



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Alexa Jeffress
Director, Economic &
Workforce Development

SUBJECT: FY 2021-22 OWDB Budget and
Service Provider Contract
Recommendations

DATE: July 9, 2021

City Administrator Approval

Date: Jul 20, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution:

- (1) Adopting The Fiscal Year 2021-22 Workforce Development Budget;**
- (2) Authorizing Grant Award Agreements With Service Providers Competitively Selected By The Oakland Workforce Development Board To Provide Comprehensive Career Services, Adult Career Services, And Youth Services From Workforce Innovation And Opportunity Act Title I Formula Funds And Other Funds For Fiscal Year 2021-22;**
- (3) Authorizing The Carryover Of Unspent Fiscal Year 2020-21 Funds To Contracted Service Providers In Fiscal Year 2021-22; And**
- (4) Authorizing The City Administrator To Apply For And Accept Grants And Contributions For Workforce Development Services Beyond The Workforce Innovation And Opportunity Act Title I Formula Funding And Other Budgeted Funding Sources Up To \$250,000 Per Instance With The Approval Of The Oakland Workforce Development Board.**

EXECUTIVE SUMMARY

Staff recommends that the City Council adopt the Fiscal Year (FY) 2021-22 Workforce Development budget (**Attachment A**) and service provider allocations (**Attachment B**). The budget reflects the State's allocation of Workforce Innovation and Opportunity Act (WIOA) Formula funding of \$3,205,307 and other funds adopted by City Council through the FY 2021-23 biennial budget for workforce development services and system administration. The proposed budget would maintain the total funding level to provide contracted employment support for Oakland workers, maintain contracts with designated service providers, and fund the City's administrative costs for its role as system administrator. Any funding reflected in **Attachment A** and authorized by City Council in the FY 2021-23 biennial budget, but not yet approved by the

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Oakland Workforce Development Board (OWDB), will be forwarded to the OWDB for approval and allocation in FY 2021-22 at its next regularly scheduled meeting.

Staff also recommends that the City Council authorize the expenditure of FY 2020-21 contracted funds not fully spent by providers by June 30, 2021 to be carried into FY 2021-22 and to authorize the City Administrator to apply for and accept grants up to \$250,000.

BACKGROUND / LEGISLATIVE HISTORY

The OWDB is part of the Public Workforce System, a network of federal, state, and local offices that support economic expansion and develop the talent of the nation's workforce. Working in conjunction with the State of California and the regional collaboration of East Bay Workforce Development Boards (Alameda County, Contra Costa County, City of Richmond and City of Oakland) the OWDB serves as connector, administrator, and regulator of workforce funding resources that are leveraged by service providers to deliver services to workers and employers. Members of the OWDB are appointed by the Mayor and are tasked with approving the use of workforce development funds and ensuring fidelity around any regulations associated with their implementation. The membership is a cross-section of private business, public institutions, labor trades, and education.

The OWDB budget is made up of multiple funding streams that support workforce development including federal funding through WIOA, grant contributions from the State and Alameda County, funding support from the City of Oakland, and miscellaneous grants from private businesses and philanthropic support.

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 overall goals of the OWDB's federal investments are to help adults and youth develop the necessary skills, obtain the requisite knowledge, and access the resources needed to thrive in careers, and to provide employers with the skilled workers needed to sustain and competitively grow their businesses. The OWDB seeks to provide a coordinated set of relationships among providers and partners in the workforce system that can connect residents, particularly those with barriers to employment, to career pathways leading to family-sustaining jobs in growing industries.

ANALYSIS AND POLICY ALTERNATIVES

WIOA Revenues - \$3,205,307

On May 14, 2021, the State Employment Development Department (EDD) released the [WIOA Title I formula funds for Program Year \(PY\) 2021-22](#). These allocations (Adult, Youth, and Dislocated Worker (DW)) are based on the allotments issued by the U.S. Department of Labor (DOL) to the states per the [Training and Employment Guidance Letter 19-20](#), dated April 27, 2021.

WIOA prescribes a specific method to calculate sub-state “hold-harmless” levels; these provisions were established to help mitigate year-to-year volatility in funding levels and ensure that each local area receives no less than 90 percent of their average percentage share from the two prior years. For FY 2021-22, Oakland is estimated to receive a three percent (3%) reduction from last year’s allocations. See **Table 1** below for comparison of Oakland’s FY 2021-22 WIOA allocation as compared to the previous year.

TABLE 1 – CITY OF OAKLAND PY 2021-22 WIOA ALLOCATION				
WIOA Program	FY 2020-21	FY 2021-22	Change (+/-)	
			\$	%
Adult	1,151,078	1,086,612	-64,466	-6%
Dislocated Worker	843,832	915,070	71,238	8%
Youth	1,147,835	1,049,187	-98,648	-9%
Rapid Response (estimate)	154,438	154,438	0	0%
Total WIOA Allocation	3,297,183	3,205,307	-91,876	-3%

Other Revenues

The OWDB has several other revenue sources under its purview, many of which are for specific projects and/or services, including the sources described below.

City General Fund Revenues - \$2,180,699

The City’s adopted FY 2021-22 budget allocates \$1,980,699 in General Fund support for workforce development services and activities. The following list is a summary of General Fund allocations approved by City Council.

1. \$220,000 to the Day Laborer program. The OWBD will competitively procure a contracted service provider to support the Day Laborer program. Staff will return to the OWBD and City Council with a recommendation to enter into a contract, likely in early Fall 2021.
2. \$60,000 to the One-stop Operator to coordinate service delivery of participating one-stop partners. These funds have not yet been approved by the OWDB. Staff will return to the board at its next meeting for allocation.
3. \$500,000 for workforce development, job readiness and placement with a focus on flatlands neighborhoods below Interstate-580, including Fruitvale, Chinatown, East Oakland, West Oakland and other impacted communities with homeless, justice-involved and disconnected youth. These funds have not yet been approved by the OWDB. Staff will return to the next OWDB meeting for allocation.
4. \$175,000 each to: Youth Employment Partnership, Lao Family Community Development, Oakland Private Industry Council, and Restore Oakland. These funds have not yet been approved by the OWDB. Staff will return to the next OWBD meeting for allocation.
5. \$75,000 each to: Civicorps, Cypress Mandela and Rising Sun. These funds have not yet been approved by the OWDB. Staff will return to the next OWDB meeting for allocation.
6. \$123,443 to support City internal service fees.

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7. \$402,256 to support 2.76 full-time equivalent (FTE) staff.

An additional \$200,000 from the FY 2020-21 budget has been approved to support summer youth employment opportunities.

Measure HH - \$400,000

\$400,000 in Measure HH, Sugar Sweetened Beverage Tax funds are earmarked to support the 2021 summer employment program. These funds will be allocated toward paying for the costs of subsidized jobs, with a portion going to the nonprofit partners who serve as the applicant agency.

Oakland Army Base Billboards - \$504,272

\$504,272 of Oakland Army Base billboard revenue is budgeted for oversight and support of the West Oakland Job Resource Center (WOJRC). The FY 2021-22 budget appropriates \$345,615 directly to the WOJRC to support the ongoing operations of the Center.

The WOJRC supports job creation, hiring targets and workforce development policies of the City's Local Hire Ordinance and assists Oakland Army Base employers in fulfilling their local hiring goals.

Miscellaneous Donations - \$184,506

The OWDB has an estimated \$184,506 in private grant funds received over the past year to support a summer employment program for Oakland youth ages 16-24. These funds are used to pay for the costs of subsidized jobs.

The OWDB is expected to receive an additional \$67,500 from New Venture Fund to support funds already appropriated to service providers for summer 2021. There are also other fundraising efforts underway that could add to this total. Should additional private funds be secured or not materialize for programming, the provider funding amount will be adjusted accordingly.

