

San Diego Consortium Policy Board – Meeting Agenda

Date Friday, December 15, 2017
Time 9:00 am
Place 1600 Pacific Highway, San Diego, CA – Room 310

MEMBERS

Chair: Scott Sherman, San Diego City Councilmember, District 7
Vice chair: Kristin Gaspar, San Diego County Supervisor, District 3
Ron Roberts: San Diego County Supervisor, District 4
Barbara Bry, San Diego City Councilmember, District 1
Dr. Laurie Coskey, United Way, President & CEO

CALL TO ORDER AND NOTE OF ATTENDANCE

ACTION ITEMS

- Item #1: Minutes of the October 27, 2017 Policy Board Meeting
- Item #2: Lease Approval for North County Coastal Career Center
- Item #3: SDWP Budget Modification
- Item #4: San Diego County Sheriff's Department Funding for Reentry Works Program
- Item #5: Results of the America's Job Center of California (AJCC) Network RFP and Approval to Enter into Contract Negotiations

INFORMATION ITEMS

- Item #6: Contracts Performance Dashboard
- Item #7: 2018 Meeting Dates
- Item #8: CEO and Staff Report

ADJOURNMENT

PUBLIC COMMENT: Members of the public may address the Board on issues on this agenda (three minutes per subject) and/or other items within the Board's scope. To speak, submit a "Request to Speak" form prior to the meeting. The SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

Item #1: Minutes of the October 27, 2017 Policy Board Meeting

Members Present

Scott Sherman, Councilmember, City of San Diego, District 7 (Chair)
Kristin Gaspar, San Diego County Supervisor, District 3 (Vice Chair)
Barbara Bry, Councilmember, City of San Diego, District 1
Dr. Laurie Coskey, President & CEO, United Way of San Diego County

Member Absent

Ron Roberts, San Diego County Supervisor, District 4

Legal Counsel Present

Daphne Skogen, City Counsel, City of San Diego
David Smith, County Counsel, County of San Diego

Location: County Administration Building, Room 310, 1600 Pacific Highway, San Diego, CA 92101

All reports, memoranda and letters contained in the agenda or distributed at the meeting shall by this reference become part of the original minutes.

The meeting was called to order by Councilmember S. Sherman at 1:01 pm, with a quorum.

The following items were approved on the consent agenda:

1-10/27/2017 - Item 1 – **Minutes of the August 25, 2017 Policy Board Meeting**

Approve the August 25 Board minutes

3-10/27/2017 - Item 3 – **Workforce Development Board (WDB) Membership Notifications**

Motion, Second, Carried Unanimously (Gaspar/Bry)

The following items were returned to staff (no discussion or vote)

2-10/27/2017 - Item 2 – **Lease Approval for North County Coastal Career Center**

Returned to staff; will discuss at December meeting

The following information items were presented for discussion only (no vote)

4-10/27/2017 – Item 4 – **RFP Update for the Operation and Management of the America’s Job Center of California (AJCC) Network – Andrew Picard, VP of Programs**

A. Picard shared that four proposals to manage the region’s AJCC Network were received. Of the four received, two are current providers and two are new providers. Proposals are being evaluated by panel, scores are due in two weeks. Onsite interviews will be conducted with top

scorers. L. Coskey asked how many vendors are being awarded the contract. A. Picard answered 1 vendor will be selected.

5-10/27/2017 – Item 5 – **Workforce Development & Reentry Systems update – Andrew Picard, VP of Programs**

A. Picard presented highlights from the recent employers forum with the California Prison Industry Authority (CalPIA), which included speeches by Governor Jerry Brown, Sheriff Bill Gore and other community leaders, on the benefits of employers hiring justice-involved individuals. Regarding recidivism, Councilmember S. Sherman asked if we receive detailed recidivism information, such as type of crime committed, to allow us to provide targeted supports to clients and improve success rates. A. Picard stated we have a data sharing agreement with the sheriff's department. With the current grant, we do not serve high risk, violent or sex offenders. A workgroup has been established by the WDB. Sup. Gaspar expressed that this issue is one of her priorities. She asked to be included in the workgroup.

