



CITY OF OAKLAND

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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki,
Director, EWD

SUBJECT: Workforce Development Board FY
2016-17 Budget and Contracts

DATE: May 25, 2016

City Administrator Approval

Date:

6/2/16

RECOMMENDATION

RESOLUTION (1) ADOPTING THE FISCAL YEAR 2016-2017 WORKFORCE INVESTMENT BUDGET; (2) ACCEPTING AND APPROPRIATING WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) TITLE I FORMULA FUNDS FOR ADULT, DISLOCATED WORKER, YOUTH AND RAPID RESPONSE SERVICES; (3) AUTHORIZING CONTRACTS WITH SERVICE PROVIDERS COMPETITIVELY SELECTED BY THE OAKLAND WORKFORCE DEVELOPMENT BOARD TO PROVIDE COMPREHENSIVE, SECTOR ACCESS, BUSINESS ENGAGEMENT AND YOUTH SERVICES FROM WIOA TITLE I FORMULA FUNDS FOR FISCAL YEAR 2016-2017; (4) ACCEPTING GRANT FUNDS FROM THE BAY AREA RAPID TRANSIT DISTRICT FOR WORKFORCE DEVELOPMENT SERVICES IN THE AMOUNT \$43,500; (5) AUTHORIZING THE CITY TO APPLY FOR, ACCEPT AND APPROPRIATE GRANTS AND CONTRIBUTIONS FOR WORKFORCE DEVELOPMENT SERVICES BEYOND THE WIOA TITLE I FORMULA FUNDING UP TO \$200,000 WITH THE APPROVAL OF THE OAKLAND WORKFORCE DEVELOPMENT BOARD WITHOUT RETURNING TO COUNCIL; AND (6) AUTHORIZING A CONTRACT WITH CIVICORPS TO PROVIDE YOUTH SERVICES USING UNENCUMBERED FUNDS FROM FISCAL YEAR 2015-16 IN THE AMOUNT OF \$106,864.

EXECUTIVE SUMMARY

The FY 2016-17 budget for the Oakland Workforce Development Board (OWDB), as presented in this staff report and resolution, were scheduled for consideration by the OWDB on June 2, 2016. The budget reflects the State's Employment Development Department (EDD) allocation of WIOA Formula funding of \$3,926,256 plus an estimated Rapid Response funding of \$226,550, for a total WIOA allocation of \$4,152,806 to the City of Oakland for FY 2016-2017. This represents a 9.1 percent reduction from the prior fiscal year, and a decrease of \$414,382 for WIOA program services and system administration. (The Rapid Response funding estimate assumes a 9 percent reduction from last year; actual funding is still to be determined.)

Item: _____
CED Committee
June 14, 2016

The budget allocations, as proposed, would maintain the total funding level provided to contract service providers, and reduce the share of WIOA funds allocated to the City's program and administrative support costs for its role as system administrator. The percentage of total WIOA funds allocated to service providers would increase to 86 percent from 78 percent, while the City share would decrease to 14 percent from 22 percent of total WIOA funds. To compensate for this reduction in WIOA Formula funds, while maintaining adequate system administrator staffing necessary to provide contract oversight and performance monitoring, staff had recommended that the City Council approve \$346,894 as a part of the mid-cycle budget. A small portion of this subsidy totaling \$8,942 is for the Human Services ASSETS program. The balance of \$337,952 would subsidize City Workforce operations and administration. The remainder of the WIOA shortfall will be covered by the administrative support portion of other workforce grants.

On June 2, 2016, the Workforce Development Board, during its budget deliberations, voted to fully fund six youth providers, which would require an additional \$102,912 subsidy from the General Fund in order to fully fund the sixth provider, Civicorps, at the same amount as the other five youth providers. If approved by Council, this would increase the General Fund subsidy request from \$346,894 to \$449,806.

The FY 2016-17 service provider contracts presented in this staff report and resolution were considered and approved by the OWDB at its meetings on May 24-25, 2016, contingent on subsequent budget approval and allocations available. The service provider contract recommendations reflect the results of a system-wide Request for Proposals (RFP) process that began earlier this year to competitively procure contracts for Youth, Adult, Business Engagement, and Sector Access Point services, which will align Oakland workforce services to the new WIOA requirements. The proposed contracts include:

Item: _____
CED Committee
June 14, 2016

Table 1: WDB Recommended FY 2016-17 WIOA Workforce Providers		
Per RFP Released on January 27, 2016	AGENCY	Total to be Approved by WDB on June 2, 2016 Not to Exceed:
One Adult/DW One Stop Center \$1,052,000	OPIC: Comprehensive Career Center	\$1,035,867
Two Adult/DW Sector Access Points \$127,500 ea.	Unity Sector Access Point	\$127,500
	Merritt Sector Access Point	\$127,500
One Business Engagement & Services \$275,000	KRA <i>(supplemented by non-WIOA funds to support cost*)</i>	\$275,000
RFP called for 4 Providers at \$221,000 OWDB requests Six Youth Program Providers at \$209,776 each	Lao Family Community Development	\$209,776
	Bay Area Community Resources	\$209,776
	Unity Council	\$209,776
	Youth Employment Partnership	\$209,776
	Youth Radio	\$209,776
	Civicorps <i>(supplemented by non-WIOA funds to support cost **)</i>	\$209,776
n/a	City of Oakland Dept. of Human Services - ASSETS	\$100,000
TOTALS:		<u>\$2,924,523</u>

* \$25,000 of the Business Engagement Services will be funded from the Career Pathways Trust Grant

** Additional funds of \$106,864 to support a sixth youth provider, Civicorps, would be funded from unencumbered FY 2015-16 Youth funds of \$44,408 and FY 2015-16 savings of \$62,456 from Career Pathways Trust Grant. The Workforce Development Board is requesting an additional \$102,912 from General Fund to fully fund at \$209,776.

