



CITY OF OAKLAND

AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Ashleigh Kanat
Director, Economic &
Workforce Development

SUBJECT: FY 2024-25 OWDB Budget &
Contracts

DATE: May 10, 2024

City Administrator Approval


Jestin Johnson (May 17, 2024 10:18 PDT)

Date: May 17, 2024

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The Following Actions:

- 1. Adopting The Fiscal Year 2024-25 Workforce Development Budget;**
- 2. Accepting And Appropriating Workforce Innovation And Opportunity (WIOA) Title I Formula Funds For Adult, Dislocated Worker, Youth And Rapid Response Services In The Estimated Amount Of Three Million Six Hundred Sixty-Nine Thousand Nine Hundred Fifty-One Dollars (\$3,669,951);**
- 3. Accepting And Appropriating Two Million Three Hundred Twenty-Seven Thousand Four Hundred Thirty Dollars (\$2,327,430) From California Volunteers To Increase Youth And Young Adult Employment And Develop Pathways Into Careers In Public Service;**
- 4. Appropriating One Million Nine Hundred Eighty-Four Thousand Two Hundred Eighty-Six Dollars (\$1,984,286) From The General Fund And Other Funds For Workforce Development;**
- 5. Authorizing The Carryover Of Unspent Fiscal Year 2023-2024 WIOA And Other Funds In The Estimated Amount Of Five Hundred Thirty-Three Thousand Four Hundred Seventy-Five Dollars (\$533,475) In Fiscal Year 2024-2025;**
- 6. Authorizing Grant Agreements With Service Providers Competitively Selected To Provide Comprehensive, Specialized, Business Engagement And Youth Services From WIOA Title I Formula Funds And Other Funds For Fiscal Year 2024-2025; And**
- 7. Authorizing the City Administrator to Apply For, Accept, And Appropriate Grants and Contributions for Workforce Development Services Beyond The WIOA Title I Formula Funding And Other Budgeted Funding Sources Up To Two Hundred Fifty Thousand Dollars (\$250,000) Per Instance With The Approval Of The Oakland Workforce Development Board**

CED Committee
May 28, 2024

EXECUTIVE SUMMARY

Staff recommends that the City Council adopt the Fiscal Year (FY) 2024-25 Workforce Development budget and amendments to grant agreements with service providers as detailed in **Attachment A**. This budget incorporates federal funding through the Workforce for Innovation and Opportunity Act (WIOA), State of California support, City of Oakland contributions, and miscellaneous grants to support critical programs aimed at assisting residents in accessing resources and acquiring the necessary skills and for sustainable careers. On May 2, 2024, the Oakland Workforce Development Board (OWDB) adopted the FY 2024-25 Workforce Development budget and amendments at its Regular Board meeting.

The proposed amendments to service provider grant agreements are a continuation of a system-wide Request for Proposals (RFP) process, which competitively procured contracts for workforce development services over a three-year period from July 1, 2022, through June 30, 2025. This is the last year of the 3-year procurement cycle. Additionally, staff recommends carrying over any FY 2023-24 contracted funds not fully utilized by service providers by June 30, 2024, into FY 2024-25 to maximize available resources for continued programming.

From time to time, the OWDB will come across grant opportunities to diversify funding to support workforce development initiatives. By authorizing the City Administrator to apply for, accept, and appropriate grants and contributions, each capped at \$250,000 per instance pending approval from the OWDB, the City is better positioned to enhance its limited capacity to swiftly and proactively adapt to emerging challenges and opportunities in the community.

BACKGROUND / LEGISLATIVE HISTORY

The Oakland Workforce Development Board (OWDB) is a cornerstone of Oakland's efforts to foster economic growth, promote social equity, and empower its diverse community. Comprised of representatives from government, business, labor, education, and community-based organizations, the OWDB plays a pivotal role in shaping and implementing strategies to address the evolving needs of job seekers and employers alike.

Aligned with its overarching mission, the OWDB's investments are strategically directed towards providing adults and youth with the essential skills, knowledge, and resources required to thrive in today's competitive job market. By providing targeted support and opportunities, the OWDB seeks to unlock the full potential of individuals, particularly those facing barriers to employment, and pave the way for their success in rewarding careers.

Moreover, the OWDB recognizes the critical importance of cultivating a skilled workforce to drive innovation and sustain business growth within Oakland's dynamic economy. Through proactive engagement with employers and industry stakeholders, the OWDB works to understand and address the evolving demands of key sectors, ensuring alignment between workforce development efforts and industry needs.

