

**City of Oakland**  
**Agenda Report**

OFFICE OF THE CITY CLERK  
2006 JUN - 1 PM 12:46

To: Office of the City Administrator  
Attn: Deborah Edgerly  
From: Community and Economic Development Agency  
Date: June 13, 2006

Re: **A Resolution Amending Resolution No.79474 C.M.S. to Allocate an Additional \$575,000 in Workforce Investment Act Funds to the Oakland Private Industry Council, Inc. for One Stop Career Center Operations for Fiscal Year 2005-2006 to Support Workforce Development Programs as Budgeted by the Oakland Workforce Investment Board and a Supplemental Report with a Request for Input and Action Regarding the Fiscal Year 2006-2007 Oakland Workforce Investment Board (WIB) Budget as Developed by the Oakland WIB Executive Committee on June 8, 2006**

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**SUMMARY**

On September 20, 2005, the City Council adopted Resolution No. 79474 CMS (**Attachment A**) to accept the budget approved by the Oakland Workforce Investment Board (WIB) on June 23, 2005 (**Attachment B**), with the exception of \$575,000 to support the Oakland Private Industry Council's (PIC) One Stop Career Center Operations. As part of its action, the City Council expressed its desire that \$575,000 be put out to competitive bid, specifically to serve formerly incarcerated clients. The City Attorney issued an opinion which concluded that, under the Workforce Investment Act and the City Charter, the Mayor, the City Council and the Oakland WIB must all agree on such budgetary matters. Recently, a proposal supported by the Mayor was advanced to the Oakland Workforce Investment Board (WIB) Chairman that offered to restore the \$575,000 to the Oakland WIB's 2005-2006 budget and requested that for FY 2006-2007 the WIB set aside \$375,000 from the Oakland Private Industry Council's One Stop Career Center allocation for a competitive bidding process to provide services for formerly incarcerated individuals and young adults transitioning from foster care. The Oakland WIB adopted a motion on May 18, 2006 to accept the proposal to set aside the \$375,000 for the purposes requested, but with a request for the right to evaluate from where the funds should come. In addition, staff will present a Supplemental Report on the Oakland WIB Executive Committee's Fiscal Year 2006-2007 budget, as approved during its June 8, 2006 meeting, for the Committee's input and action.

**FISCAL IMPACT**

The \$575,000 will be allocated from the Workforce Investment Act Fund (2195), CEDA Workforce Development Organization (88549), and in WIA-Workforce Unit Project (G207710). There is no impact on the General Fund.

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CED Committee  
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## **BACKGROUND**

Resolution No. 79474 authorized the allocation of all funds contained in the budget approved by the Oakland Workforce Investment Board for Fiscal Year 2005-2006, minus \$575,000 for the Oakland Private Industry Council's One Stop Career Center operations. Following an opinion issued by the City Attorney regarding the authority of the Mayor, City Council and Workforce Investment Board on Workforce Investment Act fund budgetary issues, the City Council revised its July 2005 action on this matter in September 2005 and directed that the \$575,000 be put out to competitive bid to provide services for formerly incarcerated clients, rather than targeting the funds to two specific organizations. The City Attorney opinion stated that the City Council, Mayor and WIB must agree on such budgetary matters. The WIB did not approve the City Council's action, which caused an impasse regarding the \$575,000. On September 30, 2005, the City Administrator forwarded a letter to the Oakland Private Industry Council, instructing it to adjust its budget to take into account the absence of \$575,000 (**Attachment C**), and opined that the Oakland PIC must adjust both its System Administration and One Stop Career Center budgets to spread the impact of the reduced funding.

## **KEY ISSUES AND IMPACTS**

On May 18, 2006, the Oakland WIB adopted a motion to accept a proposal from the Mayor and City Council leadership that would release the \$575,000 in question for use as budgeted by the WIB in FY 2005-2006, and to set aside \$375,000 from its FY 2006-2007 budget for a competitive bidding process to provide services for formerly incarcerated individuals and young adults transitioning from the foster care system. The proposal, supported by the Mayor, specifies that the \$375,000 would come from the Oakland Private Industry Council's One Stop Career Center allocation, while the WIB's motion has requested the right to evaluate from where the \$375,000 should come. Meanwhile, according to an analysis of payment requests submitted by the Oakland PIC to the City, the PIC has exhausted its funding authority of \$2,625,000 to support its System Administration and One Stop Career Center Operations, which suggests that it did not cut back on its expenditures in the fall of 2005 as directed by the City Administrator. While City staff has the authority to process payment requests for third party contracts administered by the Oakland PIC, they do not have the authority to process payment requests to support the Oakland PIC's internal operations.