Item: _____
CED Committee
June 14, 2016

REASON FOR URGENCY

The existing service provider contracts were awarded under an RFP process three years ago and will expire on June 30, 2016. A new RFP process was initiated earlier this year to comply with the new WIOA program services and performance metrics. The new WIOA regulations also required the Mayor to replace the former Workforce Investment Board (WIB) with the new OWDB, and to make new appointments to the OWDB that meet new WIOA guidelines on member composition. The OWDB did not hold its first meeting until May 5, 2016. May 24th and 25th were the next available dates for the Board to meet again and consider adoption of a budget and award new service contracts to implement WIOA. Adoption of the budget was held over to a subsequent special meeting scheduled for June 2, 2016.

In order for new contracts to be in place for the new fiscal year, approval of the OWDB budget and selection of service providers must be completed as soon as possible. Both the OWDB and the City must approve the budget and contracts. If the CED Committee approves the budget and contracts on June 14, then the full Council could approve same on June 21st, which is the Council's last meeting before the new fiscal year.

A delay in the approval timeline could lead to a disruption in funding to providers. Also, any changes to the budget that Council makes will require returning to the OWDB for its consideration and approval. The next regularly scheduled meeting of the OWDB is August 4, 2016.

If the CED Committee or Council do not approve the selection of service providers and WDB budget, current contracts will require an amendment for a 90-day extension from June 30, 2016 to September 30, 2016 with no additional funds if the budget is not approved. New services: Business Engagement and Services and Sector Access Points could not begin without City Council approval of contracts and budget.

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 WIOA funds allocated annually to Oakland through the State EDD. The Chief Elected Official of an area receiving WIA funds (which in Oakland's case is the Mayor) and the WDB must agree on the budget. 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.

A Request for Proposals (RFP) for WIOA-funded contract service providers was issued on January 27, 2016 by the City of Oakland's Economic & Workforce Development Department (EWD) and Workforce Investment Board (OWIB). 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 emerged out of a participatory process responding to local need, regional opportunity, and national policy change. The OWIB, its Committees, staff,

Item: _____
CED Committee
June 14, 2016

contractors, and diverse community stakeholders contributed to the development of the 2013-2017 Strategic Plan, which lay the groundwork for the RFPs. Subsequently, OWIB and its Committees met to define policy principles and conceptual frameworks for the service models described in 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 organization 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.

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.

New to the WIOA RFP process is the ability to establish On-Call Providers that allow the City to fund additional proposals as funding is made available. After providers are awarded for each RFP, the remainder of the providers who are qualified can be considered for future opportunities if the OWDB chooses to seek additional providers and the budget allows for it. This report includes the recommendations provided to the OWDB to award contracts for services to multiple providers based on the proposed budget allocations for such services, for a term of one year through June 30, 2017.

ANALYSIS AND POLICY ALTERNATIVES

The total FY 2016-17 WIOA budget allocated to the City from EDD is \$4,152,806. Compared to last year, funding is down \$414,382, or 9.13 percent from FY 2015-16. Federal funding has continued to decline for several years now, as represented in Table 2.

	2013-2014	2014-2015	2015-2016	2016-2017
WIOA Allocation	\$4,854,996	\$4,628,338	\$4,567,188	\$4,152,806
WIOA Change +/-	-	-5%	-1%	-9%

The reduction in Oakland's WIOA budget was due to two factors: 1) a decrease in Oakland's overall unemployment rate, and 2) the Governor's discretionary funding levels being restored to 15 percent from 10 percent, which reduced all direct funding to all workforce agencies. This means that less formula funding is pushed out to the local areas and instead is available on a competitive basis through grant opportunities. WIOA's hold-harmless provisions ensure that each local area receives no less than 90 percent of their average percentage share from the two prior years. Workforce staff contacted EDD to determine if a re-evaluation was possible. However, since this is a set formula applicable to all agencies, EDD will make no adjustments.

Item: _____
CED Committee
June 14, 2016

Staff is proposing a budget for consideration by the WDB that shifts the full burden of the WIOA reduction to City support functions versus contract service providers, as shown in Table 3. The City is reducing its allocation of total WIOA funding from 22 percent of the FY 2015-16 WIOA funds to 14 percent of FY 2016-17 funds. The total WIOA funds that are allocated to contracted service providers are up from 78 percent to 86 percent for FY 2016-17.

Table 3: WIOA Budget Year Over Year			
	FY 2015-16 WIOA Budget	FY 2016-17 Proposed WIOA Budget	WIOA YOY Change (+/-)
TOTAL WIOA FUNDING	\$4,567,188	\$4,152,806	-9.1%
Training	\$415,000	\$622,111	49.9%
Supportive Services	\$80,000	\$74,400	-7.0%
Comprehensive	\$916,736	\$1,035,867	13.0%
Neighborhood Centers	\$559,000	\$0	-100.0%
Industry Specific Sector Access Points	\$0	\$255,000	100.0%
Senior Services	\$100,000	\$100,000	0.0%
Business Services	\$233,937	\$250,000	6.9%
EASTBAYWorks	\$60,000	\$54,600	-9.0%
Youth Services	\$1,048,883	\$1,048,883	0.0%
Youth Summer Support	\$117,945	\$100,000	-15.2%
Direct Professional Support Services	\$25,000	\$15,640	-37.4%
Contracted Services Total	\$3,556,501	\$3,556,501	0.0%
<i>Percentage of total WIOA budget</i>	<i>78%</i>	<i>86%</i>	
O&M	\$30,000	\$25,102	-16.3%
Internal Services Fund Fees	\$17,594	\$19,313	9.8%
City WDB Program Staff	\$813,765	\$436,764	-46.3%
City Administrative Staff	\$149,328	\$115,126	-22.9%
City Support Total	\$1,010,687	\$596,305	-41.0%
<i>Percentage of total WIOA budget</i>	<i>22%</i>	<i>14%</i>	
TOTAL EXPENDITURES	\$4,567,188	\$4,152,806	-9.1%

The FY 2015-16 services cannot be compared on a one-to-one relationship since the previous WIA funding model included only two system functions – Youth and Adult/Dislocated Worker Services. In FY 2016-17 the Workforce System framework has been redesigned to meet the requirements of WIOA, which will now include Youth, Adult/Dislocated Worker Services, Sector Access Points, and Business Engagement and Services. As such, despite the overall 9.13 percent reduction in WIOA funding, and the proposal to keep the total allocation for contracted services unchanged from the prior year, some specific contracted services and service provider contracts will reflect a change from last year's budget, as represented in Table 4.

