



FILED
OFFICE OF THE CITY CLERK
OAKLAND

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Appropriation of Rapid Response
Funding for the Oakland Private
Industry Council

DATE: November 10, 2016

City Administrator Approval

Christina Delfino for SBL

Date:

11/22/16

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 86253 C.M.S., Which Adopted And Amended The Fiscal Year 2016-17 Workforce Development Budget And Authorized Workforce Service Provider Contracts, To Accept and Appropriate \$132,597 Of Workforce Innovation and Opportunity Act Rapid Response Funds and Authorize \$64,771 To The Oakland Private Industry Council, Inc.

EXECUTIVE SUMMARY

At the June 21, 2016, City Council meeting, the Council approved the Fiscal Year 2016-2017 Midcycle Budget that included appropriating Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, Youth and Rapid Response Title I formula funds and authorized contracts with service providers competitively selected by the Oakland Workforce Development Board (OWDB) to provide comprehensive, sector access, business engagement, and youth services. The Oakland Private Industry Council (OPIC) was awarded \$1,035,867 to operate the comprehensive One-Stop Career Center and KRA Corporation was awarded \$250,000 to provide business engagement services. (See Table 1)

Table 1

Service Provider	Adult Funds	Dislocated Worker Funds	Rapid Response Funds	Youth Funds	Total
OPIC	\$556,911	\$478,956			\$1,035,867
KRA	\$12,183	\$12,367	\$212,603	\$12,847	\$250,000

KRA was awarded WIOA Rapid Response funds to provide the related business engagement and layoff aversion activities from July 1, 2016-June 30, 2017. However due to delays in executing the KRA contract, they did not provide Rapid Response services from July 1, 2016-October 31, 2016. During this timeframe, OPIC staff assumed the role and responsibility of providing Rapid Response activities and requested reimbursement for services rendered. Additionally, OPIC requested an allocation of funds to partially fund a Business Manager

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position through June 30, 2017 to continue providing rapid response activities in addition to KRA.

At the CED Committee meeting of October 25, 2016, Council requested that staff prepare an item to consider additional funding to OPIC for Rapid Response funded activities. This proposed allocation of funds was considered and approved by the OWDB at its November 3, 2016 meeting.

BACKGROUND / LEGISLATIVE HISTORY

The OWDB is a Federally-mandated policy body that is charged with approving the use of U.S. Department of Labor WIOA funds allocated annually to Oakland through the State of California Employment Development Department (EDD). The Chief Elected Official of an area receiving WIOA funds (which in Oakland's case is the Mayor) appoints OWDB members, who are entrusted with developing a budget to appropriate WIOA funds and other funds under the OWDB's purview. In addition, since WIOA does not supersede local governance, the Oakland City Charter mandates that the Oakland City Council must also approve the allocation of WIOA funds. Within the City's budget, WIOA funds are received and distributed through the Workforce Development Division (Fund 2195) of the Economic & Workforce Development Department (EWD).

At its meetings on May 24-25, 2016, the OWDB adopted a budget for FY 2016-17, appropriating \$4,152,806 and approving contracts awarded to multiple service providers based on the proposed budget allocations for such services proposed in response to a Request for Proposals (RFP) for a term of one year through June 30, 2017.

On June 21, 2016, the City Council also adopted the same workforce system budget that was approved by the OWDB, but added appropriations of General Funds to support neighborhood job centers, youth services and summer jobs programs. This budget included an allocation of \$226,550 of WIOA Rapid Response (RR) funds. The original RR allocation was based on a prior estimated amount that reflected a deduction over the FY 2015-2016 allocation.

The Employment Development Department released the FY 2016-2017 Rapid Response and Layoff Aversion funds on June 9, 2016 and the OWDB received a final allocation of \$359,147, an amount that was \$132,597 greater than the estimated amount approved in the workforce budget. At its August 4, 2016 meeting, the OWDB approved and accepted the Rapid Response funds of \$132,597 that were not previously appropriated in its local budget process.

RR funds help laid-off worker quickly transition to new employment and acts as both a provider of direct reemployment services and as a facilitator of additional services and resources. These funds also support the provision of layoff aversion services to help employers retain a skilled workforce and reduce potential layoffs where possible. These functions are essential to the OWDB business engagement strategies, and are expected to be carried out by KRA, the new service provider selected to provide RR activities. However, following approval of the OWDB budget and selection of service providers, staff needed to negotiate and execute more than ten contracts. Contract negotiations with KRA resulted in a delayed startup of the business

engagement function, which includes RR. From July through October, OPIC assumed this function on behalf of the OWDB.

The proposed additional funding of \$64,771, and amendment of the OPIC service provider contract was approved by the OWDB at its November 3, 2016 meeting.

