



DATE: June 28, 2017
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 17-31

Authorizing a Subrecipient Contract with Worksystems, Inc., to Implement Economic Opportunity Initiative Youth and Adult Workforce Development Services and Community Workforce Navigator Program during Fiscal Year 2017-18

BOARD ACTION REQUESTED

Adopt Resolution No. 7246

ACTION DESCRIPTION

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to sign a Subrecipient Contract with Worksystems, Inc. (WSI) for purposes of administering and implementing youth and adult workforce development services as part of the Economic Opportunity Initiative (EOI) in fiscal year (FY) 2017-18. This action will support the continuation of services to youth and adults including vocational case management, work experience opportunities, on-the-job training, and occupational training. Approximately \$1,400,000 will be provided for youth workforce development and \$1,300,000 for adult workforce development; for greater detail on the full budget, see Table 1 later in this Report. Funding will come from federal Community Development Block Grant (CDBG) funds and from City of Portland (City) general funds allocated to Prosper Portland. In addition, approximately \$140,000 in Enterprise Zone funding will be allocated toward the Community Workforce Navigator Program which seeks to provide community-based support to high-barriered job seekers in priority neighborhoods.

Prosper Portland Board authorization is required for the Executive Director to sign contracts exceeding \$500,000.

BACKGROUND AND CONTEXT

The EOI was first implemented in FY 2004-05 by the former Bureau of Housing and Community Development (now Portland Housing Bureau) and was transferred to Prosper Portland in FY 2009-10. The program is managed by Prosper Portland's Entrepreneurship and Community Economic Development team in the Economic Development Department. The people-based EOI program has three components (youth workforce development, adult workforce development, and microenterprise) and is aimed at increasing economic vitality of low-income individuals and focuses on target populations most in need of assistance to achieve economic stability. Participants enrolled in the EOI receive up to three years of support.

Prosper Portland will implement the youth and adult workforce development programs through grants to WSI, which will implement the two programs in coordination with its other workforce services. WSI

will, in turn, provide sub-grants to non-profits specializing in youth and adult workforce development. 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 an RFP issued by WSI in the spring of 2013. Prosper Portland was involved in the issuance of both RFPs and in the selection of providers. WSI, with participation from Prosper Portland, recently released a youth RFP for contracts to begin in October 2017; they will issue three month extensions to non-profits currently providing youth workforce development services so no gap in service will be experienced. For a list of anticipated FY 2017-18 youth and adult workforce development service providers, see Attachment A.

The Community Workforce Navigator Program began in 2015 as a way to ease access to appropriate workforce development services and ultimately to increase the incomes of low-income residents so they can afford to stay in the neighborhood as rents rise due to an increasingly strong market. The target population is under and unemployed residents, low-income residents, people of color and/or ESL speakers. Prosper Portland piloted this program in the Cully neighborhood and has seen that the hands-on community-based workforce navigator approach better connects services to communities of color and immigrant and refugee populations. In order to streamline processing and incorporate additional workforce supports, this program will be implemented through a sub-grant from WSI to Portland Community College (PCC).

COMMUNITY AND PUBLIC BENEFIT

The EOI promotes achievement of the Prosper Portland 2015-2020 Strategic Plan goals for wealth creation, access to high quality jobs, and 21st century networks/partnerships. As of March 31, 2016, more than 1,500 individuals had been served through workforce development programs in FY 2016-17. Of those served, approximately 77 percent are people of color.

Prosper Portland's investments in youth and adult workforce leverage significant investment by WSI. For the youth system, WSI anticipates spending an additional \$2,000,000 in Multnomah and Washington counties. In addition to these investments in intensive one-on-one 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 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.

For adult participants, WSI anticipates providing an additional \$1,000,000 in workforce preparation, training, and employment services through Worksource Portland Metro (WSPM), whose services are set aside for low-income individuals with barriers to employment in Multnomah County. WSPM services are available to address different skill levels, work histories, and career goals and can be accessed by the EOI participants to support their career plans.