Item: _____
CED Committee
June 14, 2016

Table 4: System Framework Funding

	RFP Estimate of Funding	Proposed Funding	FY 2015-16 WIOA Amount	FY 2016-17 WIOA Proposed Budget Amount	Year Over Year
Comprehensive	1 Provider @ \$1,052,000	1 Provider @ \$1,035,867	\$916,736	\$1,035,867 (1 Provider)	+ 13%
Youth Services	4 Providers @\$221,000 each	6 Providers @\$209,776 each*	\$1,048,883	\$1,048,883 (6 providers fully funded at \$1,258,656)*	0%
Sector Access Point	2 Providers @\$127,500 each	2 Providers @\$127,500 each	-	\$255,000 (2 Providers)	+100% New Service
Business Engagement	1 Provider @\$275,000	1 Provider @\$275,000**	-	\$250,000 ** (fully funded at \$275,000)	+100% New Service

* Additional funds to support a sixth youth provider, Civicorps will be funded from unencumbered FY 2015-16 Youth funds of \$44,408 and FY 2015-16 Staff salary of \$62,456 and a request of \$102,912 from General Fund

**\$25,000 of the Business Engagement Services will be funded from the Career Pathways Trust Grant

RFP Evaluation Process and Contract Service Provider Recommendations

An Independent Review Panel selected from workforce industry experts across the country were identified with no known or perceived Conflict of Interest with/against the applicants. The Review Panel participated in a mandatory orientation call and was provided the proposals and evaluation criteria. Table 5 is the proposal evaluation criteria outlined in the RFP.

Table 5: Proposal Evaluation Criteria

Organizational Experience and Capacity	15
Program Description	20
Existing and Proposed Program Staffing	05
Subcontractors and Other Partners	15
Outcomes, Data Collection, Reporting and Monitoring	25
Budget and Budget Narrative	20
FINAL TOTAL SCORE	100

Adult and Dislocated Worker Services:

In total, four (4) Comprehensive Career Center proposals were submitted. The Independent Review Panel reviewed the proposals using the evaluation criteria listed above. A deliberation conference call was conducted on April 8, 2016 facilitated by City staff. Table 6 represents the total aggregate score from the review of the Comprehensive Career Center proposals.

Item: _____
CED Committee
June 14, 2016

Table 6: Adult and Dislocated Worker RFP Bidders and On-Call Pool			
BIDDER NAME	REVIEW PANEL SCORES	FUNDS REQUESTED	Qualified for On-Call (Yes/No)
OPIC	84.250	\$1,052,000	Yes
Rubicon	67.125	\$1,209,800	Yes
BOSS	53.750	\$1,051,500	Yes
Unity Council	51.875	\$674,207	Yes

Panel Assessment:

OPIC: Organized and well written contract. The provider addresses transition to WIOA and Priority of Service.

Recommendation:

OWDB recommends that the top ranked Bidder by the Independent Review Panel, **Oakland Private Industry Council** be awarded a Contract for FY 2016-2017 for the provision of WIOA Adult and Dislocated Worker services. Contracts for FY 2017-2018, and FY 2018-2019 are contingent upon contract performance and the availability of funds.

Business Engagement and Services:

This is a new function within Oakland’s Workforce system, but not new to the region. The law requires the local workforce boards to lead efforts to engage with a diverse range of employers and entities in their region to (1) promote business representation on the local board, (2) develop effective linkages with employers in the region, (3) ensure that workforce investment activities meet the needs of local employers, and (4) develop and implement proven or promising strategies for meeting employment and skills needs of workers and employers in the region. Historically, business services were embedded in the work of the service providers which resulted in a “siloe” system that lacked coordination and duplication of efforts among service providers. To meet the demands of WIOA of developing a “market responsive” culture of doing business that is influenced by the voice of business and to design a system that acts as an expert advisor, and provide resources with single point of contact for businesses, an RFP was released to fund a vendor to provide Business Services and Engagement for the Oakland Workforce Development Board (OWDB).

A total of two (2) WIOA Business Engagement and Service proposals were submitted. The Independent Review Panel reviewed the proposals using the evaluation criteria listed above. Table 7 represents the scores from the evaluation of the proposals.

Table 7: Business Engagement and Services RFP Bidders and On-Call Pool			
	Amount Requested	Score	On-Call
KRA Corporation	\$275,000	58.08	Yes
LAO Family Community Development	\$275,000	57.58	Yes

Panel Assessment:

KRA Corporation did an excellent job of presenting its solution for performing Business Engagement and Services for the workforce system. Their overall service delivery approach

Item: _____
 CED Committee
 June 14, 2016

was clear, they presented strong past performance references which demonstrated the integration of their tools, processes, and metrics, and had a sound innovative business approach which included social media and emphasized business as the customer and the focus of support. KRA's service delivery plan proposed a balanced team approach that would be integrated into the system. Reducing operational costs and improving reliability was also one of the strengths of the proposal.

Despite the half point difference in rating, the independent review panel made it clear that the reason they chose KRA over LAO Family Community Development was because of the employer focus that KRA had over LAO's job seeker focus.

Recommendation:

OWDB recommends that, as the top ranked bidder by the Independent Review Panel, **KRA Corporation** be awarded a contract for FY 2016-2017 for the provision of WIOA Business Engagement and Services. Contracts for FY 2017-2018 and FY 2018-2019 are contingent upon contract performance and the availability of funds.

