



# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine  
Finance Director

**SUBJECT:** BAC Letter Regarding the proposed  
Career Jobs Now! Charter Amendment

**DATE:** July 12, 2018

---

City Administrator Approval

Date:

7/12/18

This cover letter is to transmit to the City Council the Budget Advisory Commission's (BAC) Letter in response to the proposed Career Jobs Now! Charter Amendment. The BAC's letter is included as **Attachment A**.

For questions regarding this report, please contact Brad Johnson, Assistant to the City Administrator at 510-238-6119.

Respectfully submitted,

KATANO KASAINÉ  
Finance Director

Prepared by:  
Bradley Johnson,  
Assistant to the City Administrator

Attachments (1):  
(A): Budget Advisory Commission (BAC) Letter

Item: \_\_\_\_\_  
Finance and Management & Public Safety Committees  
July 17, 2018

July 12, 2018

To: Honorable Members of the Oakland City Council:

From: The Budget Advisory Commission

RE: **Proposed Amendment to Oakland City Charter to Establish the Career Jobs Now Fund.**

Pursuant to its charge to advise the City Council on expenditures, revenues, financial policies and budget proposals, The Budget Advisory Commission respectfully submits the following regarding the proposed Council Resolution to place before the voters a City Charter Amendment to set aside General Purpose Fund (GPF) money for 35 years to fund job training programs (“Job Training Charter Amendment”). The Commission voted to submit this letter by a unanimous vote of a quorum at its July 11 regular meeting.

The City Charter vests in the City Council the power and discretion to establish the funding priorities of the City through its budget-making powers. Therefore, at any time, the City Council could decide to prioritize job training programs and vote to amend the City budget to establish and fund the “Career Jobs Now Fund” out of discretionary general funds without going through a voter election. Or, if it wishes to weigh this pressing need for job training against the many other pressing needs of the City, it could do so as the City Council develops the Fiscal Year 2019-2021 Biennial Policy Budget. A major power and duty of the City Council is to establish budget priorities to reflect changing needs. For example, in the FY 2017-19 Budget, the Council heard loud and clear from its residents and voted to devote significant resources to address the current homelessness and housing crisis.

The “Career Jobs Now” Job Training Charter Amendment proposes to bypass the City Council budget process and designate job training programs as a priority to be funded from a fixed percentage set-aside of the General Purpose Fund for the next 35 years or longer. It does not provide for any new funding, it simply slices away a portion of the discretionary GPF and deprives the current and future Councils the discretion to prioritize the use of those funds.

As the Council is painfully aware, the Council discretion is already limited by the fact that only 41% of City budget is in the discretionary GPF while the balance of 59% of City funds is in restricted funds for specific purposes as required by state and federal laws and by voter initiatives. The Job Training Charter Amendment seeks to further limit the City Council’s ability to adopt budgets that address the current needs of the City as circumstances and needs change. There is no doubt that job training is currently a need in the City of Oakland as the authors of the proposed Charter Amendment point out, at a time when the economy is growing and there is an urgent need to train underserved residents for the job market. However, the Job Training Charter Amendment presupposes that this budgetary priority will predominate for 35 years, and so much so that it deserves to be enshrined in the constitution of the City.

Given that the City Council has the discretion to fund job training programs and set up a “Career Jobs Fund” by simply passing a budget resolution on its own, it is questionable why the Charter Amendment would be necessary or even wise. The proposed ballot question for voters is whether they agree to set aside GPF funds specifically for job training, without having the opportunity to consider a menu of other needs that may be equally or more pressing that are currently unfunded. In other words, voters would lack the context of balancing competing priorities. City Council members have the benefit of constituent input, staff reports, consultant studies and public hearings to help them balance competing needs and

make funding decisions in the context of multitudes of current priorities of the City and its residents. Voters do not have the benefit of such information in the few minutes they have to study multitudes of ballot questions.

It is the Commission's understanding that the proposed Job Training Charter Amendment is based on the Oakland Kids First! Initiative first passed in 1996 and then later amended by Measure D in 2009. However, there are major differences between the approach under the Kids First Initiative and the proposed Job Training Charter Amendment:

First, the Kids First Initiative recognizes the City's commitment to services for children and youth without dictating a particular program or methodology. In fact, the Kids First Initiative encourages a wide range of programs, including "after-school programs, mentoring, recreational programs, *job training* and pre-school programs." In contrast, the Proposed Charter Amendment specifically seeks to fund and benefit third-party sponsored job training programs.

Second, the Kids First Initiative mandates an "open and fair application process" where funds are awarded to private and non-profit and public agencies through a competitive application process consistent with a mandated three-year strategic plan. The proposed Job Training Charter Amendment requires no such competitive process because it allows the City Council to simply waive any such process and award funds to service providers via unilateral legislative act of the Council. Not only does the Job Training Charter Amendment allow award of the funds to private organizations through a political rather than a competitive process, it locks the City into funding agreements for minimum 5-year terms.

Third, the Kids First Initiative established an independent "planning and oversight committee" responsible for preparing the strategic investment plans, implementing the competitive funding application process, preparing and submitting an annual independent evaluation report and receiving City Auditor report. The proposed Job Training Charter Amendment has no such independent oversight.

Even with its much more open ended mandate to support children and youth that allows for funding of a wide range of programs and strategies and with its robust competitive and planning process, the Kids First Initiative was subject to criticism for legislating budget priorities through the ballot box.

The Commission respectfully requests that the City Council take the above comments into consideration when deciding whether to put the proposed Job Training Charter Amendment before the voters.

Respectfully Submitted,

ED GERBER

Ed Gerber  
Chair, Budget Advisory Commission

CC:

Mayor Libby Schaaf

City Administrator Sabrina Landreth