To better align the budget priorities of the WIB and the City Council, staff will present a Supplemental Report on the WIB Executive Committee's preliminary Fiscal Year 06-07 budget, which is scheduled to be developed on June 8, 2006. Obtaining City Council input during the development and finalization of the WIB budget may help avoid the type of budget impasse the City and WIB experienced this Fiscal Year.

## **POLICY DESCRIPTION**

As stated previously, the Mayor, City Council, and WIB must agree on major policy and budgetary matters that pertain to the use of Workforce Investment Act funding. The recommendation to amend

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Resolution No. 79474 would bring into agreement the Mayor, City Council and WIB on the Fiscal Year 2005-2006 WIB budget.

### **SUSTAINABLE OPPORTUNITES**

Economic: The \$575,000 will be used to improve the employability of Oakland job seekers, thus meeting the needs of local employers for a qualified and productive workforce.

Environmental: There are no direct environmental impacts related to this report and recommendations.

Social Equity: The vast majority of clients that are served by Oakland's workforce development system are unemployed and under-employed Oakland residents.

### **RECOMMENDATIONS AND RATIONALE**

Staff recommends that the City Council adopt the resolution amending Resolution No. 79474 to allocate an additional \$575,000 in Workforce Investment Act funds to the Oakland Private Industry Council, Inc., for One Stop Career Center Operations for Fiscal Year 2005-2006 to support workforce development programs as budgeted by the Oakland Workforce Investment Board.

Staff also requests that the City Council respond to the Oakland WIB's request for the right to evaluate where the \$375,000 from its FY 06-07 budget should come from to serve formerly incarcerated individuals and young adults transitioning from the foster care system through a competitive bidding process. The proposal to resolve the budget impasse had a provision that specified that the \$375,000 come from the Oakland PIC's One Stop Career Center allocation. The WIB requests discretion in determining the source of the funds. Therefore the issue of where the \$375,000 will come from remains unresolved. Per the City Attorney's opinion, the Council, the WIB, and the Mayor must concur on the source of the \$375,000 allocation.

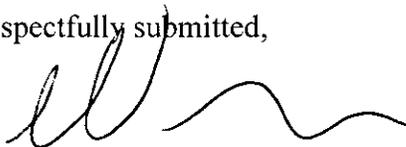
In addition, staff requests that the Committee provide input and take action on the Fiscal Year 2006-2007 Oakland WIB preliminary budget as developed by its Executive Committee on June 8, 2006. It is important that the WIB have the benefit of knowing the City Council's priorities and concerns pertaining to the Fiscal Year 06-07 budget before it is adopted by the Board and forwarded to the City Council for approval in July.

**ACTION REQUESTED OF THE COUNCIL**

Staff requests that the City Council adopt the resolution amending Resolution No. 79474 C.M.S. to allocate an additional \$575,000 in Workforce Investment Act funds to the Oakland Private Industry Council, Inc. for One Stop Career Center operations for Fiscal Year 2005-2006 to support workforce development programs as budgeted by the Oakland Workforce Investment Board. Staff also requests that the City Council respond to the Oakland WIB's request for the right to evaluate where the \$375,000 should come from to serve formerly incarcerated individuals and young adults transitioning from the foster care system through a competitive bidding process.

In addition, staff requests that the Committee provide input and take action on the Fiscal Year 06-07 Oakland WIB budget as developed by the its Executive Committee during its June 8, 2006 meeting.

Respectfully submitted,



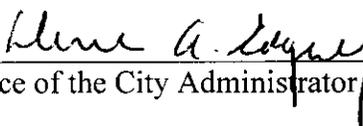
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DANIEL VANDERPRIEM  
Director of Redevelopment, Economic  
Development and Housing

Prepared by: Al Auletta  
Manager, Workforce Development Unit  
CEDA

- Attachments: A) Resolution No. 79474  
B) Proposed FY 2005-2006 WIB Budget  
C) City Administrator letter to Oakland PIC dated September 30, 2005

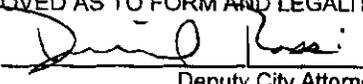
APPROVED AND FORWARDED TO THE  
CED COUNCIL

  
Office of the City Administrator

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CED Committee  
June 13, 2006

CLERK OF THE CITY COUNCIL  
OAKLAND  
05 SEP -7 PM 5:29

APPROVED AS TO FORM AND LEGALITY

  
Deputy City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION No. 79474 C.M.S.