Sector Access Point Services:

The OWDB is committed to participating in and advancing regional sector partnerships and strategies. Four industry sectors to be prioritized were identified by the OWIB for service strategies under the FY 2016-2019 contracts. These sectors were identified in the 2013-17 Strategic Plan and have been validated by regional sector engagement and labor market analysis in a presentation to the Board on May 26, 2015.

Criteria for the selection of priority sectors include total sector employment, projected sector employment growth, and availability of entry-level and mid-level jobs. The priority industry sectors include:

- Advanced Manufacturing
- Healthcare
- Information and Communications Technology (ICT)/Digital Media
- Transportation, Distribution, and Logistics

The Sector Access Points, a new service delivery model, will coordinate sector-specific services for job-seekers, workers, and employers in one or more priority industry sectors. The Access Points will provide career services contextualized for their industry sectors of focus and connect job-seekers and workers to the sector-related training, education, and supports they need to get good jobs and stay employed, in accordance with WIOA regulations and guidelines as well as local Oakland Workforce Development Board (OWDB) policies.

Funding of two (2) Sector Access Point contracts are not to exceed \$127,500 for each proposal. At time of the RFP release, Oakland had not received its WIOA allocations for FY 2016-17. The amount listed is subject to change based upon the actual allocation received and/or changes approved by the board. Additionally, the On-Call process allows the City to fund additional proposals as funding is made available.

Item: _____
CED Committee
June 14, 2016

Panel Assessment:

In total, four (4) Sector Access Point proposals were submitted. The Independent Review Panel reviewed the proposals using the evaluation criteria listed above. A deliberation conference call was conducted on April 8, 2016 facilitated by City staff. Table 8 below represents the total aggregate score from the review of the Sector Access Point proposals and the recommended contracts based on those scores.

RANKING	BIDDER NAME	AVERAGE SCORE FROM REVIEW PANEL	Qualified for On-Call (Yes/No)
1	Unity Council	81.667	Yes
2	Merritt College	74.667	Yes
3	Laney College	73.333	Yes
4	Cypress Mandela	33.167	No

Unity Council - Based on the discussion from the evaluators there was a consensus that Unity Council was their top choice. This decision was based on Unity Council's holistic approach to service delivery. Their program design is aligned with a uniqueness to serve diverse populations in priority industry sectors for targeted training and placement.

Merritt and Laney Community College - Based on numerical ranking, Merritt College ranked a minor degree higher than Laney College. The evaluators commented that the two college proposals were nearly identical though reviewed independently. Both proposals have a good overall approach and are strong institutions with high leveraged dollars. Evaluators scored Merritt slightly higher because additional grant performance outcomes were described, whereas Laney did not provide any outcomes. Evaluators recommended that the college selected be based on their individual identity (what differentiates the college by industry sector), location of facilities/accessibility and performance outcomes. Merritt College's numerical score places them second for recommended contracted services. If additional funding becomes available, the On-Call process allows the City to fund Laney College as an On-Call provider.

Recommendation:

OWDB recommends awarding contracts to the top two ranked Bidders by the Independent Review Panel, **Unity Council** and **Merritt College** for the provision of WIOA Sector Access Point services for FY 2016-2017. Contracts for FY 2017-2018, and FY 2018-2019 are contingent upon contract performance and the availability of funds.

Youth Services:

A total of ten (10) Youth Services proposals were submitted. The Independent Review Panel reviewed the proposals using the evaluation criteria listed above. A deliberation conference call was conducted on April 12, 2016 facilitated by City staff. Table 9 represents the total aggregate score from the review of the proposals.

Item: _____
CED Committee
June 14, 2016

The On Call process allows the City to fund additional qualified proposals if funding becomes available. OWDB recommends that the top six proposals be awarded.

Panel Assessment:

Table 9: Youth RFP Bidders and On-Call Pool						
Bidders	Amount Requested	Service Model	In-School	Out of School	Score	On-Call
Lao Family CD	\$221,250	-Alternative High School Model -GED HiSET Education Model -Post-Secondary Education/Training Model -Youth Employment Model	8	28	65	Yes
BACR	\$220,000	-Alternative High School Model -Post-Secondary Education/Training Model -Youth Employment Model	10	40	59.33	Yes
Unity Council	\$221,347	-Youth Employment Model	50	50	58.5	Yes
YEP	\$221,250	-Alternative High School Model -GED HiSET Education Model -Post-Secondary Education/Training Model -Youth Employment Model	8	24	56.67	Yes
Youth Radio	\$220,000	-Youth Employment Model		40	55.67	Yes
Civicorps	\$221,250	-GED HiSET Education Model -Post-Secondary Education/Training Model -Youth Employment Model		40	54.67	Yes
Safe Passages	\$413,337	-Alternative High School Model -GED HiSET Education Model -Post-Secondary Education/Training Model -Youth Employment Model	40	60	52.33	Yes
Youth Uprising	\$221,250	-Youth Employment Model		40	47.33	Yes
Next Steps LC	\$234,633	-GED HiSET Education Model -Post-Secondary Education/Training Model		100	40.83	No
MIMS	\$215,331	-Alternative High School Model	75		15.83	No

Overall comments for top six bidders:

- Qualified provider with solid strong past performance
- Employer engagement in sectors targeted for growth
- Understanding of WIA/WIOA legislation
- Case Management teams connected to youth
- Infrastructure to collect, report and monitor data
- Demonstrated partnerships with RFP required partners

Item: _____
 CED Committee
 June 14, 2016

Lao Family Community Development - LFCD has the capacity to serve targeted population, a strong recruitment strategy with employer partners by sector. LFCD is an experienced organization providing WIA services. LFCD is a solid organization with infrastructure to support services. The staff has prior WIA and WIOA experience. LFCD is an experienced provider serving WIOA participant. They are a large organization with capacity to do the work, systems in place for reporting data collection, reporting and monitoring. LFCD has a good understanding of WIOA. Career pathways services in place. Business engagement with 500 employers. Twenty five languages spoken by staff.

