



AGENDA REPORT

TO: Steven Falk
Interim City Administrator

FROM: Sofia Navarro
Interim Director, Economic
& Workforce Development
Department

SUBJECT: FY 2023-24 Workforce Development
Board Budget and Contracts

DATE: May 15, 2023

City Administrator Approval 

Date: May 31, 2023

RECOMMENDATION

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

1. Adopting The Fiscal Year 2023-24 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 Seven Hundred Fifty-Two Thousand Three Hundred Thirty-Nine Dollars (\$3,752,339);
3. Accepting And Appropriating An Additional Two Million Three Hundred Forty-Three Thousand Eight Hundred Ninety-Five Dollars (\$2,343,895) From Other Funds For Workforce Development;
4. Authorizing The Carryover Of Unspent Fiscal Year 2022-2023 WIOA And Other Funds In The Estimated Amount Of Two Million Nine Hundred Twenty-Nine Thousand Six Hundred Thirty-Two Dollars (\$2,929,632) To Contracted Service Providers And Grantees In Fiscal Year 2023-2024;
5. Authorizing Grant Award Agreements With Service Providers Competitively Selected By The Oakland Workforce Development Board To Provide Comprehensive Career Services, Adult Career Services, And Youth Services From WIOA Title I Formula Funds And Other Funds For Fiscal Year 2023-2024; And
6. 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 \$250,000 Per Instance With The Approval Of The Oakland Workforce Development Board

EXECUTIVE SUMMARY

Staff recommends that City Council adopt the Fiscal Year (FY) 2023-24 Workforce Development budget and amend grant agreements with service providers competitively selected by the Oakland Workforce Development Board (OWDB) as outlined in **Attachment A** of this report.

Specifically, with respect to funding, staff recommends (a) accepting and appropriating funding from the federal Workforce Innovation Opportunity Act (WIOA), the City of Oakland (City) and Oakland Fund for Public Innovation (b) allowing OWDB to apply for and accept and appropriate funds up to \$250,000 per grant without returning to Council and (c) that any FY 2022-23 contracted funds not fully utilized by service providers by June 30, 2023, be carried over to FY 2023-24.

With respect to the grant agreements, staff recommends authorizing contracts with service providers that 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. By approving these recommendations, City Council and the OWDB can continue to provide programs that promote economic stability and equitable access to Oakland's most vulnerable communities.

BACKGROUND / LEGISLATIVE HISTORY

The OWDB is part of the Public Workforce System, a network of federal, state, and local offices that support economic expansion and develop the talent of the nation's workforce. Working in conjunction with the State of California and the regional collaboration of East Bay Workforce Development Boards (Alameda County, Contra Costa County, City of Richmond, and the City), the OWDB serves as connector, administrator, and regulator of Oakland's workforce funding resources that are leveraged by service providers to deliver services to workers and employers.

Members of the OWDB are appointed by the Mayor and are tasked with approving the use of workforce development funds and ensuring fidelity around any regulations associated with their implementation. The membership is a cross-section of private business, public institutions, labor trades, and education.

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

An RFP to procure contract service providers to provide citywide workforce development services for FY 2022-2025 was issued on March 11, 2022 by the City's Economic & Workforce Development Department (EWDD) and OWDB. Through this procurement, the OWDB entered into grant agreements with 14 local nonprofit organizations to provide workforce development

services for recently displaced and long-term unemployed adults and low-income youth and young adults.

Each year, federal law requires that the OWDB adopt its own budget, while the Oakland City Charter stipulates that the budget must also be approved by the City Council. Both the City Council and OWDB must adopt a budget on or before June 30th of each calendar year.

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 that provide employment and education support to the City's adult and youth residents and workers by developing the necessary skills and requisite knowledge, providing access to the resources needed to thrive in careers, and providing employers with the skilled workers needed to sustain and competitively grow their businesses.

Funding Sources and Expenditure Categories

The OWDB budget is made up of multiple funding sources, including federal funding through WIOA, grant contributions from the State of California, funding support from the City, and miscellaneous grants from private businesses and philanthropic support. The FY 2023-24 OWDB budget, as presented in **Attachment A**, was approved by the OWDB at a meeting on May 4, 2023.

There are two main expenditure categories in the OWDB budget:

(76%) Service Provider Contracts: The City and the OWDB contract with experienced organizations to provide workforce development services to the City. 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. Approximately 76 percent of the budget is contracted to workforce service providers.

