



DATE: June 12, 2013
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 13-20
Authorizing a Subrecipient Contract with Worksystems, Inc., to implement Economic Opportunity Initiative Youth Workforce Development Services During Fiscal Year 2013-14; Authorizing a Subrecipient Contract with Worksystems, Inc., to implement Economic Opportunity Initiative Adult Workforce Development Services During Fiscal Year 2013-14

BOARD ACTION REQUESTED

Adopt Resolution Nos. 7007 and 7008

ACTION DESCRIPTION

This action will authorize the Executive Director to sign subrecipient contracts (Subrecipient Contracts) with Worksystems, Inc. (WSI), for the purpose of implementing and managing the Economic Opportunity Initiative (EOI) youth and adult workforce development services during fiscal year (FY) 2013-14. Such action will align WSI and PDC investments that were formerly implemented independently, create efficiencies for service providers, and increase access to important services including work experience opportunities, on the job training, and occupational training. The Subrecipient Contracts require that WSI implement youth and adult workforce development systems that serve low-income individuals who face barriers to employment. The contracts further require WSI to adhere to federal regulations regarding the use of Community Development Block Grant (CDBG) funds; to regularly report to PDC about system accomplishments, challenges, and outcomes; and to regularly involve PDC in policy discussions about the adult and youth workforce development system.

Approval of the PDC Board of Commissioners (Board) is required to authorize the Executive Director to sign grants over \$500,000.

BACKGROUND AND CONTEXT

Since July 2009, PDC has operated EOI, a program aimed at raising the incomes of low-income individuals through workforce and microenterprise development activities. EOI promotes achievement of PDC's Social Equity goal by targeting workforce and microenterprise development services to low-income individuals; more than half of those served through the program are persons of color.

Funding for EOI comes primarily from City of Portland (City) general funds and federal CDBG funds allocated to PDC by the City of Portland. In FY 2013-14, PDC anticipates receiving approximately \$3.38 million from the City for the EOI as a whole. As a result of this action, PDC anticipates allocating approximately \$2.59 million in general funds and CDBG to workforce development services. In addition to City funds, approximately \$56,960 is available from Multnomah County for youth workforce development and \$100,000 is available from the Northwest Area Foundation (NWAFF) for adult workforce development in areas adjacent to Neighborhood Prosperity Initiative districts. This will bring the total investment in workforce development for FY 2013-14 to approximately \$2.74 million. Additional information on the

estimated budget for youth and adult workforce development can be found below in the Budget and Financial Information section of this report.

In 2011 and 2012, PDC and WSI staff collaborated to align investments in youth and adult workforce development for low-income individuals with barriers to employment. By aligning and streamlining investments, PDC and WSI anticipate a more efficient and transparent system of services, increased access to important services such as work experience opportunities for youth participants, and on-the-job training and occupational training for adult participants.

Youth workforce development providers were selected through a request for proposals (RFP) issued by WSI in the spring of 2012. Adult workforce development providers were selected through a RFP issued by WSI in the spring of 2013. Both RFPs were developed jointly by PDC and WSI staff and PDC participated in the proposal evaluation process. Recommended providers were presented to the WSI Board for approval. See Attachment A for a list of providers selected to provide services for low-income youth and adults.

COMMUNITY AND PUBLIC BENEFIT

Utilizing Subrecipient Contracts to direct funds to WSI for the delivery of youth and adult workforce development services will place responsibility for administration of the City's workforce development resources with the agency whose mission is focused solely on workforce development. WSI has the capacity and expertise for this work and has committed to closely coordinate with PDC regarding the overall administration of EOI.

Population

The aligned system will continue to serve the same target populations served by EOI in the past. All participants will have incomes at 50 percent or less of the Portland area median family income and will be City of Portland residents. Specific target populations for EOI are:

- Youth Workforce Development: Low-income and barriered youth ages 16-21 and certain youth ages 22-24, who are disconnected from traditional high school or lacking the basic skills and credentials to enter college or career pathway employment.
- Adult Workforce Development: Low-income adults age 18 and older, who face multiple barriers to employment, have an immediate or near-term goal to become employed, and want to engage in coaching, skill development, and training, as needed, to achieve their goal of career pathway employment.

Services

Youth and adult workforce development providers will deliver supportive and individually tailored workforce development case management to enrolled individuals for up to three years. Core services to participants include:

- Individual career plan development
- Career exploration
- Work readiness training
- Work experience placement and support
- Job search assistance and placement
- Retention and advancement supports after job placement

For the youth workforce development participants, services also may include:

- Education supports including remedial education, General Equivalency Diploma, and/or high school diploma
- College readiness training
- Post-secondary placement, navigation, and support

- Retention and advancement supports after post-secondary placement

For the adult workforce development participants, services may also include:

- Short-term vocational training
- Longer-term occupational training

Leverage

PDC's investments in youth and adult workforce case management leverage significant investment by WSI. For the youth system, WSI anticipates spending an additional \$2.5 million in workforce development programming in Multnomah and Washington counties. This includes approximately \$890,000 in additional funding for the youth providers listed in Attachment A who primarily serve Multnomah County residents and approximately \$750,000 for youth providers in Washington County. In addition to these investments in intensive 1:1 workforce development services, WSI also contracts with a Work Experience Intermediary to develop and match youth to appropriate work experience opportunities, and provide coaching to the youth and the employer as needed to achieve successful placements. Work experiences are essential in learning the demands and expectations of the work environment, and exploring careers of interest in a safe and supportive context. In FY 2013-14 WSI anticipates investing approximately \$830,000 in the work experience system.

For adult participants WSI anticipates providing approximately \$1 million in workforce preparation, training, and employment services through Worksource Portland Metro (WSPM). WSPM services are set aside for low-income individuals with barriers to employment in Multnomah County. Services are available to address different skill levels, work histories, and career goals, and can be accessed by EOI participants to support their career plan.

WSPM services targeted for use by adult participants include:

- Contextualized, cohort-based adult education
- Job readiness courses
- Sector-based bridge training
- Short-term vocational training leading to employer-recognized certificates
- Occupational skills training leading to employer-recognized credentials
- Pre-apprenticeship programs and other targeted sector-based occupational training
- Internships
- On-the-job training
- Individualized job placement for certain industries and participants

PUBLIC PARTICIPATION AND FEEDBACK

WSI and PDC collaborated on the development of recommendations for WSI to administer the youth and adult workforce development systems. As a part of developing recommendations for the aligned workforce development systems input was sought from interested parties including EOI workforce development providers and other entities interested in providing the services. Feedback was considered in the development of the final RFPs which were issued in the spring of 2012 (youth) and spring of 2013 (adult).

PDC coordinated with the Portland Housing Bureau (PHB), the City bureau that provides PDC with federal CDBG funds for EOI, throughout the process of developing the alignment framework and the RFPs.

BUDGET AND FINANCIAL INFORMATION

PDC anticipates receiving approximately \$3.38 million in General Fund and CDBG funds from the City for the EOI in FY 2013-14. In addition, PDC anticipates receiving \$56,960 in Multnomah County funds and \$100,000 in funds from NWAf. Of this amount, PDC further anticipates allocating up to \$1.34 million for youth workforce development and up to \$1.4 million for adult workforce development. Funds are anticipated to be spent by WSI as shown below in Tables 1 and 2.

Table 1: Estimated Budget for EOI Youth Workforce Development Services

Youth Workforce Development	General Funds	CDBG	Multnomah County	Total
Provider Contracts	\$313,651	\$766,842	\$56,960	\$1,137,453
Personnel	\$87,400			\$87,400
Materials/Services/I-Trac	\$9,800			\$9,800
Indirect	\$108,279			\$108,279
Total Youth Workforce Development Funds	\$519,130	\$766,842	\$56,960	\$1,342,932

Table 2: Estimated Budget for EOI Adult Workforce Development Services

Adult Workforce Development	General Funds	CDBG	NWAf	Total
Provider Contracts	\$313,651	\$766,842	\$100,000	\$1,180,493
Personnel	\$107,350			\$107,350
Materials/Services/I-Trac	\$9,800			\$9,800
Indirect	\$105,033			\$105,033
Total Adult Workforce Development Funds	\$535,834	\$766,842	\$100,000	\$1,402,676

It is possible that the actual revenue provided to PDC for the EOI may be greater than the figures above by up to \$500,000. The Board resolution authorizes the Executive Director to increase the grant amount in such a situation.

RISK ASSESSMENT

While the alignment of workforce development services offers many benefits, it also comes with some risks. The most significant risk to PDC is a loss of direct control over the program design and administration. Further, as with any substantial system change there is likely to be a period of transition where service delivery is not at its optimal state and unforeseen challenges must be addressed. Both of these risks will be mitigated by having annual agreements with WSI. The subrecipient contracts further require WSI to adhere to federal regulations regarding the use of CDBG funds, to report to PDC quarterly about system accomplishments, challenges and outcomes, and to regularly involve PDC in policy discussions about the adult and youth workforce development system.

ALTERNATIVE ACTIONS

If PDC were not to enter into these agreements with WSI, PDC could issue its own RFP in the summer of 2013 to select providers. This action would not offer the benefits cited earlier.

ATTACHMENTS

- A. Adult and Youth Workforce Development Service Providers

Adult and Youth Workforce Development Service Providers

Youth Workforce Development Providers
Open Meadow Alternative School (OMAS)
New Avenues for Youth (NAFY)
Portland Youth Builders (PYB)
Portland Opportunities Industrialization Center (POIC)
Native American Youth Family Center (NAYA)
Immigrant and Refugee Community Center (IRCO)
Mt Hood Community College (MHCC)
Adult Workforce Development Providers
Central City Concern
SE Works – Prisoner Reentry Employment Program
SE Works – Professional Immigrant Credential Program
Immigrant and Refugee Community Center (IRCO)
Human Solutions Inc. (HSI)/Self Enhancement Inc. (SEI)
Immigrant and Refugee Community Center (IRCO) – Health Care Focus
Oregon Trades Women, Inc./Constructing Hope – Trades Focus