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**A RESOLUTION AUTHORIZING A) A MEMORANDUM OF UNDERSTANDING WITH THE OAKLAND PRIVATE INDUSTRY COUNCIL, INC., (PIC) TO SERVE AS THE OAKLAND WORKFORCE INVESTMENT SYSTEM ADMINISTRATOR FOR UP TO THREE YEARS IN AN AMOUNT NOT TO EXCEED \$1,300,000 FOR FY 2005-2006; B) A MEMORANDUM OF UNDERSTANDING WITH THE OAKLAND PIC TO SERVE AS THE ONE STOP CAREER CENTER OPERATOR FOR UP TO THREE YEARS IN AN AMOUNT NOT TO EXCEED \$1,325,000 FOR FY 2005-2006; C) THE DISBURSEMENT OF ADDITIONAL FUNDS TO THE OAKLAND PIC FOR SUBCONTRACTS WITH ADULT AND YOUTH SERVICE PROVIDERS AS APPROVED BY THE OAKLAND WORKFORCE INVESTMENT BOARD, FOR THE DELIVERY OF SUPPORT SERVICES AND TRAINING FOR JOB SEEKERS AND BUSINESS CLIENTS, AND FOR OTHER PROGRAMS FOR WHICH THE OAKLAND PIC ACTS AS SYSTEM ADMINISTRATOR; AND D) THE ISSUANCE OF A REQUEST FOR PROPOSALS TO PROVIDE SERVICES TO FORMERLY INCARCERATED CLIENTS IN THE AMOUNT OF \$575,000**

**WHEREAS**, the Oakland Workforce Investment Board (WIB) is mandated by the Workforce Investment Act of 1998 to oversee the expenditure of Workforce Investment Act funding in partnership with the Chief Elected Official (the Mayor) in a designated Workforce Investment Area such as the City of Oakland; and

**WHEREAS**, the City Council has appropriated the funding for these two awards as well as additional "pass through" program funds (Workforce Investment Act Fund 2195; Project G207710) to the System Administrator for direct client training and support services and program sub-contracts for direct client services as approved by the Oakland WIB; and

**WHEREAS**, the two request for proposals through which these two awards by the Oakland WIB were processed states, in accordance with the City Charter, that the City Council must authorize these awards and agreements; and

Resolution 2

**WHEREAS**, the City Council finds and determines that the services provided pursuant to the contract authorized hereunder are temporary and of a professional, scientific or technical nature; and

**WHEREAS**, the City Council finds that this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

**RESOLVED**: That the City Administrator is hereby authorized to negotiate and enter into a Memorandum of Understanding with the Oakland Private Industry Council, Inc. (PIC), for the Oakland PIC to serve as the Oakland Workforce Investment System Administrator for up to three years, with an operating budget not to exceed \$1,300,000 for Fiscal Year 2005-2006; and be it

**FURTHER RESOLVED**: That the City Administrator is hereby authorized to negotiate and enter into a Memorandum of Understanding with the Oakland PIC for the PIC to serve as the One Stop Career Center Operator for up to three years, with an operating budget not to exceed \$1,325,000 for Fiscal Year 2005-2006; and be it

**FURTHER RESOLVED**: That the City Administrator is hereby authorized to disburse additional Workforce Investment Act funds to the Oakland PIC within available funds and as set forth in the staff report accompanying this resolution: i) for subcontracts with adult and youth service providers approved by the Oakland WIB; ii) for the delivery of support services and training for the direct benefit of job seekers and business clients; and iii) for the implementation of other grant agreements and programs for which the Oakland PIC acts as System Administrator; and be it

**FURTHER RESOLVED**: That the City Administrator or her designee is authorized to issue a Request for Proposals ("RFP") for subcontracts to provide additional universal and intensive workforce investment services with an emphasis on formerly-incarcerated clients in the amount of \$575,000; and be it

**FURTHER RESOLVED**: That the issuance of the RFP shall be contingent on approval by the Mayor and the Oakland WIB; and be it