Estimated WIOA Funds Remaining from FY 2020-21 - \$372,592

To offset the OWDB's reductions in WIOA funding, staff has identified an estimated total of \$372,592 in unspent WIOA funds from FY 2020-21 available for reallocation to the FY 2021-22 budget. Any additional unspent funds will be calculated after the prior year accounting is completed.

Expenditures

There are three main expenditure categories in the OWDB budget:

1. Service Provider Contracts (\$4,733,134): The OWDB contracts with experienced organizations to provide workforce development services. This represents sixty-nine percent (69%) of the total workforce budget.

2. Direct Client Support (\$569,507): These funds pay for participant tuition/training and other supportive services that enable an individual to participate in WIOA activities. This represents eight percent (8%) of the total workforce budget.
3. City Operations (\$1,607,229): The OWDB and City of Oakland workforce staff, as the system administrators, are responsible for a range of functions under WIOA. This represents twenty-three percent (23%) of the total workforce budget.

FISCAL IMPACT

The FY 2021-22 workforce development budget reflects the revenues and expenditures outlined above. The budget reflects the State's allocation of WIOA Formula funding of \$3,205,307 to the City of Oakland for FY 2021-22. This is a decrease of three percent (3%), from the prior fiscal year for WIOA program services and system administration. To offset the reductions in WIOA funding, staff has identified an estimated total of \$372,582 in salary savings from two vacant FTE from FY 2020-21 available for reallocation to the FY 2021-22 budget. A total of \$560,000 in General Fund support not yet approved by the OWDB will be forwarded for allocation and approval at its next regularly scheduled meeting.

Despite the reduction in WIOA funding, staff recommends that service provider funding remain at the same funding levels as last year. Staff is also recommending any FY 2020-21 contracted funds not fully spent by service providers by June 30, 2021 be authorized to carry-over into FY 2021-22 to provide greater flexibility and responsiveness to support current circumstances due to COVID-19 and related impacts.

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 Requests for Proposals (RFPs) for developing the workforce system, the WDB 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

WIOA service providers were competitively procured through the FY 2019-22 RFP process supported by the Department of Workplace and Employment Standards (formerly the Contracts and Compliance Division), Department of Human Services and the Department of Race and Equity. Workforce Development staff works closely with the Finance Department to ensure fiscal compliance with the expenditure of WIOA funds. Staff also works closely with the City Attorney's Office for counsel and advice on matters such as proper noticing, board process, and conflicts of interest. Workforce Development is a unit within the Department of Economic and Workforce Development.

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.

ACTION REQUESTED OF THE CITY COUNCIL

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For questions regarding this report, please contact Lazandra Dial, Executive Director, Oakland Workforce Development Board, at (510) 238-3474.

Respectfully submitted,



ALEXA JEFFRESS
Director, Economic & Workforce Development

Reviewed by:
Lazandra Dial, Executive Director
Oakland Workforce Development Board

Prepared by:
Honorata Lindsay, Program Analyst III

Attachments (2):

- A – FY 2021-2022 Oakland Workforce Development Board Budget
- B – FY 2021-2022 Service Provider Recommended Funding Amounts

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FY 2021-2022 Oakland Workforce Development Board Budget

