



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Alexa Jeffress  
Director, EWD

**SUBJECT:** Workforce Development Board  
FY 2020-21 Budget and Contracts

**DATE:** July 6, 2020

City Administrator Approval 

Date: July 23, 2020

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution:**

- (1) Adopting The Fiscal Year 2020-21 Workforce Development Budget;**
- (2) 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 Workforce Innovation And Opportunity Act (WIOA) Title I Formula Funds And Other Funds For Fiscal Year 2020-21;**
- (3) Authorizing The Carryover Of Unspent Fiscal Year 2019-20 Funds To Contracted Service Providers In Fiscal Year 2020-21; And**
- (4) Authorizing The City Administrator Or His Designee To Apply For And Accept 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**

The Fiscal Year (FY) 2020-21 budget for the Oakland Workforce Development Board (OWDB), was considered and approved by the OWDB at a special meeting on June 24, 2020 (see **Attachment A** for the proposed FY 2020-2021 OWDB Budget). The budget reflects the State's allocation of Workforce Innovation and Opportunity Act (WIOA) Formula funding of \$3,142,745 to the City of Oakland for FY 2020-21, a slight increase of \$62,271, from the prior fiscal year for WIOA program services and system administration. FY 2020-21 funding for WIOA was approved by City Council in the FY 2020-21 mid-cycle budget, through which the City Council also accepted over \$1.3 million from the Employment Development Department (EDD) in COVID-19 related emergency assistance and job support. Staff recommends that the City Council adopt the FY 2020-2021 OWDB Budget. The proposed budget allocations would maintain the total funding level provided to contract service providers and to the City's program and administrative support costs for its role as system administrator.

City Council  
July 28, 2020

Staff also recommends that the City Council authorize grant agreements per the organizations and recommended funding amounts specified as **Attachment B**.

Finally, staff is requesting that the City Council authorize the expenditure of FY 2019-20 contracted funds not fully spent by providers by June 30, 2020 to be carried into FY 2020-21 and to authorize the City Administrator or his designee to apply for, accept grants up to \$250,000.

## **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 City of Oakland) the OWDB serves as connector, administrator, and regulator of 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 OWDB budget is made up of multiple funding streams that support workforce development including federal funding through WIOA, grant contributions from the State and Alameda County, funding support from the City of Oakland, and miscellaneous grants from private businesses and philanthropic support.

The OWDB contracts with experienced local nonprofit organizations to provide workforce development services for recently displaced and long-term unemployed adults and low-income youth and young adults between the ages of 16-24. The overall goals of the OWDB's federal 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.

## **ANALYSIS AND POLICY ALTERNATIVES**

### **Projected WIOA Funds for FY 2020-21- \$3,351,313**

The California Employment Development Department (EDD) released its planning budget estimates for the Adult, Dislocated Worker and Youth programs on May 14, 2020 in the amount of \$3,142,745. Currently, EDD has not yet released Rapid Response allocations. For planning

purposes, staff is estimating Rapid Response allocations flat last year at \$208,568. **Table 1** below provides planning estimates for each of the core WIOA programs.

Table 1: FY 2020-21 WIOA Allocations

WIOA Program	Estimated FY 2020-21 Allocations
Adult	\$1,151,078
Dislocated Worker	\$843,832 (\$58,915) -7%
Youth	\$1,147,835
Rapid Response (estimate)	\$208,568
Total	\$3,351,313

WIOA estimated allocations are derived by formula and consider the unemployment data within the local area at the time of the calculations. The City of Oakland’s unemployment rate was 4 percent in March, when estimates were likely calculated. The overall low unemployment rate in Oakland, at the time of calculation, contributed to the reduction of -\$58,915 in dislocated worker funds for FY 2020-21.

Additionally, through the mid-cycle, City Council accepted over \$1.3 million from EDD in COVID-19 related emergency assistance and job support.

**Other Revenue**

City General Fund Revenues - \$470,000

There is one-time general fund support for: (1) Cypress Mandela Training Center (CMTC), Inc. - \$250,000; and (2) Casa Justa::Just Cause - \$220,000.

Measure HH - \$377,279

As part of the City Council’s adopted FY 2017-2019 biennial Budget, the OWDB was granted \$400,000 in one-time funding from Measure HH (Sugar-Sweetened Beverage Tax) to support the Summer Youth Employment Program. The allocation for Summer 2020 was reduced to \$377,279.

Private Grant Funds/Donations - \$278,328

The OWDB secured a \$25,000 grant from Bank of America, \$35,000 from Kaiser Permanente and \$155,607 from JP Morgan Chase for summer job opportunities. Additionally, \$62,721 in carryforward Miscellaneous Donations funds will support the 2020 Summer Youth Employment Program.

Oakland Army Base Billboards - \$346,347

The City Council authorized the use of Army Base billboard revenue to support the WOJRC and the budget appropriates \$346,347 to support the ongoing operations of the center. The WOJRC supports job creation, hiring targets and workforce development polices of the City’s Local Hire Ordinance and assists Oakland Army Base employers in fulfilling their local hiring goals.

Estimated Funds Remaining from FY 2019-2020

At this time, staff is recommending any FY 2019-20 contracted funds not fully spent by service providers by June 30, 2020 be authorized to carry over into FY 2020-21.

**Expenditures**

There are three main expenditure categories in the OWDB budget:

- 1) Service Provider Contracts (\$4,656,676): The OWDB contracts with experienced organizations to provide workforce development services. This represents sixty-four percent (64%) of the workforce budget.
- 2) Direct Client Support (\$978,008): This includes financial assistance towards participant training and support to enable an individual to participate in WIOA activities. This represents thirteen percent (13%) of the workforce budget.
- 3) City Operations (\$1,705,167): The OWDB and City of Oakland workforce staff, as the system administrator are responsible for a range of functions under WIOA. This represents twenty-three percent (23%) of the total workforce budget.

The organizations and recommended funding amounts are attached as **Attachment B**.

**FISCAL IMPACT**

The OWDB proposed budget reflects the State's estimated allocation of WIOA Formula funding of \$3,351,313 and \$1,328,000 in COVID-19 related emergency assistance and job support from the EDD for FY 2020-21. Additionally, the Mid-cycle Budget amendments include one-time funding opportunities for providers approved by the OWDB and City Council.

**PUBLIC OUTREACH / INTEREST**

All meetings are publicly noticed and there is active public participation in its committees and full OWDB meetings. Prior to issuing Requests for Proposals (RFPs) for developing the workforce system, the WDB 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 2019-2022 RFP process.

**COORDINATION**

WIOA service providers were competitively procured through the FY 2019-2022 RFP process supported by the City Administrator's Office Division of Contracts and Compliance, Department of Human Services and the Department of Race and Equity. Workforce Development staff works closely with the Finance Department to ensure fiscal compliance with the expenditure of WIOA funds. Staff also works closely with the City Attorney's Office for counsel and advice on

matters such as proper noticing, board process, and conflicts of interest. Workforce Development is a unit within the Department of Economic and Workforce Development.

### **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.

***Race & Equity:*** The Oakland's Workforce Development system prioritize services to targeted populations (African American and LatinX) and geographical areas of Oakland (East and West); areas that have the highest numbers of residents, who face disproportionately high levels of unemployment.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution (1) Adopting The Fiscal Year 2020-2021 Workforce Development Budget; (2) 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 Workforce Innovation And Opportunity Act (WIOA) Title I Formula Funds And Other Funds For Fiscal Year 2020-2021; (3) Authorizing The Carryover Of Unspent Fiscal Year 2019-20 Funds To Contracted Service Providers In FY 2020-21 And; (4) Authorizing The City Administrator Or His Designee To Apply For And Accept 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 Lazandra Dial, Interim Executive Director, Oakland Workforce Development Board, at (510) 238-3474.

Respectfully submitted,



---

ALEXA JEFFRESS  
Director, Economic & Workforce Development

Reviewed by:  
Lazandra Dial, Interim Executive Director  
Oakland Workforce Development Board

Prepared by:  
Honorata Lindsay, Program Analyst III

Attachments (2):

- A – FY 2020-2021 Oakland Workforce Development Board Budget
- B – FY 2020-2021 Service Provider Recommended Funding Amounts