year (FY) 2022-23 to current Federal Workforce Innovation and Opportunity Act (WIOA) adult and youth service providers from July 1, 2022 through December 31, 2022. These funds would be re-allocated from the \$1,000,000 in one-time General Fund monies currently designated for Workforce Development services in Year Two (2) of the FY 2021-2023 Biennial Budget. This action will provide current WIOA service providers with additional operating subsidy through the end of the calendar year. These providers will also receive a one year no-cost administrative extensions of their WIOA funding contracts from July 1, 2022 to June 30, 2023, due to COVID-19 hardships, to allow them to spend down their outstanding balance of WIOA funding, as approved by the Oakland Workforce Development Board (OWDB) on March 24, 2022 and discussed in more detail below.

Given the challenges workforce service providers have been facing due to economic circumstances and COVID-19-related impacts, this stop gap measure will provide service providers with the necessary financial operational support to continue delivering essential services to Oakland residents and businesses without interruption, while the OWDB is undergoing a competitive request for proposal (RFP) process to allocate new workforce funding for FYs 2022-25.

City Council
May 17, 2022

BACKGROUND / LEGISLATIVE HISTORY

The OWDB contracts with experienced local nonprofit organizations to provide workforce development services for recently displaced and long-term unemployed adults and low-income youth and young adults between the ages of 16-24.

The OWDB budget is made up of multiple funding streams that support workforce development efforts, including Federal and State WIOA, City of Oakland General Fund, and miscellaneous grants from private businesses and philanthropic support.

Current Status of WIOA Contracts and One-Year No-Cost Extension

On May 24, 2019, the OWDB approved contracts with the current WIOA service providers for a three-year procurement cycle (see Table 1 below of a list of providers). The City Council also approved and authorized such contracts on July 9, 2019, pursuant to Resolution No. 87792 C.M.S. The first-year contracts were for the period of July 1, 2019 through June 30, 2020, with the option to renew for two additional years through June 30, 2022. The current WIOA contracts will expire June 30, 2022 without further renewals.

On March 24, 2022, the OWDB approved a one year no-cost administrative extensions to all current WIOA service providers from July 1, 2022 to June 30, 2023 due to COVID-19 hardships, to allow providers to spend down an outstanding balance of \$3.18 million instead of forfeiting 74% of unspent funds per standard reimbursement policy – see below in **Table 1** for analysis of current WIOA fund balances.

Table 1: Snapshot of Current WIOA Funding*

	FY 20-21 Rollover	FY 21-22	Total	Unspent Funds (as of 3/31)	% Funds Remaining (as of 3/31)
Civicorps (Youth)	\$142	\$154,243	\$154,385	\$115,497	75%
Lao Family Community Development (Adult & Youth)	\$409,656	\$971,240	\$1,380,896	\$1,018,508	74%
Oakland Private Industry Council (Operator & Adult)	\$75,310	\$586,742	\$662,052	\$467,199	71%
Spanish Speaking Unity Council (Adult & Youth)	\$129,151	\$670,608	\$799,759	\$619,375	77%
Youth Employment Partnership (Youth)	\$0	\$184,174	\$184,174	\$144,980	79%
TOTAL			\$3,181,266	\$2,365,559	74%

**Does not include additional \$500,000 in General Fund allocation for FY 2021-2022*

FY 2022-2025 Request for Proposals

The OWDB is currently conducting a required competitive procurement for youth and adult workforce services providers for the upcoming three (3) year cycle from July 1, 2022 through

June 30, 2025. This RFP is focused on programs and services that address disparities in access to employment and related services in Oakland’s historically underserved populations in alignment with Oakland’s Equity Indicators Report, OWDB’s Equity Analysis and Local Plan, and the City’s Economic Recovery Plan. This RFP included WIOA funds and “Oakland Forward” California Youth Workforce Development Program funds, in addition to the \$1,000,000 in FY 2022-2023 General Fund funding directed by City Council for Workforce Development services as part of the FY 2021-2023 Biennial Budget.

The RFP was released on March 11, 2022. A bidder’s conference took place on March 22, 2022, and the deadline to submit proposal applications was extended from April 22, 2022 to April 29, 2022 to allow providers additional time to submit their applications. This extension has impacts on other RFP deadlines and adjustments are reflected in **Table 2** below.