A	B	C	D	E	F	J	K	L	M	P	Q	R
1		Fund 2195										
2		Workforce Innovation and Opportunity Act (WIOA)					Fund 1010	Fund 1030	Fund 5671	Fund 7999		
3		Dislocated Worker		Rapid Response	Youth	WIOA Subtotal	Measure			Misc	Other Revenue	GRAND TOTAL
4	ESTIMATED REVENUES	Adult	Worker				General Fund	HH	Billboard	Donations	Subtotal	
5	Carryover Revenue	213,748	47,955		110,889	372,592	200,000			184,506	384,506	757,098
6	FY 2021-2022 Revenue	1,086,612	915,070	154,438	1,049,187	3,205,307	1,980,699	400,000	504,272		2,884,971	6,090,278
7	TOTAL REVENUE	1,300,360	963,025	154,438	1,160,076	3,577,899	2,180,699	400,000	504,272	184,506	3,269,477	6,847,376
8	EXPENDITURES											
9	SERVICE PROVIDER CONTRACTS											
10	Youth Services											
11	Civicorps (West Oakland)				154,243	154,243	75,000				75,000	229,243
12	Lao Family (East Oakland)				276,648	276,648					0	276,648
13	Unity Council (Fruitvale-Central Oakland)				262,541	262,541					0	262,541
14	YEP (Fruitvale-Central Oakland)				184,174	184,174	175,000				175,000	359,174
15	Youth Summer Employment Program					0	200,000	400,000		247,000	847,000	847,000
16	Rising Sun					0	75,000				75,000	75,000
17	Adult Services											
18	Lao Family (East Oakland)	237,047	209,948			446,995	175,000				175,000	621,995
19	Oakland PIC (West Oakland/Comprehensive)	188,047	166,948			354,995	175,000				175,000	529,995
20	OPIC One-Stop Operator	31,797	28,198			59,995	60,000				60,000	119,995
21	Unity Council (Fruitvale-Central Oakland)	139,048	123,948			262,996					0	262,996
22	West Oakland Job Resource Center					0			345,615		345,615	345,615
23	Cypress Mandela					0	75,000				75,000	75,000
24	Restore Oakland					0	175,000				175,000	175,000
25	Day Laborers Program (TBD)					0	220,000				220,000	220,000
26	Workforce Development Services (TBD)					0	500,000				500,000	500,000
27	Service Provider Subtotal	595,939	529,042	0	877,606	2,002,587	1,655,000	400,000	345,615	247,000	2,647,615	4,650,202
28	DIRECT CLIENT SUPPORT											
29	Lao Training Services	130,666	78,931			209,597					0	209,597
30	Lao Support Services	20,000	18,000			38,000					0	38,000
31	Oakland PIC Training Services	102,538	39,214			141,752					0	141,752
32	Oakland PIC Support Services	16,000	14,000			30,000					0	30,000
33	Unity Training Services	77,537	50,621			128,158					0	128,158
34	Unity Support Services	12,000	10,000			22,000					0	22,000
35	Direct Client Support Subtotal	358,741	210,766	0	0	569,507	0	0	0	0	0	569,507
36	Professional Services											
37	EASTBAY Works	5,733	5,733	5,733	5,733	22,932					0	22,932
38	Professional Service Agreements	33,000	19,200		7,800	60,000					0	60,000
39	Professional Services Subtotal	38,733	24,933	5,733	13,533	82,932	0	0	0	0	0	82,932
40	CITY OPERATIONS											
41	EWD Admin/Finance	25,998	49,927		54,758	130,683					0	130,683
42	Internal Service Fees	8,024	740	12,634	10,579	31,977	123,443				123,443	155,420
43	Program Staff	259,925	138,869	136,071	198,600	733,465	402,256		158,657		560,913	1,294,378
44	O&M	13,000	8,748		5,000	26,748					0	26,748
45	City Operations Subtotal	306,947	198,284	148,705	268,937	922,873	525,699	0	158,657	0	684,356	1,607,229
46	TOTAL EXPENDITURES	1,300,360	963,025	154,438	1,160,076	3,577,899	2,180,699	400,000	504,272	247,000	3,331,971	6,909,870
47	Fund Balance	0	0	0	0	0	0	0	0	(62,494)	(62,494)	(62,494)