Resolution 2

**FURTHER RESOLVED:** That the City Administrator and her designee are hereby authorized to take whatever action is necessary with respect to the System Administrator and One Stop Career Center Operator Memoranda of Understanding, the disbursement of WIA funds, and the Request for Proposals consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, SEP 20 2005 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- ~~BRUNNER~~, BRUNNER, CHANG, KERNIGHAN, ~~NADDEL~~, QUAN, REID, AND PRESIDENT DE LA FUENTE — 6

NOES- *Nadel and Brooks - 2*

ABSTAIN-  $\emptyset$

ABSENT-  $\emptyset$

Attest: 

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

Proposed 2005-06 Oakland WIB Budget

Attachment B

A Ref. #	B	C 04-05 obligated carry- forward funds (not counted as either revenues or expenses in 05-06 budget)	D 2005-06 Proposed Budget	E Selected 2005-06 proposed subtotals
<b>CONTRACTED SYSTEM ADMINISTRATOR, CENTER OPERATOR AND OTHER FUNCTIONS</b>				
	<u>System Administrator</u>			PIC SysAd subtotal:
1	PIC SysAd Personnel		\$715,308	\$1,300,000
2	PIC SysAd Non-Personnel		\$162,881	
3	PIC SysAd Fiscal/Admin Personnel		\$278,934	
4	PIC SysAd Fiscal/Admin Non-Personnel		\$62,278	
5	PIC Rapid Response Coordination		\$80,599	
6	Customized Training		\$75,000	
7	ITA/OJT Contracts		\$255,000	Youth services subtotal: \$1,520,000
8	Construction Trades Outreach		\$45,000	
9	EASTBAY Works		\$110,000	
10	Youth Subcontracts/Services	\$160,000	\$800,000	
11	Youth One Stop Services		\$130,000	
12	Youth Wages and Support Services	\$177,000	\$590,000	
13	<b>System Administrator Sub-Total</b>		<b>\$3,305,000</b>	
	<u>One Stop Center Operators</u>			PIC CtrOp subtotal:
14	PIC CtrOp Program Personnel		\$973,416	\$1,900,000
15	PIC CtrOp Program Non-Personnel		\$392,617	
16	PIC CtrOp Fiscal/Admin Personnel		\$169,576	
17	PIC CtrOp Fiscal/Admin Non-personnel		\$63,390	
18	PIC Rapid Response Program Activities		\$301,001	
19	One Stop Affiliate Subcontracts	\$17,000	\$650,000	
20	Adult and DW Support Services		\$150,256	
21	<b>Center Operator Sub-Total</b>		<b>\$2,700,256</b>	
	<u>Other Contracted Functions</u>			
22	Business and Professional Services		\$150,000	
23	Older Workers/ASSETS Program		\$150,000	
24	<b><u>SUBTOTAL, CONTRACTED LINE ITEMS</u></b>		<b>\$6,305,256</b>	
	<u>Other Programs</u>			
25	Youth Self-Sufficiency Project		\$820,811	
26	MSJP Summer 2006		\$125,000	
27	Measure Y Programs		\$1,927,598	
<b>FUNCTIONS RETAINED BY CITY OF OAKLAND DEPARTMENTS AND STAFF</b>				
28	WIB Personnel		\$682,642	WIB/City cost subtotal: \$868,214
29	WIB Operations & Maintenance		\$101,500	
30	City Fiscal		\$84,072	
31	<b>City Line Items Sub-Total</b>		<b>\$868,214</b>	
32	<b>TOTAL 2005-06 WIB BUDGET</b>		<b>\$10,046,879</b>	
	<b>TOTAL REVENUE (from Exhibit A)</b>		<b>\$10,414,148</b>	
	<b>BALANCE</b>		<b>\$367,269</b>	

CITY OF OAKLAND



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Administrator  
Deborah A. Edgerly  
City Administrator

(510) 238-3301  
FAX (510) 238-2223  
TDD (510) 238-2007

September 30, 2005

Ms. Gay Plair Cobb, CEO  
Oakland Private Industry Council  
1212 Broadway, Suite 300  
Oakland, CA 94612

Dear Gay,

This letter is to advise you on the status of our FY 2005-2006 Workforce Investment Act budget and the impact that the actions recently taken by the Oakland City Council will have on the Oakland Private Industry Council's budget allocation.