Bay Area Community Resources - All the requirements of the RFP were present. Employer commitment in high growth industries. Reader felt very comfortable funding this proposal. Qualified experience provider with multi agency collaboration. Employer engagement in four sectors. Highest leveraged match. Higher tier provider. Very new to area, yet solid experience.

Unity Council - Solid Mission, strong past performance. Strong proposed plan and staffing. Solid track record of services. Good mission with extended facility hours. Two options for enrollment. Process for participants to work through the program. Lowest cost for participant. Good employer partnerships.

Youth Employment Partnership - Experienced provider with capacity to do the work. Case management teams connected to the youth. Wraparound and holistic provision of services. Green construction programming targeting youth with significant barriers. Training facilities and "living classrooms." Experienced provider serving the community. Strong data collection and reporting.

Youth Radio - Small organization. Unique program model. Good employer partnerships with links to direct employment. Recruitment model of harder to serve populations. High non-WIOA leveraged matching funds. Exceeded previous performance outcomes. Innovative approaches. State apprenticeship program credential.

Civicorps - Innovative approach. Credentials moving into sector industries. Exceptional program. Capacity to do the work. Provide 3 service models with flexibility for youth to enroll. Bridging program with career pathway. Clear target population aligned with WIOA. Capacity to do the work. High non-WIOA leveraged matching funds

Recommendation:

OWDB recommends awarding contracts to the top six ranked bidders by the Independent Review Panel, (1) **Lao Family Community Development**, (2) **Bay Area Community Resources**, (3) **Unity Council**, (4) **Youth Employment Partnership**, (5) **Youth Radio** and (6) **Civicorps** for FY 2016-2017 for the provision of WIOA youth services. The OWDB motion asked staff to identify budget funding so that the top five bidders would receive \$209,776 each, and the sixth-ranked bidder would receive up to the same amount, contingent on available funds. Contracts for subsequent fiscal years, FY 2017-2018 and FY 2018-2019, are contingent upon contract performance and the availability of funds. The OWDB asked that the funds not be lowered for any Youth providers in order to make funding available for all six. To meet the OWDB's request to fund Civicorps, staff identified remaining unencumbered funds of \$106,864 from Fiscal Year 2015-16 that could be reappropriated, as follows:

Item: _____
CED Committee
June 14, 2016

- \$44,408 remaining from FY 2015-16 that was not approved for contract due to a Corrective Action, and
- \$62,456 of staff funds available from FY 2015-16 Career Pathways Trust grant.

The remaining \$102,912 needed to fund Civicorps up to \$209,776 is within the City Council General Fund support request, as shown in Table 10.

City General Fund Support for Workforce System Administration

The proposed budget shifts the full burden of the reduction in WIOA funding of \$414,382 away from the contract service providers and instead reduces the WIOA allocation for City support functions. The WIOA funding reduction for City support functions would be partially absorbed by \$109,551 from a portion of other sources that can be used for system administration staff. The remainder of the WIOA funding shortfall, as well as another \$33,857 for increases in the cost of City staff from last year, will require \$338,688 in General Purpose Funds to support workforce development. Additional General Purpose Funds of \$102,912 would allow a sixth youth provider, Civicorps, to be funded on par with the other providers. This would increase the General Fund support request from \$338,688 to \$449,806, as shown in Table 10:

Shortfall for WIOA	-\$414,382
Net shortfall for City admin support staff and labor bargaining agreements salary increases	-42,063
Shortfall in funding sixth youth provider - Civicorps	-102,912
Total Shortfall	-\$559,357
Career Pathways Trust Funding	\$56,956
Bay Area Workforce Collaborative Healthcare Bridge Program	\$10,000
BART Grant	\$32,595
Day Laborer Program	\$10,000
Total Non-GPF Sources	\$109,551
City Council General Fund Support Request	\$449,806

As indicated in the table above, the proposed budget includes a net request of the City Council to provide a mid-cycle General Fund subsidy allocation of \$449,806 to provide support to workforce system administration, in order to maintain funding levels to the contract service providers. This is an increase of \$102,912 from what was previously included as part of the full mid-cycle budget presented to Council at its meeting on June 7, 2016.

The new Federal mandate under WIOA requires the workforce support staff to deliver more oversight, development and delivery of reporting, as well as more facilitation to help system partners navigate the new complex regulations of WIOA. The City's capacity to give service providers the quality and quantity of program and administrative support they need requires staff's best efforts and adequate staffing levels. This is particularly true going into FY 2016-2017 as this year is pivotal for all workforce systems. The level of complexity of implementing

Item: _____
CED Committee
June 14, 2016

this new program has increased, and includes higher expectations of accountability reporting, regional coordination with three other WIBs and increased employer engagement, especially through a newly designed sector-specific strategy for Oakland and the region. City staff will continue to seek and identify other grant sources for programs and service providers so the system funding is more diversified and less reliant on WIOA funding.

If Council does not approve the increased General Fund allocation to support the Workforce Development budget, it will result in one of two alternative outcomes: (a) returning to the OWDB to reallocate its budget and reduce funding for program services and service provider contracts, or (b) making significant City workforce staff reductions. The former would impact the level of services our providers can deliver and the latter would jeopardize the City's ability to perform its function as system administrator of contracted services, monitoring performance and serving the Board. Ultimately, a failure of the system administrator to perform its duties, and thus the failure of the OWDB to oversee WIOA funds, could lead to decertification of the local Oakland Board and the City's ability to retain Federal workforce funding.

Applying, Accepting and Appropriating Grants

From time to time the WDB may apply for grants. To build capacity and diversify workforce funding sources, staff recommends that the Board be allowed to apply, accept and appropriate these funds up to \$200,000 to allow the WDB to respond quicker to funding current and on-call providers.

Staff currently needs approval to apply, accept and appropriate the BART grant of \$43,500. The WDB is partnering with the local transit authority to support their Transit Career Ladders program. The grant is designed to meet the growing needs of the transit workforce by providing training access for traditionally under-represented individuals with the goal of developing streamlined pathways into transportation employment.

FISCAL IMPACT

As mentioned above, WIOA Grant allocation for next fiscal year was reduced by approximately 9 percent (\$414,382). Additionally, City operating and administration costs increased by nearly \$70,000 mostly due to negotiated cost of living adjustments for staff salaries and benefits. The grant budget for FY 2016-17 is balanced through a combination of reducing City operating costs, where possible, the use of various other grant sources for City workforce operations and a subsidy from the GPF of \$449,806, which includes an amount of \$338,688 that was part of the mid-cycle budget request presented to Council on June 7, 2016, plus an additional Board request of \$102,912 to fully fund Civicorps as the sixth youth provider.

PUBLIC OUTREACH / INTEREST

To prepare for the FY 2016-19 RFPs, the Workforce Investment Board conducted extensive public outreach including: Speakers bureau presentations by eight Oakland Workforce Investment Board members and 3 staff at 13 community and business organizations, reaching 259 community stakeholders and offering comment cards and a link to an online survey. Online

Item: _____
CED Committee
June 14, 2016

survey, circulated through OWIB email newsletters, City of Oakland website and emails, publication in local media, and the CalJobs enrollment list, as well as in-person surveys, conducted at four OWIB funded locations by Mills College MBA students in English, Spanish, and Cantonese, provided two-way communication about WIOA structure and requirements and collected feedback from 230 employers, job-seekers, and workers. Executive interviews with a dozen chief executive officers and human resources managers from leading Oakland employers and business organizations were also a part of the outreach strategy.

COORDINATION

The Request for Proposal process was supported by the Office of Contracts and Compliance. Workforce Development staff works closely with the Finance and Management Agency to ensure fiscal compliance with the expenditure of WIA 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. Workforce Development is now a unit of the new Department of Economic and Workforce Development under the one director.

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 have require support in gaining the pre-employment and vocational skills needed to become gainfully employed.

ACTION REQUESTED OF THE CITY COUNCIL

Resolution (1) Adopting the fiscal year 2016-2017 workforce investment budget; (2) Accepting and appropriating Workforce Innovation and Opportunity Act (WIOA) Title I formula funds for adult, dislocated worker, youth and rapid response services; (3) Authorizing contracts with service providers competitively selected by the Oakland Workforce Development Board to provide comprehensive, sector access, business engagement and youth services from WIOA Title I formula funds for Fiscal Year 2016-17; (4) Accepting grant funds from the Bay Area Rapid Transit district for workforce development services in the amount \$43,500; (5) Authorizing the city to apply for, accept and appropriate grants and contributions for workforce development services beyond the WIOA Title I formula funding up to \$200,000 with the approval of the Oakland Workforce Development Board without returning to Council; and (6) Authorizing a contract with Civicorps to provide youth services using unencumbered funds from Fiscal Year 2015-16 in the amount of \$106,864.

Item: _____
CED Committee
June 14, 2016

As a result, the total funding for service providers is flat from last year while City support costs funded by WIOA are down a total of 41 percent from last year. This would require City Council to appropriate \$449,806 of the General Fund to subsidize City Support costs in its Mid-cycle Budget for FY 2016-17 (\$102,912 more than was previously presented to Council on June 7, 2016).

The outcomes of adopting this Resolution is the authorization of the Oakland WIB's FY 2016-17 budget and the authorization of Youth, Adult, Business and Sector Access Point provider contracts approved by the WDB:

- Award a contract for Adult and Dislocated Worker services to OPIC
- Award contract for Business Engagement and Services to KRA Corporation
- Award two contracts for Sector Access Points to (1) Unity Council and (2) Merritt College
- Award six contracts for Youth to 1) LFCD, 2) Bay Area Community Resources, 3) Unity Council, 4) Youth Employment Partnership, 5) Youth Radio and 6) Civicorps

Lastly, Staff recommends that the Board be allowed to apply, accept and appropriate these funds up to \$200,000 to create a more nimble process of funding current and on-call providers.

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

Respectfully submitted,



Mark Sawicki
Director, EWD

Prepared by:
Honorata Lindsay, Program Analyst II
Workforce Development

Item: _____
CED Committee
June 14, 2016

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION (1) ADOPTING THE FISCAL YEAR 2016-2017 WORKFORCE INVESTMENT BUDGET; (2) ACCEPTING AND APPROPRIATING WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) TITLE I FORMULA FUNDS FOR ADULT, DISLOCATED WORKER, YOUTH AND RAPID RESPONSE SERVICES; (3) AUTHORIZING CONTRACTS WITH SERVICE PROVIDERS COMPETITIVELY SELECTED BY THE OAKLAND WORKFORCE DEVELOPMENT BOARD TO PROVIDE COMPREHENSIVE, SECTOR ACCESS, BUSINESS ENGAGEMENT AND YOUTH SERVICES FROM WIOA TITLE I FORMULA FUNDS FOR FISCAL YEAR 2016-2017; (4) ACCEPTING GRANT FUNDS FOR FISCAL YEAR 2016-17 FROM THE BAY AREA RAPID TRANSIT DISTRICT FOR WORKFORCE DEVELOPMENT SERVICES IN THE AMOUNT \$43,500; (5) AUTHORIZING THE CITY TO APPLY FOR, ACCEPT AND APPROPRIATE GRANTS AND CONTRIBUTIONS FOR WORKFORCE DEVELOPMENT SERVICES BEYOND THE WIOA TITLE I FORMULA FUNDING UP TO \$200,000 WITH THE APPROVAL OF THE OAKLAND WORKFORCE DEVELOPMENT BOARD WITHOUT RETURNING TO COUNCIL; AND (6) AUTHORIZING A CONTRACT WITH CIVICORPS TO PROVIDE YOUTH SERVICES USING UNENCUMBERED FUNDS FROM FISCAL YEAR 2015-16 IN THE AMOUNT OF \$106,864