ANALYSIS AND POLICY ALTERNATIVES

The OWDB staff determined the proposed funding allocation of \$64,771 for OPIC services for FY 2016-2017 based on a self-reported analysis presented by OPIC. Staff applied a methodology that included the yearly Business Services Manager salary, including benefits, less the amount currently budgeted in the existing 2016-2017 OPIC Contract for this position, and then applied OPIC's indirect cost rate.

The OWDB Chair is establishing an Ad Hoc Budget Committee to provide recommendations to the full Board about realigning its overall budget and to potentially make recommendations for the appropriation of the remaining \$67,827 Rapid Response funds for FY 2016-2017. These recommendations are expected to be considered at the meeting of the full OWDB membership in February 2017.

FISCAL IMPACT

The \$132,597 will be appropriated to the Workforce Development Fund (2195), Workforce Development Org (85311), Third Party Grants Account (54912), in Projects to be determined, and in Workforce Program (SC03).

PUBLIC OUTREACH / INTEREST

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

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

Further public discussion of the RR function and funding occurred at the CED Committee's request at its meeting of October 25, 2016.

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: Oakland's Workforce Development System provides qualified workers for Oakland businesses, and prepares Oakland residents for gainful employment and career paths leading to family sustaining jobs.

Environmental: This report does not directly address environmental sustainability.


Social Equity: The vast majority of participants who receive intensive services that are funded through WIOA and/or other resources under the purview of the OWDB have multiple barriers to employment, are unemployed or require support in gaining the pre-employment and vocational skills needed to become gainfully employed.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 86253 C.M.S., Which Adopted And Amended The Fiscal Year 2016-17 Workforce Development Budget And Authorized Workforce Service Provider Contracts, To Accept and Appropriate \$132,597 Of Workforce Innovation and Opportunity Act Rapid Response Funds and Authorize \$64,771 To The Oakland Private Industry Council, Inc.

For questions regarding this report, please contact Stephen Baiter, Executive Director, Workforce Development Board at (510) 238-6440.

Respectfully submitted,

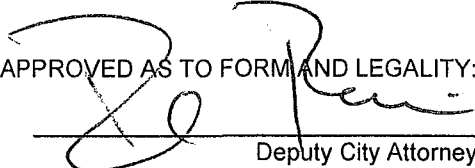


Mark Sawicki,
Director, EWD

Reviewed by:
Stephen Baiter
Executive Director, Workforce Development
Board

Prepared by:
Lazandra Dial, Program Analyst III
Economic & Workforce Development

2016 NOV 22 PM 2:00

APPROVED AS TO FORM AND LEGALITY:

Deputy City Attorney

OAKLAND CITY COUNCIL
RESOLUTION No. _____ C.M.S.

RESOLUTION AMENDING RESOLUTION NO. 86253 C.M.S., WHICH ADOPTED THE FISCAL YEAR 2016-17 WORKFORCE DEVELOPMENT BUDGET AND AUTHORIZED WORKFORCE SERVICE PROVIDER CONTRACTS, TO APPROPRIATE AN ADDITIONAL \$132,597 IN WORKFORCE INNOVATION AND OPPORTUNITY ACT FUNDS TO RAPID RESPONSE, AND TO ALLOCATE \$64,771 OF SAID FUNDS TO THE OAKLAND PRIVATE INDUSTRY COUNCIL, INC.

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

WHEREAS, the Oakland Workforce Development Board approved \$226,550 in Workforce Innovation and Opportunity Act (WIOA) rapid response funds at its May 24-25, 2016 meetings; and

WHEREAS, the City of Oakland received an allocation of \$359,147 in Workforce Innovation and Opportunity Act (WIOA) rapid response funds on June 9, 2016; and

WHEREAS, the Oakland Workforce Development accepted the remaining \$132,597 of WIOA rapid response funds at its August 4, 2016 meeting; and

WHEREAS, the Oakland Workforce Development Board at its meeting on November 1, 2016, approved additional funding to the Oakland Private Industry Council, Inc., in the amount of \$64,771 from WIOA rapid response funds to provide rapid response activities, as well as an amendment to the adopted service provider contract with the Oakland Private Industry Council, Inc., and an amendment to the workforce budget to reflect the additional funding; now, therefore, be it

RESOLVED: That the City Council hereby amends Resolution No. 86253 C.M.S. to accept and appropriate an additional \$132,597 from the Workforce Investment and Opportunity Act to rapid response, and to authorize additional funding of \$64,771 to the Oakland Private Industry

Council, Inc., to provide rapid response activities through June 30, 2017, at the Comprehensive Career Center; and be it

FURTHER RESOLVED: That the funds for this purpose will be appropriated to the Workforce Development Fund (2195), Workforce Development Org (85311), Third Party Contract Account (54912), in Projects to be determined, and in Workforce Program (SC03); and be it

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

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

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST:

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