As you know, the City Council adopted a Resolution on September 20<sup>th</sup> to put out to competitive bid \$575,000 that the Oakland Workforce Investment Board (WIB) had approved for the Oakland Private Industry Council's One Stop Career Center operations. The City Attorney issued an opinion that the City Council has the authority to take such an action, but that it cannot be implemented without the consent of the Mayor and the WIB. This means that the \$575,000 in question must remain unobligated until the Mayor, City Council and WIB resolve this issue.

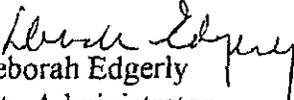
All other budget allocations approved by the WIB were also approved by the City Council in its action. Therefore, all funding for sub-contracts, work experience wages, and support services remain intact.

Not knowing when this issue will be resolved and what the final resolution will be, we must take a conservative course of action, meaning the Oakland PIC must scale back its FY 05-06 expenditures by \$575,000. We are sensitive to the significance of this reduction and are open to budget revisions that include a reallocation of the \$1,300,000 the WIB approved for your role as System Administrator. Put differently, you have the option of reducing expenditures in either your System Administrator budget or your One-Stop Operator budget or in both budgets. If you choose to revise both budgets, you should present two revised budgets that total no more than \$2,625,000.

Please submit your budget revisions to Al Auletta using the same forms you used in response to the Request for Proposals, and let him know by Friday, October 7, 2005 when you will be able to submit your revised budget(s).

I know that you will be working with the WIB staff to assess the impact of this budget reduction on your agency and on Oakland's workforce development system. We look forward to working with the Oakland Private Industry Council to develop the best budget possible for the next two fiscal years.

Sincerely,

  
Deborah Edgerly  
City Administrator

cc: Mayor Jerry Brown  
William Noland, Finance Director  
Barbara Leslie, Chairperson, Oakland WIB  
Al Auletta, Executive Director, Oakland WIB

2006 JUN -1 PM 12:46

APPROVED AS TO FORM AND LEGALITY

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**A RESOLUTION AMENDING RESOLUTION NO. 79474 C.M.S. TO ALLOCATE AN ADDITIONAL \$575,000 IN WORKFORCE INVESTMENT ACT FUNDS TO THE OAKLAND PRIVATE INDUSTRY COUNCIL, INC. FOR ONE STOP CAREER CENTER OPERATIONS FOR FISCAL YEAR 2005-2006 TO SUPPORT WORKFORCE DEVELOPMENT PROGRAMS AS BUDGETED BY THE OAKLAND WORKFORCE INVESTMENT BOARD**

**WHEREAS**, the Oakland Workforce Investment Board (WIB) is mandated by the Workforce Investment Act of 1998 to oversee the expenditure of Workforce Investment Act funding in partnership with the Chief Elected Official (the Mayor) in a designated Workforce Investment Area such as the City of Oakland; and

**WHEREAS**, the Oakland City Charter provides that the City Council must authorize the allocation of City funds, including Workforce Investment Act funds with the concurrence with the Mayor and the Oakland WIB; and

**WHEREAS**, Council Resolution No. 79474 C.M.S. appropriated and approved the allocation of all but \$575,000 of Fiscal Year 2005-2006 Workforce Investment Act funding approved by the Oakland WIB to support the One Stop Career Center operations of the Oakland Private Industry Council, Inc.; and

**WHEREAS**, the Oakland WIB approved a motion on May 18, 2006 to set aside \$375,000 from its Fiscal Year 2006-2007 budget to provide services to formerly incarcerated individuals and young adults being emancipated from the foster care system under a competitive bidding process, and requesting of the City Council the right to evaluate where the \$375,000 should come from; and

**WHEREAS**, the \$575,000 is available in Workforce Investment Act Fund (2195), CEDA Workforce Development Organization (88549), and in WIA-Workforce Unit Project (G207710); now, therefore, be it

**RESOLVED:** That Resolution No. 79474 C.M.S is hereby amended to allocate an additional \$575,000 in FY 2005-2006 Workforce Investment Act funds to the Oakland Private Industry Council, Inc., for One Stop Career Center operations to support workforce development program operations as approved by the Oakland WIB for Fiscal Year 2005-2006; and be it

**FURTHER RESOLVED:** That the City Administrator and her designee are hereby authorized to take whatever action is necessary with respect to the disbursement of the \$575,000 consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA,

2006

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT DE LA FUENTE

NOES-

ABSTAIN-

ABSENT-

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