6-10/7/2017 – Item 6 – **CEO & Staff Report – Peter Callstrom, CEO**

- P. Callstrom provided a briefing on the exclusive Google event he was invited to in Boston. Google recently announced a one-billion-dollar commitment to various social issues, including workforce development. We were very honored to be invited as only 7 workforce boards of the 550 in the country.
- P. Callstrom described the recent Life Sciences Summer Institute (LSSI) celebration. Councilmember Bry spoke at the event and expressed how impressed she was with the students and the program.
- P. Callstrom spoke about SDWP's fall conference (held on October 26, 2017). Once again, it was sold-out in advance. P. Callstrom thanked Councilmember Sherman for speaking at the event. This year we released new reports: Nonprofit sector, Public sector, Tourism/Hospitality and updates the five priority sectors.
- P. Callstrom summarized the extensive deployment of our priority sector boards and how schools are integrating the boards and reports into their curriculum. P. Callstrom said we would like to create a mobile app to share the information in digital format.
- P. Callstrom recognized Rebecca for her 28 years of service at SDWP and acknowledged Kandi Milli for taking over the Board responsibilities.

Adjournment

The meeting was adjourned at 1:35 pm.

Next meeting is December 15, 2017 at 9am. The Board members requested this time change due to various scheduling conflicts.

Item #2: Lease Approval for North County Coastal Career Center

RECOMMENDATION

Policy Board approve the lease under the costs and terms herein for the North County Coastal Career Center (NCCC) located at 1949 Avenida del Oro, Suite 106, Oceanside, CA 92056. The Policy Board approves SDWP to manage additional lease negotiations of other non-fiscal related terms, while not exceeding the cost and terms as described below.

BACKGROUND

SDWP currently oversees multiple facilities throughout San Diego County including the administration of three property leases:

- 1) SDWP's offices at 3910 University Avenue, San Diego
- 2) South Metro Career Center at 4389 Imperial Avenue, San Diego
- 3) South County Career Center at 1111 Bay Boulevard, Suite E, Chula Vista

The State of California Employment Development Department (EDD) has required that all leases be transitioned statewide to the local Workforce Development Boards (WDBs), which requires SDWP to take on the lease for the NCCC from EDD, the current lease holder.

Terms for Master Lease

The term of the lease is eight years beginning March 1, 2018 and ending on February 28, 2026.

Termination Provisions

SDWP may terminate the lease at any time with at least 60 days' prior notice.

Description of Property

The NCCC is approximately 25,000 square feet, of which SDWP will lease approximately 21,000 square feet. SDWP will sublease the entire square footage to the AJCC operator. The AJCC operator will use approximately 9,000 square feet of the space for their operations and sublease the remainder 12,000 square feet to partner agencies including EDD and the Department of Rehabilitation. If a partner agency terminates its lease with the AJCC operator, the operator would still owe SDWP full rent, and also be responsible for finding a replacement tenant.

All non-space use rent costs (janitorial, maintenance, security, utilities, etc.) will be the responsibility of the AJCC operator to pass on to subtenants as CAM at the end of each year. Repairs will either be the responsibility of the operator or landlord depending on the cause and extent. Insurance and taxes will be paid by the landlord.

Overview of SDWP's Comparative Market Analysis for other Properties

SDWP worked with three independent realtors to complete an analysis of facility costs and terms that are reasonable with other facilities in the region, and other programmatic requirements.

While the realtors found other locations with more affordable rent in cost per square footage, their analyses do not include the significant investment by the current owner into American’s with Disabilities Act (ADA) building improvements needed to operate SDWP’s federally-funded programs. The current property owner recently invested over \$100,000 in building improvements to meet ADA requirements, resulting in higher costs than the comparable facilities listed in the table below.