Table 2: Adjusted RFP Tentative Timeline

Activity/Event	Date
OWDB Meeting	November 4, 2021
Stakeholder Engagement	November – January 2022
Special OWDB Meeting	December 17, 2021
RFP Release Date	March 11, 2022
RFP Due date	April 29, 2022
Recommendations to OWDB	Week of June 20, 2022
Committee/City Council Meetings	July 2022
New Contract Period Starts	July 1, 2022

ANALYSIS AND POLICY ALTERNATIVES

Given the challenges providers have been facing due to the COVID-19 pandemic and related economic impacts, staff is recommending that a portion of the General Fund allocation earmarked as part of the FY 2022-2025 RFP be redirected as a stop gap measure to provide existing service providers the necessary financial operational support to continue delivering essential services to Oakland residents and businesses without interruption, while the OWDB completes its competitive contracting process for Fiscal Years 2022-25.

Staff is recommending that the City Council adopt a resolution authorizing the approval and re-allocation of an amount not to exceed \$885,304 from the General Fund currently directed to Workforce services to current WIOA adult and youth service providers from July 1, 2022 through December 31, 2022. These amounts are based on the monthly operational allowance for each provider under their current contracts. See **Table 3** below for the additional funding amounts for each service provider recommended in this action.

Table 3. Recommended Service Provider General Fund Re-Allocation

Service Providers	7/1/22 - 12/31/22
Civicorps (Youth)	\$50,368
Lao Family Community Development (Adult & Youth)	\$323,482

Oakland Private Industry Council (Operator & Adult)	\$207,495
Spanish Speaking Unity Council (Adult & Youth)	\$235,764
Youth Employment Partnership (Youth)	\$68,195
TOTAL	\$885,304

The comprehensive career services provided through these workforce service providers support and advance the Citywide Priority of **housing, economic and cultural security**.

FISCAL IMPACT

This proposal will be forwarded to the OWDB for re-allocation and approval at its next regularly scheduled meeting. Approval by the OWDB will authorize \$885,304 to be reallocated from FY 2021-23's adopted budget of one-time FY 2022-23 funding of \$1,000,000 in General Purpose Fund (1010), Workforce Development Organization (85311), Third-Party Grants Account (54912), Workforce Development Services Project (1006028), Workforce Development Program (SC03), to Projects to be determined (TBD).

PUBLIC OUTREACH / INTEREST

All OWDB meetings are publicly noticed and there is active public participation in both committees and full OWDB meetings. Prior to issuing RFPs for developing the workforce system, the OWDB staff met with community stakeholders to inform the policy principles and conceptual frameworks for service models. Contracted service providers were competitively procured through the FY 2019-22 RFP process.

COORDINATION

Contracts and contract amendments are supported by the Department of Workplace and Employment Standards (formerly Contracts and Compliance). This report and resolution were reviewed by the Office of the City Attorney and by the Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: Oakland's Workforce Development system provides qualified workers for Oakland businesses and prepares Oakland residents for gainful employment and career paths leading to family sustaining jobs.

Environmental: This report does not directly address environmental sustainability.

Race & Equity: Oakland's Workforce Development system prioritize services to targeted populations (African American and Latinx) and geographic areas of Oakland (East and West), that have the highest numbers of residents who face disproportionately high levels of unemployment. Per the 2020 OWDB Race and Equity Analysis, the Workforce division identified critical disparities in employment access in Oakland, specifically in "[t]he

communities of East Oakland, Fruitvale and West Oakland, where a high number of Black and Latinx residents live and are unemployed at higher rates than the general population... including the zip codes 94621, 94603, 94605, 94601, 94607.”

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing Approval And Re-Allocation Of An Amount Not To Exceed Eight Hundred Eighty-Five Thousand Three Hundred Four Dollars (\$885,304) From The General Fund For Fiscal Year 2022-23 To Current Workforce Innovation and Opportunity Act (WIOA) Adult And Youth Service Providers For Operational Support From July 1, 2022 Through December 31, 2022 With The Approval Of The Oakland Workforce Development Board (OWDB).

For questions regarding this report, please contact Sofia Navarro, Executive Director, Workforce Development, at (510) 238-3474.

Respectfully submitted,



ALEXA JEFFRESS

Director, Economic & Workforce Development
Department

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