(24%) City Operations: The OWDB 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 (WIOA Sec. 134(c)(1)(A)(v)). This represents 24 percent of the total workforce budget. Below are some of the primary OWDB 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

Sources of Funding for FY 2023-24

Sources of funding that make up the FY 2023-24 Workforce Development Budget include: (a) estimated FY 2023-24 WIOA funds; (b) estimated WIOA funds carried over from FY 2022-23, (c) estimated remaining State of California grant funds (d) City General Fund; (e) billboard revenue; and (g) Measure HH and private grant funds.

Each source of funding including how the funds are proposed to be spent are discussed below and are outlined in **Attachment A**.

Estimated WIOA Funds for FY 2023-24 - \$3,752,339

The OWDB'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 for 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 2023-24 WIOA Adult, Dislocated Worker, Youth and Rapid Response programs. Therefore, for planning purposes, the FY 2022-23 allocations are used as baseline. WIOA funds are appropriated through the City's FY 2023-25 biennial budget. Funding will be budgeted in the Workforce Investment Act Fund (2195), Workforce Development Organization (85311), in a Project to be determined (TBD).

Staff is recommending that allocations and service goals remain flat in year two of FY 2022-25 procurement period for WIOA service providers listed in **Attachment A** and that City Council authorize the carryover of unspent FY 2022-23 funds to contracted service providers in fiscal year 2023-24.

Estimated Unobligated FY 2022-23 Carryover - \$2,929,632

Staff is estimating \$2,929,632 in carry forward balances to be reallocated into the FY 2023-24 OWDB budget and include unobligated funds and salary savings from vacant City staff positions. These sources of funds include:

- WIOA, in the estimated amount of \$553,507
- State of California, in the estimated amount of \$1,898,672
- General Fund, in the estimated amount of \$193,542
- Measure HH and Miscellaneous Donations, in the estimated amount of \$283,911

The City was previously awarded \$5,896,000 from the Office of the Governor's California Volunteer in FY 2022-23, Resolution No.89309 C.M.S adopted on July 5, 2022. These funds support youth and young adult employment programs that promote climate resilience and improve neighborhood conditions as part of our COVID-19 recovery, with a focus on two areas: 1) Clean and Green and 2) Public Safety. Funding for this program addresses the severe understaffing in the City and ensure our youth and young adults 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.

Staff is recommending augmenting service provider contracts in the second year, with the goal of fully utilizing the State's initial grant award to the City and increasing the amount of funding awarded to service providers by fifty percent of their original award amount through April 2024. Funds for this program will be budgeted in State of California Other Fund (2159), Workforce Development Organization (85311), Oakland Forward Project (1006529).

Additionally, in support of the summer youth employment program City general funds, Measure HH and miscellaneous private grant donations from FY 2022-23 have been allocated to Lao Family Community Development, Trybe and Youth Employment Partnership to increase summer opportunities for summer 2023. Funding will be budgeted in General Purpose Fund (1010), Workforce Development Organization (85311), Workforce Training Svcs Project (1005379); Measure HH (SSBDT) Fund (1030), Workforce Development Organization (85311), Measure HH Healthy Kids Program Project (1003817); and Miscellaneous Trust Fund (7999), Workforce Development Org (85311), Mayor Summer Youth Project (1000500).

Staff is anticipating \$2,343,895 in other funds for FY 2023-24. These funds are further detailed below.

Estimated City General Fund -\$1,257,046

A total of \$442,652 has been allocated in the in FY 2023-25 Biennial Budget for the OWDB consideration. Funds will be allocated by the OWDB in General Purpose Fund (1010), Workforce Development Organization (85311), Workforce Development Services Project (1006028).

Additionally, \$220,000 has been allocated to the City's Day Laborer program for FY 2023-24. Currently, Causa Justa:: Just Cause contract is set to expire June 30, 2023. Historically, these funds have been awarded to a local community-based organization through a Request for Proposals (RFP) process. Funding will be budgeted in General Purpose Fund (1010), Workforce Development Organization (85311), Day Laborers Project (1000167).

The remaining \$594,394 in general funds will support City operations in General Purpose Fund (1010), Workforce Development Organization (85311), in various Projects to be determined (TBD).

Army Base Billboard - \$544,074

Oakland Army Base billboard revenue is budgeted for oversight and support of the West Oakland Job Resource Center (WOJRC). The FY 2023-24 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 polices of the City. The remaining \$198,459 will support City personnel. Funds will be budgeted in OBRA Leasing & Utility Fund (5671), Workforce Development Organization (85311), West Oakland Resource Center Project (1000036).