OWDB FY 2021-22 Workforce Provider Allocations

AGENCY	Fund Category	Total Recommendation:	
Adult Service Provider Contracts			
1	Lao Family Community Development, Inc. <i>America's Job Center of CA (AJCC)</i> <i>Career Services Provider</i> East Oakland	Program Operations	
		WIOA Adult	\$237,047
		WIOA Dislocated Worker	\$209,948
		General Fund	\$175,000
		<i>Program Operation Subtotal</i>	<i>\$621,995</i>
		Direct Client Support	
		WIOA Adult Training	\$130,666
		WIOA DW Training	\$78,931
		WIOA Adult Support Services	\$20,000
		WIOA DW Support Services	\$18,000
<i>Direct Client Support Subtotal</i>	<i>\$247,597</i>		
Lao AJCC East Total	\$869,592		
2	Oakland Private Industry Council, Inc. <i>America's Job Center of CA (AJCC)</i> <i>Comprehensive Career Services Provider</i> West Oakland	Program Operations	
		WIOA Adult	\$188,047
		WIOA Dislocated Worker	\$166,948
		General Fund	\$175,000
		<i>Program Operation Subtotal</i>	<i>\$529,995</i>
		Direct Client Support	
		WIOA Adult Training	\$102,538
		WIOA DW Training	\$39,214
		WIOA Adult Support Services	\$16,000
		WIOA DW Support Services	\$14,000
<i>Direct Client Support Subtotal</i>	<i>\$171,752</i>		
OPIC AJCC West Total	\$701,747		

3	Oakland Private Industry Council, Inc. <i>One-Stop Operator</i>	Program Operations	
		WIOA Adult	\$31,797
		WIOA Dislocated Worker	\$28,198
		General Fund	\$60,000
		OPIC Operator Total	\$119,995
4	Spanish Speaking Unity Council of Alameda County, Inc. <i>America's Job Center of CA (AJCC)</i> <i>Career Services Provider</i> Fruitvale - Central Oakland	Program Operations	
		WIOA Adult	\$139,048
		WIOA Dislocated Worker	\$123,948
		<i>Program Operation Subtotal</i>	<i>\$262,996</i>
		Direct Client Support	
		WIOA Adult Training	\$77,537
		WIOA DW Training	\$50,621
		WIOA Adult Support Services	\$12,000
WIOA DW Support Services	\$10,000		
		<i>Direct Client Support Subtotal</i>	<i>\$150,158</i>
		UC AJCC Central Total	\$413,154
5	West Oakland Job Resource Center (WOJRC)	Army Base Billboard	\$345,615
		WOJRC Total	\$345,615
6	Cypress Mandela	General Fund	\$75,000
		Cypress Mandela Total	\$75,000
7	Restore Oakland	General Fund	\$175,000
		Restore Oakland	\$175,000
Youth Services Contracts			
8	Civicorps <i>Youth Services Provider</i> West Oakland	WIOA Youth	\$154,243
		General Fund	\$75,000
		Civicorps Youth Total	\$229,243
9	Lao Family Community Development, Inc. <i>Youth Services Provider</i> East Oakland	WIOA Youth	\$276,648
		Lao Youth Total	\$276,648
10		WIOA Youth	\$262,541

	Spanish Speaking Unity Council of Alameda County, Inc. <i>Youth Services Provider</i> Fruitvale - Central Oakland	UC Youth Total	\$262,541
11	The Youth Employment Partnership, Inc. <i>Youth Services Provider</i> Fruitvale - Central Oakland	WIOA Youth	\$184,174
		General Fund	\$175,000
		YEP Youth Total	\$359,174
12	Rising Sun	General Fund	\$75,000
		Rising Sun Total	\$75,000
Professional Services Contracts			
13	Oakland Private Industry Council, Inc. Eastbay WORKS <i>(EBW)</i>	Program Operations	
		WIOA Adult	\$5,733
		WIOA Dislocated Worker	\$5,733
		WIOA Rapid Response	\$5,733
		WIOA Youth	\$5,733
		OPIC EBW Total	\$22,932
Total Service Provider Allocation			\$3,925,641