WHEREAS, Section 107 of the Workforce Innovation and Opportunity Act of 2014 ("WIOA") provides for the establishment of a local workforce development board to replace the workforce investment board created under the Workforce Investment Act of 1998 ("WIA") in carrying out designated workforce development functions; and

WHEREAS, Executive Order No. 2016-01 established the Oakland Workforce Development Board; and

WHEREAS, the Oakland Workforce Development Board is mandated to oversee the expenditure of WIOA funding in partnership with the Mayor as local chief elected official in a designated workforce development area such as the City of Oakland; and

WHEREAS, the City of Oakland received notice that its allotment of WIOA Title I formula funds for FY 2016-17 adult, dislocated worker and youth services is \$3,926,256; and

WHEREAS, the rapid response funding allotment has not yet been published but is estimated to be \$226,550, for a total projected WIOA allocation of \$4,152,806; and

WHEREAS, the Oakland Workforce Development Board on June 2, 2016, approved a budget for all said funds; and

WHEREAS, the Oakland Workforce Development Board has selected, through a competitive request for proposals process, the service providers specified below to provide employment and training services to adults, dislocated workers, youth and business including rapid response and lay-off aversion services, with WIOA Title I formula funds; and

WHEREAS, WIOA Title I formula funds awarded to service providers must be expended within the first fiscal year; and

WHEREAS, under Senate Bill 734, 30 percent of the combined adult and dislocated worker funding must be used on eligible training services to assist job seekers with training and employment goals within the first fiscal year; and

WHEREAS, WIOA Section 129(a)(4) increases the minimum out-of-school youth expenditure rate, minus administrative costs, for the youth formula-funded program from 30 percent under WIA to 75 percent under WIOA; and

WHEREAS, WIOA Section 129(c)(4) prioritizes work experience with the requirement that the local workforce development area must spend a minimum of 20 percent of non-administrative youth formula funds on work experience activities; and

WHEREAS, from time to time the City through the Oakland Workforce Development Board will have the opportunity to apply for and receive grant funds and contributions above and beyond the WIOA Title I formula funds to help build capacity and diversify funding for the workforce system; and

WHEREAS, the Bay Area Rapid Transit District (BART) has launched an innovative training program in partnership with Bay Area community colleges and the local workforce development system to provide up to 100 students with the technical knowledge to pursue transit-related careers; and

WHEREAS, \$43,500 in grant funds has been allocated to the Oakland Workforce Development Board by BART to serve as the point of contact for the BART, which will fulfill its obligations to coordinate communication, activities and reporting with supporting Bay Area workforce investment boards and One-Stop locations; and

WHEREAS, there is \$106,864 in unencumbered funds from Fiscal Year 2015-16, including unencumbered youth service provider funds of \$44,408 and Fiscal Year 2015-16 staff salary savings of \$62,456; now, therefore, be it

RESOLVED: That the City hereby accepts the Fiscal Year 2016-2017 WIOA Title I formula funding for Adult, Dislocated Worker, Youth and Rapid Response services in the amount of up to \$4,152,806; and be it

FURTHER RESOLVED: That, given possible variances in WIOA allocations from the U.S Department of Labor and the California Employment Development Department, the City Administrator is authorized to accept additional WIOA funding allocations for Fiscal Year 2016-17 above the \$4,152,806 without returning to the City Council; and be it

FURTHER RESOLVED: That WIOA funds are hereby appropriated to the Workforce Development Fund (2195), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined, and in Workforce Program (SC03); and be it

FURTHER RESOLVED: That the City Council adopts the following Fiscal Year 2016-2017 workforce investment budget:

Revenue Fund (2195)			Contract Award	Contract End Date
WIOA FY 2016-17 Allocations (Subgrant Agreement #K7102050)				June 30, 2018
	- Adult		\$1,413,381	
	- Dislocated Worker		\$1,075,377	
	- Youth		\$1,437,498	
	- Rapid Response		\$226,550	
WIOA FY 2015-16 Unencumbered Youth Funds from Project G481843			\$44,408	June 30, 2017
WIOA FY 2015-16 Unencumbered Staff Salaries from Project G453598			\$62,456	
Total Revenue			\$4,259,670	
Service Providers/WIOA Program	Project # (to be determined)	Program Code	Contract Award	Contract End Date
PIC: Oakland Comprehensive Career Center				
- Adult	TBD	CORS / COSS/ INTS	\$556,911	June 30, 2017
- Dislocated Worker	TBD	CORS / COSS/ INTS	\$478,956	
Comprehensive Total			\$1,035,867	
Unity Council: Sector Access Point and Youth Svs				
- Adult	TBD	CORS / COSS/ INTS	\$76,700	June 30, 2017
- Dislocated Worker	TBD	CORS / COSS/ INTS	\$50,800	
- Youth	TBD	YISC/YOSC	\$167,821	
		WEXP	\$41,955	
Unity Council Total			\$337,276	
Merritt College: Sector Access Point				
- Adult	TBD	CORS / COSS/ INTS	\$76,700	June 30, 2017
- Dislocated Worker	TBD	CORS / COSS/ INTS	\$50,800	
Merritt College Total			\$127,500	