Measure HH - \$442,775 and Private Grant Funds - \$100,000

The FY 2023-24 budget also includes funds from Measure HH and private grant funds from Oakland Fund for Public Innovation to support the summer employment program for Oakland youth ages 16 to 24. The City will enter into grant agreements with recommended service providers described in **Table 1**. Funds will be allocated in Measure HH (SSBDT) Fund (1030), Workforce Development Organization (85311), Measure HH Healthy Kids Program Project (1003817); and Miscellaneous Trust Fund (7999), Workforce Development Org (85311), Mayor Summer Youth Project (1000500).

Table 1: SYEP Funding Allocations

| Agency Name | OWDB Funding Amount* | OFCY Funding Amount | Total Program Amount | Youth to be Served |
|--|----------------------|---------------------|-----------------------|--------------------|
| Lao Family Community Development, Inc. | \$347,577.05 | \$125,000 | \$472,577.05 | 100 |
| Trybe, Inc. | \$62,412.28 | \$50,000 | \$112,412.28 | 35 |
| Youth Employment Partnership, Inc. | \$517,462 | \$125,000 | \$642,462 | 180 |
| TOTAL | \$927,451.33 | \$300,000 | \$1,227,451.33 | 315 |

*OWDB Funding Amount Includes: \$483,911 from Measure HH (1030), \$250,000 from Miscellaneous Donations/Private Grant Funds (7999) and \$193,542 from General Fund (1010)

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 a total budget of \$9,025,866 (\$6,096,234 estimated FY 2023-24 allocations + \$2,929,632 estimated FY 2022-23 carryover) from federal WIOA, State of California, City and other miscellaneous grant contributions from private business and philanthropic support. Overall, the proposed OWDB budget is seeing a large decrease in new grant funding however division staff are regularly seeking new funding opportunities to increase workforce programming. See below in **Table 2**.

Table 2: Year-over-Year Comparison

| Funding Type | Program | FY 2022-23 | FY 2023-34 | Change (+/-) | |
|--------------------------------------|-------------------------|-------------------|------------------|-------------------|-------------|
| | | | | \$ | % |
| Federal WIOA Programs (estimates) | Adult | 1,241,382 | 1,241,382 | 0 | 0% |
| | Dislocated Worker | 1,098,032 | 1,098,032 | 0 | 0% |
| | Youth | 1,200,290 | 1,200,290 | 0 | 0% |
| | Rapid Response | 212,635 | 212,635 | 0 | 0% |
| | Accelerator 10.0 | 500,000 | 0 | -500,000 | -100% |
| State of CA | California Volunteers | 5,896,000 | 0 | -5,896,000 | -100% |
| City of Oakland | General Fund | 2,722,974 | 1,257,046 | -1,465,928 | -54% |
| | Army Base Billboard | 508,925 | 544,074 | 4,653 | 7% |
| | Measure HH | 400,000 | 442,775 | 0 | 11% |
| Private/Philanthropic | Miscellaneous Donations | 100,000 | 100,000 | 100,000 | 0% |
| TOTAL | | 13,880,238 | 6,096,234 | -7,757,275 | -56% |

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 focusing services in the zip codes of 94621, 94603, 94605, 94601, 94607.

ACTION REQUESTED OF THE CITY COUNCIL

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

1. Adopting The Fiscal Year 2023-24 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 Seven Hundred Fifty-Two Thousand Three Hundred Thirty-Nine Dollars (\$3,752,339);
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5. Authorizing Grant Award Agreements With Service Providers Competitively Selected By The Oakland Workforce Development Board To Provide Comprehensive Career Services, Adult Career Services, And Youth Services From WIOA Title I Formula Funds And Other Funds For Fiscal Year 2023-2024; And
6. 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 \$250,000 Per Instance With The Approval Of The Oakland Workforce Development Board

For questions regarding this report, please contact Honorata Lindsay, Administrative Services Manager II at 510-238-3383.

Respectfully submitted,



SOFIA NAVARRO
Interim Director, Economic and Workforce
Development Department

Prepared by:
Honorata Lindsay, ASM II
Workforce Development [EWD]

Attachments:

A – FY 2023-24 Oakland Workforce Development Board Budget

ATTACHMENT A – FY 2023-24 OAKLAND WORKFORCE DEVELOPMENT BOARD BUDGET

| B | C | D | E | F | G | H | I | J | K | L | M | N |
|--|--|----------------------|-------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|------------------|------------------|
| | WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) Fund 2195 | | | | | Fund 2159 | Fund 1010 | Fund 1030 | Fund 5671 | Fund 7999 | | |
| | Adult | Dislocated Worker | Rapid Response | Youth | WIOA Subtotal | CA Volunteers | General Fund | Measure | | Misc | Other Revenue | GRAND TOTAL |
| | | | | | | | | HH | Billboard | Donations | Subtotal | |
| <u>ESTIMATED REVENUES</u> | | | | | | | | | | | | |
| Carryover Revenue | 165,526 | 50,263 | | 337,718 | 553,507 | 1,898,672 | 193,542 | 133,911 | | 150,000 | 2,376,125 | 2,929,632 |
| Estimated FY 2023-2024 Revenue | 1,241,382 | 1,098,032 | 212,635 | 1,200,290 | 3,752,339 | | 1,257,046 | 442,775 | 544,074 | 100,000 | 2,343,895 | 6,096,234 |
| TOTAL REVENUE | 1,406,908 | 1,148,295 | 212,635 | 1,538,008 | 4,305,846 | 1,898,672 | 1,450,588 | 576,686 | 544,074 | 250,000 | 4,720,020 | 9,025,866 |
| <u>EXPENDITURES</u> | | | | | | | | | | | | |
| SERVICE PROVIDER CONTRACTS | | | | | | | | | | | | |
| Workforce Development Services (TBD) | | | | | 0 | | 442,652 | | | | 442,652 | 442,652 |
| Black Cultural Zone Comm Dev Corp | | | | 71,420 | 71,420 | | | | | | 0 | 71,420 |
| Day Laborers Program (TBD) | | | | | 0 | | 220,000 | | | | 220,000 | 220,000 |
| Civicorps | | | | | 0 | 246,344 | | | | | 246,344 | 246,344 |
| Genesys Works Bay Area | | | | 178,550 | 178,550 | | | | | | 0 | 178,550 |
| Lao Family Community Development, Inc. | 153,741 | 147,941 | | 249,970 | 551,652 | 250,000 | 58,055 | 203,239 | | 86,284 | 597,578 | 1,149,230 |
| Mandela Partners | 135,000 | | | | 135,000 | | | | | | 0 | 135,000 |
| Oakland Private Industry Council, Inc. | 579,586 | 564,391 | | | 1,143,977 | | | | | | 0 | 1,143,977 |
| Oakland Public Works | | | | | 0 | 284,000 | | | | | 284,000 | 284,000 |
| Rising Sun Center for Opportunity | | | | | 0 | 34,940 | | | | | 34,940 | 34,940 |
| Safe Passages | | | | | 0 | 223,539 | | | | | 223,539 | 223,539 |
| Swords to Plowshares: Veterans Rights Org | 114,410 | 110,157 | | | 224,567 | | | | | | 0 | 224,567 |
| Spanish Speaking Unity Council of Alameda Co, Inc. | 153,741 | 147,941 | | 249,970 | 551,652 | 250,000 | | | | | 250,000 | 801,652 |
| Trybe Inc. | | | | | | | 20,805 | 20,804 | | 20,804 | 62,413 | 62,413 |
| The Youth Employment Partnership Inc. | | | | 249,970 | 249,970 | 250,000 | 114,682 | 259,868 | | 142,912 | 767,462 | 1,017,432 |
| Youth Uprising | | | | 249,970 | 249,970 | | | | | | 0 | 249,970 |
| West Oakland Job Resource Center | | | | | 0 | | | | 345,615 | | 345,615 | 345,615 |
| EASTBAY Works (OPIC) | 7,830 | 7,827 | | 7,823 | 23,480 | | | | | | 0 | 23,480 |
| Professional Service Agreements | | | | | 0 | 50,000 | | | | | 50,000 | 50,000 |
| Service Provider Subtotal | 1,144,308 | 978,257 | 0 | 1,257,673 | 3,380,238 | 1,588,822 | 856,194 | 483,911 | 345,615 | 250,000 | 3,524,542 | 6,904,780 |
| CITY OPERATIONS | | | | | | | | | | | | |
| EWD Admin/Finance | 25,526 | 32,442 | | 25,526 | 83,494 | | | | | | 0 | 83,494 |
| Internal Service Fees | | | | | 0 | | 120,053 | | | | 120,053 | 120,053 |
| Program Staff | 237,074 | 137,596 | 212,635 | 254,809 | 842,114 | 284,850 | 474,341 | 92,775 | 198,459 | | 1,050,425 | 1,892,539 |
| O&M | | | | | 0 | 25,000 | | | | | 25,000 | 25,000 |
| City Operations Subtotal | 262,600 | 170,038 | 212,635 | 280,335 | 925,608 | 309,850 | 594,394 | 92,775 | 198,459 | 0 | 1,195,478 | 2,121,086 |
| TOTAL EXPENDITURES | 1,406,908 | 1,148,295 | 212,635 | 1,538,008 | 4,305,846 | 1,898,672 | 1,450,588 | 576,686 | 544,074 | 250,000 | 4,720,020 | 9,025,866 |
| Fund Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |