



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2016 OCT 13

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Mark Sawicki  
Director, EWD

**SUBJECT:** Additional Funding for West Oakland  
Neighborhood Career Center

**DATE:** October 3, 2016

City Administrator Approval

Date:

10/13/16

## RECOMMENDATION

**Staff Recommends That The City Council Adopt A Resolution Amending Resolution Nos. 86253 And 86337 C.M.S., Which Adopted And Amended The Fiscal Year 2016-17 Workforce Development Budget And Authorized Workforce Service Provider Contracts, To Authorize \$48,098 Of Additional Funding To The Oakland Private Industry Council, Inc., To Provide Services At The West Oakland Neighborhood Career Center**

## EXECUTIVE SUMMARY

At the June 21, 2016, City Council meeting, the Council approved amendments to its Midcycle Budget that included an allocation of an additional \$533,000 of General Fund subsidy for one-time funding to workforce service providers, of which \$130,000 was directed to the Oakland Private Industry Council (OPIC) to continue operation of the West Oakland One-Stop Neighborhood Career Center through fiscal year (FY) 2016-17. This amount was determined by using the prior year budget allocation for West Oakland neighborhood center program funds of \$210,000, less the amount the provider had not spent year-to-date of approximately \$80,000 that could potentially be carried forward to the next fiscal year. Subsequent submittal of invoices by OPIC through June 30, 2016, reduced the actual available "carry-forward" balance that could be used to fund career center operations in FY 2016-17 to only \$31,902, which is \$48,098 less than was estimated by staff.

At the Rules Committee meeting of September 15, 2016, Councilmember Reid requested that staff prepare this item for the Community and Economic Development (CED) Committee to consider additional funding for the neighborhood center. This proposed amendment to the Workforce Investment Budget will also need to be considered for approval by the Oakland Workforce Development Board (OWDB).

Item: \_\_\_\_\_  
CED Committee  
October 25, 2016

## **BACKGROUND / LEGISLATIVE HISTORY**

The OWDB is a Federally-mandated policy body appointed by the Mayor and charged with approving the use of U.S. Department of Labor Workforce Investment and Opportunity Act (WIOA) funds allocated annually to Oakland through the State Employment Development Department (EDD). The Chief Elected Official of an area receiving WIOA funds (which in Oakland's case is the Mayor) and the WDB must agree on the workforce system budget. In addition, since WIOA does not supersede local governance, the Oakland City Charter mandates that the Oakland City Council must also approve the allocation of WIOA funds. Within the City's budget, WIOA funds are received and distributed through the Workforce Development Division (Fund 2195) of the Economic & Workforce Development Department (EWD).

A Request for Proposals (RFP) for WIOA-funded contract service providers was issued on January 27, 2016. A bidder's conference took place on February 10, 2016, and the deadline to submit proposal applications was March 15, 2016. The approach to service delivery reflected in the RFP emerged out of a participatory process responding to local need, regional opportunity, and national policy change. The Workforce Investment Board (the precursor to the OWDB), its Committees, staff, contractors, and diverse community stakeholders contributed to the development of the 2013-2017 Strategic Plan, which laid the groundwork for the RFP. Subsequently, Board and its Committees met to define policy principles and conceptual frameworks for the service models as described in the RFP.

The City and the OWDB contract with experienced organizations to provide workforce development services for adults and dislocated workers. The overall goals of the workforce system are to help adults and dislocated workers develop the skills, to attain the knowledge, and access the resources needed to thrive in their careers; and provide employers with the skilled workers needed to sustain and competitively grow their businesses. The OWDB envisions 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.

At its meetings on May 24-25, 2016, the OWDB adopted a budget for FY 2016-17, appropriating \$4,152,806 and approving contracts awarded to multiple service providers based on the proposed budget allocations for such services proposed in response to the RFP, for a term of one year through June 30, 2017. On June 21, 2016, the City Council also adopted the same workforce system budget that was approved by the OWDB. In addition, Council directed staff to prepare for its approval contracts with service providers for additional services not contemplated by the RFP, to be funded through \$533,000 in additional General Fund appropriations that were added to the City's adopted Midcycle Budget, as follows:

Item: \_\_\_\_\_  
CED Committee  
October 25, 2016

**Table 1: Amended City Council Allocated General Fund Subsidy**

One-Time Additions:		Provider	Total Midcycle Budget Amendments to Providers:
1	Supplemental Youth Program Provider	Civicorps	\$103,000*
2	One-Time Funding for Neighborhood Centers for Adult/Dislocated Workers	Unity Council Career Center	\$100,000
3		OPIC: West Oakland Career Center	\$130,000
4	Additional Funding for Classroom2Careers	Lao Family, YEP, and Youth UpRising	\$200,000
<b>TOTAL CONTRACTS</b>			<b>\$533,000</b>

\* Additional funds of \$103,000 to support a sixth youth provider, Civicorps, are in addition to \$106K from WIOA budget. This total amount matches allocations to the other five youth providers.

The supplemental General Fund subsidies as presented in **Table 1** above were approved by the OWDB at its meeting on August 4, 2016; by the Mayor on August 23, 2016, during the Council's summer recess; and then ratified by the Council at its meeting of September 20, 2016.

The proposed additional funding and amendment of the OPIC service provider contract for the West Oakland neighborhood one-stop career center will need to be approved by the OWDB, since WIOA provides that the Board is responsible for setting policy, coordinating and overseeing Oakland's workforce development system (not limited only to portions of the system funded by WIOA funds), including selecting all one-stop operators in the system. The OWDB needs to ensure the funding has performance accountability attached to it.

Last year, the West Oakland One-Stop Neighborhood Career Center enrolled 111 WIOA participants and placed 23 into employment.

**ANALYSIS AND POLICY ALTERNATIVES**

Under WIOA there has been a shift in service delivery and funding towards sector access points and business engagement services, with one comprehensive one-stop career center. Therefore, the RFP did not seek proposals, and no proposals were received, nor were provider contracts recommended for continued funding of the neighborhood career centers, with the exception of the East Oakland neighborhood center (which was included as part of OPIC's contract for the comprehensive one-stop contract).

At its meeting of June 14, 2016, Council indicated its desire to provide funding that might allow the neighborhood career centers to remain open through June 30, 2017. Council directed staff to estimate what unspent funds would be available from the FY 2015-16 allocation for the neighborhood centers that could potentially be carried forward to the next fiscal year, thus determining what additional new funds would be necessary to maintain funding at the same level for the centers through FY 2016-17. That analysis was the basis for the amount of funding for the neighborhood centers approved by the OWDB and Council over the summer (items 2 and 3 in **Table 1** above).

During Council's budget deliberations at its meeting of June 21, 2016, representatives of OPIC disagreed with the staff analysis and suggested that the amount of potential carry-forward (estimated at \$80,000) would be much less and, therefore, a larger appropriation than the \$130,000 recommended would be needed to maintain funding levels from the prior year. After the close of the fiscal year when all invoices were submitted for FY 2015-16, staff reconciled the analysis and determined that indeed the remaining carry-forward was much less (\$31,902 versus \$80,000). OPIC and staff met in July, 2016, and agreed that there was a difference of \$48,098 and that, if it was Council's intent to provide additional funding to maintain the prior funding levels, then an amendment to the OPIC contract should be considered.

With respect to alternatives to the recommended action, OPIC has suggested that funding for the neighborhood centers should be further increased above the FY 2015-16 levels, since they have experienced reductions in funding from prior years, when Federal funding was higher. Unfortunately, continuing funding at higher levels is unsustainable in light of continued reductions in Federal workforce funding (now \$1.1 million less than the City received four years ago) and without special grants (such as the \$988,217 the City was awarded two years ago). The OWDB budget presented to Council in June included a General Fund subsidy of \$346,894 to supplement the decline in WIOA funding and maintain the total funding level to service providers from the prior year. With its approval of the Midcycle budget, the City Council added an additional \$533,000 from the General Fund for service providers, for a total of \$879,894 in supplemental funding for the City's workforce development system.

Going forward, the incoming Executive Director, together with the OWDB, will be providing their best recommendations of how to most effectively and efficiently deploy workforce funding, including potential carry-forward of amounts that are allocated but go unspent by contract service providers. In addition, the City will continue to seek Federal and State grants, as well as funding from private sector and philanthropic sources, to support workforce initiatives. It is expected that our service providers will also continue to supplement their budgets with other grants and private sector resources, and reduce their reliance on WIOA grants and the City's General Fund for their programs and operations.

### **FISCAL IMPACT**

To fund the additional \$48,098 for the West Oakland One-Stop Neighborhood Career Center, staff has identified unspent prior-year WIOA funds in Org 85311 (Workforce Development), Fund 2195 (Workforce Investment Act), Account 54912 (Third Party: Grant Contracts Earned).

### **PUBLIC OUTREACH / INTEREST**

The OWDB is presently the City's largest volunteer policy body subject to the Brown Act and Sunshine Ordinance. Prior to issuing RFPs for developing the workforce system and contracting with providers, the workforce staff facilitated presentations to spread awareness through extensive public outreach including: Speakers bureau presentations by eight Oakland Workforce Board members and three staff at 13 community and business organizations, reaching 259 community stakeholders. Feedback was collected from 230 employers, job-seekers, and workers. Executive interviews with a dozen chief executive officers and human

Item: \_\_\_\_\_  
CED Committee  
October 25, 2016

resources managers from leading Oakland employers and business organizations were also a part of the outreach strategy.

The OWDB budget and service provider contracts were presented and approved over three public meetings in May and August, 2016, and at three City Council meetings in June and September, 2016.