Central to its approach is the establishment of a cohesive network of service providers and partners within the workforce system. By fostering collaboration and coordination among

stakeholders, the OWDB seeks to streamline access to career pathways and support services, enabling residents to secure family-sustaining jobs in high-growth industries.

In pursuit of these goals, the OWDB remains committed to promoting equity, diversity, and inclusion in all aspects of its work. By championing equitable access to opportunities and resources, the OWDB aims to create a more inclusive economy where every resident has the chance to thrive and contribute to Oakland's continued prosperity.

As Oakland continues to navigate the complexities of a rapidly evolving economy, the OWDB stands as a steadfast advocate for workforce development solutions that promote economic resilience, social mobility, and shared prosperity. With a focus on collaboration, innovation, and empowerment, the OWDB remains dedicated to building a brighter future for all residents.

ANALYSIS AND POLICY ALTERNATIVES

Adoption of the proposed resolution advances the **Citywide priority of housing, cultural and economic security** by continuing the critical work of the OWDB and workforce system partners. The OWDB's budgetary framework reflects a strategic investment in workforce development initiatives aimed at enhancing the employability of Oakland residents and meeting the evolving needs of the local labor market. By leveraging diverse funding sources and implementing targeted programs, the OWDB remains committed to fostering economic growth, promoting social equity, and building a thriving workforce ecosystem in Oakland.

FUNDING SOURCES

The OWDB budget operates with funding from various sources to drive comprehensive workforce development activities. These funding sources include federal allocations through the WIOA, state grants, support from the City's General Fund, and contributions from private businesses and philanthropic organizations.

- Estimated Carry Forwards from FY 2023-24 - \$533,475
Estimated carry forward balances are reallocated into the FY 2024-25 Board budget and include any unobligated and de-obligated funds and salary savings from vacant City staff positions.
- Estimated FY 2024-25 WIOA - \$3,669,951
The Board's WIOA Title I Formula revenues consist of four separate funding streams which include:
 - Adult Program - Serves individuals 18 and older by providing them with job search assistance and training opportunities and to help meet employer workforce needs.
 - Dislocated Worker Program - Designed to help workers get back to work as quickly as possible and overcome barriers to employment. When individuals become dislocated workers as a result of job loss, mass layoffs, global trade dynamics, or transitions in economic sectors, the Dislocated Worker program provides services to assist them in re-entering the workforce.
 - Youth Program - Comprehensive youth employment program serving eligible youth, ages 14-24, who face barriers to education, training, and employment.

- Rapid Response Program – Provides strategies and activities necessary to plan for and respond to announcements of a business closure, layoff, or mass job dislocations due to natural or other disasters, and to deliver services to enable dislocated workers to transition to new employment as quickly as possible.

As of this writing, the State of California Employment Development Department (EDD) has not yet released its planning budget estimates for the FY 2024-25 WIOA Adult, Dislocated Worker, Youth and Rapid Response programs. Therefore, for planning purposes, the FY 2023-24 allocations are used as baseline. Funding will be budgeted in the Workforce Investment Act Fund (2195), Workforce Development Organization (85311), in a Project to be determined (TBD).

- California Volunteers – \$2,327,430
The City was awarded a second round of funding from Office of the Governor's California Volunteers from May 1, 2024 through December 1, 2025. These funds are to support year-round youth and young adult employment programs that promote climate resilience and improve neighborhood conditions. Program participants will have the opportunity for meaningful, long-term employment, either within the City or with our network of neighborhood partner organizations competitively selected through an RFP process. Funds for this program will be budgeted in State of California Other Fund (2159), Workforce Development Organization (85311), Oakland Forward Project (1006529).
- City General Fund - \$794,721
A total of \$794,721 has been allocated in the FY 2023-25 Biennial Budget for the Board consideration. This amount reflects \$100,000 to support workforce development services and sector initiatives. Funds will be budgeted in General Purpose Fund (1010), Workforce Development Organization (85311), Workforce Development Services Project (1006028). \$220,000 has been allocated to Causa Justa: Just Cause for the City's Day Laborer program and the funding will be budgeted in General Purpose Fund (1010), Workforce Development Organization (85311), Day Laborers Project (1000167). The remaining \$474,721 in general funds will support City operations.
- Measure HH - \$577,162
Oakland youth ages 16 to 24. The City will enter into grant agreements with recommended service providers previously approved by the Board. Funds will be budgeted in Measure HH (SSBDT) Fund (1030), Workforce Development Organization (85311), Measure HH Healthy Kids Program Project (1003817).
- Army Base Billboard - \$537,403
Oakland Army Base billboard revenue is budgeted for oversight and support of the West Oakland Job Resource Center (WOJRC). The FY 2024-25 budget appropriates \$345,615 directly to the WOJRC to support the ongoing operations of the Center that focus on helping local residents learn about and prepare for careers in the building trades and to fulfill job creation, hiring targets and workforce development policies of the City. The remaining \$191,788 will support City personnel. Funds will be budgeted in OBRA Leasing & Utility Fund (5671), Workforce Development Organization (85311), West Oakland Resource Center Project (1000036).

- Miscellaneous Donations - \$75,000
Miscellaneous private grant donations are allocated to service providers to increase summer opportunities for youth for summer 2024. Funds will be budgeted in Miscellaneous Trust Fund (7999), Workforce Development Org (85311), Mayor Summer Youth Project (1000500).

EXPENDITURE CATEGORIES:

There are two main expenditure categories in the Board budget:

Service Provider Contracts: The City and the Board contract with experienced organizations to provide workforce development services to Oakland. The overall goals of these workforce organizations are to help Oakland residents develop the skills to attain the knowledge, and access the resources needed to thrive in a career; and provide employers with the skilled workers needed to sustain and competitively grow their businesses. These funds include participant training, wages, and support to enable an individual to participate in workforce development activities.

City Operations: The Board and City workforce staff, as the system administrator, are responsible under WIOA Section 107(d) for a range of functions as listed below, including directing funds to be used for industry or sector partnerships (Sec. 134(c)(1)(A)(v)). Below are some of the primary Board and City staff functions:

- Development of the local plan
- Workforce research and regional labor market analysis
- Convening, brokering, leveraging workforce system partners
- Employer engagement
- Career pathways development
- Identifying and promoting proven and promising best practices
- Technology and data systems
- Program oversight, including oversight of more than a dozen service providers and contracts
- Negotiation of local performance
- Selection of one-stop operators, and providers through a competitive RFP process
- Coordination with education partners
- Budget and administration
- Accessibility for individuals with disabilities

PROCUREMENT AND GRANT AWARDS

An RFP to procure contract service providers to provide citywide workforce development services for Fiscal Years (FYs) 2022-2025 was issued on March 11, 2022 by Economic and Workforce Development Department (EWDD) and Board. Through this procurement, the Board entered into grant agreements with local nonprofit organizations to provide workforce development services for recently displaced and long-term unemployed adults and low-income youth and young adults. This is the last year of the 3-year procurement cycle.

Staff is recommending that allocations and service goals for WIOA service providers listed in (Attachment A) remain flat and that Board also authorize any carryover of unspent FY 2023-2024 funds to contracted service providers in fiscal year 2024-2025.

APPLYING FOR, ACCEPTING AND APPROPRIATING GRANTS

From time to time the OWDB may apply for additional grants. To build capacity and diversify workforce funding sources, staff recommends that the OWDB be allowed to apply for and accept these funds up to \$250,000 per grant without returning to council. This will allow the OWDB to respond more quickly to funding opportunities to support Oakland's workforce needs and is consistent with prior year's authorization granted by City Council.

FISCAL IMPACT

The OWDB proposed budget reflects fund allocations from various sources, including federal grants, state contributions, city appropriations, and philanthropic donations that underscores the financial commitment necessary to sustain and expand workforce development initiatives.

The estimated carry forwards from the fiscal year 2023-24, totaling \$533,475, will be reallocated into the FY 2024-25 OWDB budget, augmenting available resources for ongoing programs and services. Additionally, the estimated WIOA (2195) funding of \$3,669,951 for FY 2024-25 will support critical workforce programs aimed at assisting adults, dislocated workers, youth, and individuals affected by rapid economic changes.

Of particular significance is the \$2,327,430 allocation from California Volunteers, earmarked for year-round youth and young adult employment programs. Failure to secure the contract for these funds before June 14, 2024, could result in a substantial loss of workforce services to Oakland residents, thereby impacting the city's economic vitality and social well-being.

Furthermore, allocations from the City's General Fund (1010), Measure HH (1030), revenue from the Oakland Army Base billboard in OBRA Leasing & Utility Fund (5671), and miscellaneous donations in Miscellaneous Trust Fund (7999) contribute to the overall fiscal sustainability of workforce development efforts. These funds support a range of activities, including youth employment programs, sector-specific training, and operational expenses for key resource centers.

PUBLIC OUTREACH / INTEREST

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 2022-25 RFP process, described in [File #: 22-0516](#) and approved by Resolution No.89309 C.M.S adopted on July 5, 2022.

COORDINATION

WIOA service providers were competitively procured through the FY 2022-25 RFP process supported by the Department of Workplace and Employment Standards. Additionally, Workforce

Development staff also worked closely with the City Attorney's Office for counsel and advice on matters such as proper noticing, board process, and conflicts of interest. The Workforce Development is a division within EWDD.

SUSTAINABLE OPPORTUNITIES

Economic: Oakland's Workforce Development system provides qualified workers, including youth, 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 prioritizes 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 Development 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 The Following Actions:

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

Respectfully submitted,

Ashleigh Kanat

Ashleigh Kanat (May 14, 2024 17:25 PDT)

Ashleigh Kanat
Director, Economic & Workforce Development

Reviewed by:
Sofia Navarro, Executive Director, Workforce
Development

Prepared by:
Honorata Lindsay, ASM II
Workforce Development

Attachments (1):
A. *FY 2024-25 OWDB Budget*

ATTACHMENT A – FY 2024-25 OWDB BUDGET

A	B	C	D	E	F	G	H	I	J	K	L	M	N	
1		WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)												
2		Fund 2195					Fund 2159	Fund 1010	Fund 1030	Fund 5671	Fund 7999			
3		Adult	Dislocated Worker	Rapid Response	Youth	WIOA Subtotal	CA Volunteers	General Fund	Measure HH	Billboard	Misc Donations	Other Revenue Subtotal	GRAND TOTAL	
4	ESTIMATED REVENUES													
5	Estimated Carryover Revenue	184,961	156,354		192,160	533,475						0	533,475	
6	Estimated FY 2024-2025 Revenue (Baseline)	1,224,338	1,030,362	245,751	1,169,500	3,669,951	2,327,430	794,721	577,162	537,403	75,000	4,311,716	7,981,667	
7	TOTAL REVENUE	1,409,299	1,186,716	245,751	1,361,660	4,203,426	2,327,430	794,721	577,162	537,403	75,000	4,311,716	8,515,142	
8	EXPENDITURES													
9	SERVICE PROVIDER CONTRACTS													
10	Workforce Development Services (TBD)					0		100,000				100,000	100,000	
12	Black Cultural Zone Comm Dev Corp				71,420	71,420						0	71,420	
13	Causa Justa::Just Cause					0		220,000				220,000	220,000	
14	Civicorps					0	246,344					246,344	246,344	
15	Genesys Works Bay Area				178,550	178,550						0	178,550	
16	Lao Family Community Development, Inc.	153,741	147,941		249,970	551,652	250,000		125,000			375,000	926,652	
17	Mandela Partners	135,000				135,000						0	135,000	
20	Oakland Private Industry Council, Inc.	579,586	564,391			1,143,977						0	1,143,977	
21	Oakland Public Works					0	284,000					284,000	284,000	
22	Rising Sun Center for Opportunity					0	34,940					34,940	34,940	
23	Safe Passages					0	223,539					223,539	223,539	
24	Swords to Plowshares: Veterans Rights Org	114,410	110,157			224,567						0	224,567	
25	Spanish Speaking Unity Council of Alameda Co, Inc.	153,741	147,941		249,970	551,652	250,000					250,000	801,652	
26	Trybe Inc.								12,572			12,572	12,572	
27	The Youth Employment Partnership Inc.				249,970	249,970	250,000		125,000			375,000	624,970	
28	Youth Uprising				249,970	249,970						0	249,970	
29	West Oakland Job Resource Center					0				345,615		345,615	345,615	
30	EASTBAY Works (OPIC)	7,830	7,827		7,823	23,480						0	23,480	
31	Professional Service Agreements					0	50,000					50,000	50,000	
32	Service Provider Subtotal	1,144,308	978,257	0	1,257,673	3,380,238	1,588,822	320,000	262,572	345,615	0	2,517,009	5,897,247	
33	CITY OPERATIONS													
34	EWD Admin/Finance	20,046	35,974		24,668	80,688						0	80,688	
35	Internal Service Fees					0		153,482				153,482	153,482	
36	Program Staff	244,945	172,485	245,751	79,319	742,500	275,272	321,239	248,582	191,788		1,036,881	1,779,381	
37	O&M					0	50,000					50,000	50,000	
38	City Operations Subtotal	264,991	208,459	245,751	103,987	823,188	325,272	474,721	248,582	191,788	0	1,240,363	2,063,551	
39	TOTAL EXPENDITURES	1,409,299	1,186,716	245,751	1,361,660	4,203,426	1,914,094	794,721	511,154	537,403	0	3,757,372	7,960,798	
40	Available Balance	0	0	0	0	0	413,336	0	66,008	0	75,000	554,344	554,344	