The Community Workforce Navigator Program provides increased access to residents and business owners who are able to more easily connect job seekers to employment opportunities right in their neighborhood.

PUBLIC PARTICIPATION AND FEEDBACK

As mentioned above, Prosper Portland and WSI, in coordination with PHB, issued RFPs for the selection of service providers for the youth and adult workforce development programs. The process of selecting new providers was done in an open and transparent manner and involved significant outreach and input from existing providers and other entities interested in the EOI. Furthermore, the ongoing RFP for youth workforce development services has been transparent, with several public meetings to discuss the system re-design and a pre-bidders conference.

BUDGET AND FINANCIAL INFORMATION

The total WSI workforce program budget is \$2,840,485. The CDBG funds will be provided to Prosper Portland through the subrecipient contract with PHB; the General Funds will be included in the overall intergovernmental agreement (IGA) through a separate action on the June 28, 2017 Prosper Portland Board meeting through Resolution No. 7241. The overall budget with all funding sources is shown in Table 1. Funds from both the PHB contract and IGA with CBO will be provided on a reimbursement invoicing basis with the respective City bureau.

Table 1 – Estimated Budget

| | General Fund | CDGB | E-Zone | Total |
|-------------------------------|---------------------|--------------------|------------------|--------------------|
| Total Resources | \$1,115,532 | \$1,584,953 | \$140,000 | \$2,840,485 |
| Program Delivery: | | | | |
| Adult Workforce Development | \$310,015 | \$760,777 | | \$1,070,792 |
| Community Workforce Navigator | | | \$140,000 | \$140,000 |
| Youth Workforce Development | \$339,958 | \$824,176 | | \$1,164,134 |
| Personnel Services | \$214,700 | | | \$214,700 |
| Materials and Services | \$19,600 | | | \$19,600 |
| Indirect | \$231,259 | | | \$231,259 |

Of the \$2,840,485 to WSI, \$1,401,539 will fund youth workforce development and \$1,298,946 will fund adult workforce development with the remaining \$140,000 funding the community workforce navigator.

It is possible that additional funds are identified to support this work. Therefore Resolution No. 7246 authorizes the Executive Director to increase funding to WSI by up to \$500,000 through the youth and adult workforce development contract, should additional resources become available.

RISK ASSESSMENT

There are few risks to authorizing these contracts. The EOI is a long-standing City program and has been consistently administered since FY 2004-05. CDBG funds flow to the City from the federal Department of Housing and Urban Development (HUD). In FY 2012-13, HUD conducted a monitoring of the EOI program; the report recommended changes that have improved the administration and oversight of subrecipients and have resulted in a stronger understanding by PDC staff of issues related to administration of CDBG funds. The WSI contracts will 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 Prosper Portland in policy discussions about the youth and adult workforce development system.

ALTERNATIVE ACTIONS

The Prosper Portland Board could decline to authorize the Subrecipient Contract; however, an alternative plan for delivering workforce development services and support for target populations does not exist. Portland City Council would need to either determine another City entity to operate the EOI or dissolve it.

If Prosper Portland were not to enter into the Subrecipient Contract, Prosper Portland would issue an RFP in the summer of 2017 to select providers. This action would not offer the benefits cited earlier.

ATTACHMENTS

- A. List of Anticipated FY 2017-18 Youth & Adult Workforce Development Service Providers

LIST OF ANTICIPATED FY 2017-18 YOUTH & ADULT WORKFORCE DEVELOPMENT SERVICE PROVIDERS

| Subcontractor | Adult Workforce | Youth Workforce |
|---|------------------------|------------------------|
| Central City Concern | X | |
| Human Solutions / Self Enhancement, Inc. | X | |
| Immigrant and Refugee Community Organization | X | X |
| Native American Youth and Family Center | | X |
| New Avenues for Youth | | X |
| Oregon Tradeswomen / Constructing Hope | X | |
| Portland Opportunities Industrialization Center | | X |
| Portland Community College (WF Navigator) | X | |
| Portland Youth Builders | | X |
| SE Works | X | |
| Worksystems, Inc. | X | X |