### **COORDINATION**

Workforce Development staff works closely with the Finance and Management Agency to ensure fiscal compliance with the expenditure of WIOA funds. Staff also works closely with the City Attorney's Office for counsel and advice matters such as proper noticing, Board process, conflict of interest, and other legal matters.

### **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.

***Social Equity:*** Participants who receive intensive services in Oakland's Workforce Development System have multiple barriers to employment, are unemployed or require support in gaining the pre-employment and vocational skills needed to become gainfully employed.

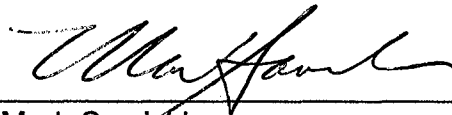
**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council:

Adopt A Resolution Amending Resolution Nos. 86253 And 86337 C.M.S., Which Adopted And Amended The Fiscal Year 2016-17 Workforce Development Budget And Authorized Workforce Service Provider Contracts, To Authorize \$48,098 Of Additional Funding To The Oakland Private Industry Council, Inc., To Provide Services At The West Oakland Neighborhood Career Center

For questions regarding this report, please contact Mark Sawicki, Director, Economic and Workforce Development, at (510) 238-2992.

Respectfully submitted,



Mark Sawicki  
Director, Economic & Workforce  
Development Department

2016 OCT 13 PM 5:41

APPROVED AS TO FORM AND LEGALITY:

**DRAFT**

Deputy City Attorney

**OAKLAND CITY COUNCIL**  
**RESOLUTION No. \_\_\_\_\_ C.M.S.**

---

**RESOLUTION AMENDING RESOLUTION NOS. 86253 AND 86337 C.M.S., WHICH ADOPTED AND AMENDED THE FISCAL YEAR 2016-17 WORKFORCE DEVELOPMENT BUDGET AND AUTHORIZED WORKFORCE SERVICE PROVIDER CONTRACTS, TO AUTHORIZE \$48,098 OF ADDITIONAL FUNDING TO THE OAKLAND PRIVATE INDUSTRY COUNCIL, INC., TO PROVIDE SERVICES AT THE WEST OAKLAND NEIGHBORHOOD CAREER CENTER**

**WHEREAS**, on June 21, 2016, the City Council adopted Resolution No. 86253 C.M.S. approving Oakland's FY 2016-2017 workforce investment budget, and authorizing contracts with service providers to provide employment and training services to adults, dislocated workers, youth and business including rapid response and lay-off aversion services; and

**WHEREAS**, on June 21, 2016, the City Council adopted Resolution No. 86250 C.M.S. adopting amendments to the City's Fiscal Year 2015-17 Biennial General Purpose Fund Budget; and

**WHEREAS**, those amendments included General Purpose Fund funding of the one-stop neighborhood career center in West Oakland; and

**WHEREAS**, on August 23, 2016, Resolution No. 86337 C.M.S. was adopted (and later ratified by Council action) amending Resolution No. 86253 C.M.S. to authorize the City Administrator to negotiate and enter into a contract with the Oakland Private Industry Council, Inc., to provide adult and dislocated worker services at the West Oakland One-Stop Neighborhood Career Center in the amount of \$130,000 from the funds allocated from General Purpose Fund for FY 2016-17 under Resolution No. 86250 C.M.S.; and

**WHEREAS**, the Oakland Workforce Development Board at its meeting on August 4, 2016, approved the additional funding, contracts and workforce budget amendments authorized by Resolutions 86250, 86253, and 86337 C.M.S.; now, therefore, be it

**RESOLVED:** That Resolution Nos. 86253 and 86337 C.M.S. are hereby amended to authorize additional one-time funding of \$48,098 to the Oakland Private Industry Council, Inc., from unspent prior-year Workforce Investment and Opportunity Act grant funds, for a total allocation of \$178,098, to provide employment and training services to adults, dislocated workers and

youth services through June 30, 2017, at the West Oakland One-Stop Neighborhood Career Center; and be it

**FURTHER RESOLVED:** That the funds for this purpose will come from Workforce Development Org 85311, Workforce Investment and Opportunity Act Fund 2195, Third Party: Grant Contracts Earned Account 54912; and be it

**FURTHER RESOLVED:** That the Fiscal Year 2016-2017 workforce investment budget adopted by Resolution No. 86253 C.M.S. is hereby amended to reflect the reallocation of unspent prior-year Workforce Investment and Opportunity Act grant funds for the additional contract amount authorized by this Resolution; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee is hereby authorized to reallocate and spend funds, negotiate and enter into contracts and contract amendments, and take other action with respect to this additional funding and contract amount as amended consistent with this Resolution and its basic purposes; and be it

**FURTHER RESOLVED:** That this action is contingent on approval by the Oakland Workforce Development Board of the additional funding and contract amount and amendment of the workforce investment budget authorized by this Resolution.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID  
AND PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST:

\_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California