Service Providers/WIOA Program	Project # (to be determined)	Program Code	Contract Award	Contract End Date
KRA: Business Engagement				June 30, 2017
- Adult	TBD	CORS / COSS/ INTS	\$12,183	
		TRNP	\$353,346	
		OTHR	\$47,198	
- Dislocated Worker	TBD	CORS / COSS/ INTS	\$12,367	
		TRNP	\$268,767	
		OTHR	\$27,203	
- Rapid Response	TBD	SC03	\$212,603	
- Youth	TBD	SC03	\$12,847	
KRA Total			\$946,513	
Lao Family: Youth Services				June 30, 2017
- Youth	TBD	YISC/YOSC	\$167,821	
		WEXP	\$41,955	
Lao Family Total			\$209,776	
Bay Area Community Resources: Youth Services				June 30, 2017
	TBD	YISC/YOSC	\$167,821	
- Youth	TBD	WEXP	\$41,955	
Bay Area Community Resources Total			\$209,776	
Youth Employment Partnership: Youth Services				June 30, 2017
- Youth	TBD	YISC/YOSC	\$167,821	
	TBD	WEXP	\$41,955	
Youth Employment Partnership Total			\$209,776	
Youth Radio: Youth Services				June 30, 2017
- Youth	TBD	YISC/YOSC	\$167,821	
	TBD	WEXP	\$41,955	
Youth Radio Total			\$209,776	
Civicorps: Youth Services				June 30, 2017
- Youth	TBD	YISC/YOSC	\$85,491	
	TBD	WEXP	\$21,373	
Civicorps Total			\$106,864	
East Bay Works Cost Share				June 30, 2017
- Adult	TBD	SC03	\$17,300	
- Dislocated Worker	TBD	SC03	\$17,300	
- Youth	TBD	SC03	\$20,000	
East Bay Works Total			\$54,600	
Service Providers Subtotal			\$3,447,724	

Other Service Providers Contracts		Project #		
Senior Services (DHS)				June 30, 2017
- Adult	TBD		\$100,000	
Senior Services Total			\$100,000	
Youth Summer Support				
- Youth	TBD		\$100,000	
Youth Summer Support Total			\$100,000	
Professional Services				
- Adult	TBD		\$4,340	
- Dislocated Worker	TBD		\$9,300	
- Youth	TBD		\$2,000	
Professional Services Total			\$15,640	
Other Service Providers Subtotal			\$215,640	
City Operations		Project #		
O&M				
- Adult	G453498		\$4,059	
- Dislocated Worker	G453398		\$3,981	
- Youth	G453598		\$17,062	
O&M Total			\$25,102	
Internal Services Fees				
- Adult	G453498		\$6,593	
- Dislocated Worker	G453398		\$7,784	
- Rapid Response	G453898		\$113	
- Youth	G453598		\$4,823	
Internal Services Fees Total			\$19,313	
City Program Staff				
- Adult	G453498		\$130,269	
- Dislocated Worker	G453398		\$117,379	
- Rapid Response	G453898		\$13,834	
- Youth	G453598		\$175,282	
City Program Staff Total			\$436,764	
- City Administrative Staff				
- Adult	G453499		\$27,782	
- Dislocated Worker	G453399		\$30,740	
- Youth	G453599		\$56,604	
City Administrative Staff Total			\$115,126	
City Operations Subtotal			\$596,305	

WIOA FY 2016-17		
- Adult		\$1,413,381
- Dislocated Worker		\$1,075,377
- Youth		\$1,437,498
- Rapid Response		\$226,550
WIOA FY 2015-16 Unencumbered Youth Funds from Project G481843		\$44,408
WIOA FY 2015-16 Unencumbered Staff Salaries from Project G453598		\$62,456
Total Expenditure		\$4,259,670

and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to negotiate and enter into contracts for Fiscal Year 2016-17 WIOA funds through June 30, 2017, to provide employment and training services to adults, dislocated workers, youth and business including rapid response and lay-off aversion services with the following service providers in not-to-exceed amounts set forth below:

- Adult and dislocated worker services to the Oakland Private Industry Council in the amount of \$1,035,867;
- Business engagement services and fiscal responsibility of training and support services to KRA Corporation in the amount of \$946,513;
- Sector access points services to (1) Unity Council in the amount of \$127,500, and (2) Merritt College in the amount of \$127,500;
- Youth services to 1) Lao Family Community Development in the amount of \$209,776, 2) Bay Area Community Resources in the amount of \$209,776, 3) Unity Council, in the amount of \$209,776 4) Youth Employment Partnership in the amount of \$209,776, and 5) Youth Radio in the amount of \$209,776;

and be it

FURTHER RESOLVED: That each contract for workforce development activities funded with WIOA Title I formula funds shall have specific performance benchmarks consistent with WIOA regulations, and that the City shall terminate the contract of a service provider that materially fails to meet 50 percent of contract performance and funds will be reallocated to existing service providers or an on-call pool; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator or her designee to accept BART grant funds in the amount \$43,500; and be it

FURTHER RESOLVED: That the BART grant funds are hereby appropriated to the Miscellaneous Grant Fund (2999), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined, and in Workforce Program (SC03); and be it

FURTHER RESOLVED: The City Council authorizes the City Administrator to negotiate and enter into a contract in the amount of \$106,864.00 with Civicorps to provide employment and training services to youth; and be it

FURTHER RESOLVED: That the funds are hereby appropriated to the Civicorps contract in the Workforce Development Fund (2195), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined, from the Workforce Development Fund (2195), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator or her designee to apply for, accept and appropriate grants funds and contributions on behalf of the City and the Oakland Workforce Development Board to help build capacity and diversify funding for the workforce system up to \$200,000 with the approval of the Oakland Workforce Development Board without returning to the City Council, including the authority to negotiate and enter into contracts for the use of such funds with service providers approved by the Oakland Workforce Development Board; and be it

FURTHER RESOLVED: That any additional grant funds and contributions are hereby appropriated through Fiscal Year 2016-2019 to the Miscellaneous Grant Fund (2999), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined, and in Workforce Program (SC03); and be it

FURTHER RESOLVED: That the City Council approves the allocation of \$596,305 in WIOA funding to support City Operations O&M, Internal Service Fees, City Program Staff and City Administrative Staff positions and operations and maintenance costs from FY 2016-17 WIOA formula funds; and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized to spend funds in FY 2016-17 and take other action with respect to the adopted budget and authorized contracts consistent with the Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCHELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California