Another issue that contributes to the higher rent is its preferred location. The other facilities generally lacked the same level of access to public transportation. Finally, we believe that the cost per square foot of \$2.08 is reasonable because the current master lease holder EDD is paying \$2.02 per square foot. A 3% increase in 2018 would bring it up to \$2.08.

SDWP has negotiated a 3% annual increase in rent from an original proposed 4% by the owner. Each Realtor indicated that 3% is a normal annual increase. In addition, the Board approved an annual increase of 3% in SDWP’s South County lease on August 25, 2017 and other leases currently held by SDWP. Because of this background, SDWP concluded a 3% was a competitive annual increase.

Property Name	City	Sq. Ft.	Cost Per Sq. Ft.	% Annual Increase
Ocean Ranch Plaza	Oceanside	25,010	\$1.69	3%
Carlsbad Airport Center	Carlsbad	13,926	\$1.50	3%
Current Property	Oceanside	20,948	\$2.08	3%

Lease Costs Summary

From	To	Monthly Rent	Annual Rent	% Annual Increase
3/1/2018	2/28/2019	44,075	528,904	NA
3/1/2019	2/28/2020	51,505	618,069	3%
3/1/2020	2/28/2021	53,566	642,792	3%
3/1/2021	2/28/2022	55,708	668,503	3%
3/1/2022	2/28/2023	57,937	695,244	3%
3/1/2023	2/28/2024	60,254	723,053	3%
3/1/2024	2/28/2025	62,664	751,976	3%
3/1/2025	2/28/2026	65,171	782,055	3%

Item #3: SDWP FY18 Budget Modification

RECOMMENDATION

Policy Board approve the FY18 December budget modification.

BACKGROUND

SDWP is proud to present a balanced, sound, and conservative budget for the remainder of FY18 (July 1, 2017 – June 30, 2018). This modification accounts for new revenue received between July 2018 and November 2018 and reallocates unspent funding from contractors in FY17 identified through the year-end contract close out process.

FY18 Revenue:

The revised budget revenue is \$32.79M, which is approximately \$550K or 1.7% higher than the \$32.24M FY18 June budget approved by the WDB and Policy Board in June 2017. WIOA formula funds increased by approximately \$370K and private grants by \$280K since June. There was an approximate \$100K reduction in competitive public grants.

Figure 1: Three-year Revenue Trends by Funding Type

(\$000's)	FY18 Jun (approved)	FY18 Dec	FY18 Dec vs Jun (+/-)	FY18 Dec vs Jun (%)
WIOA Funds*	21,430	21,802	372	1.7%
Public Grants	9,090	8,992	(98)	(1.1%)
Private Grants	1,722	2,002	280	16.3%
Total	32,242	32,796	554	1.7%

*WIOA formula funds include Adult, Dislocated Worker, Youth, and Rapid Response federal job training funds SDWP receives each year because we serve as the local WDB for San Diego County.

FY18 Expenses:

SDWP categorizes expenses as follows:

- 1. Central Operations:** executive, operations, procurement, compliance, accounting/finance, facilities, information services, and admin support. SDWP has planned a 1.0% increase in spending in this category, the reorganization of finance and operations functions, and the hiring of an HR Director.
- 2. Direct Program Support Costs:** SDWP staff and other related expenses that directly support specific grant programs and/or functions, including the Adult Programs team, Youth Programs team, Businesses Services team, Research team, Communications, and IT. SDWP anticipates a 0.3% decrease in this category driven primarily by savings on personnel costs, offset in part by increased expenses in IT consulting costs related to upgrades needed for our current IT infrastructure.

- 3. Programs & Contracts:** Services provided to participants through contracted providers, including training funds and supportive services, direct service staff (the America’s Job Centers of CA, and WIOA Youth Contracts, etc.) SDWP has budgeted a 2.2% increase in this category, primarily due to an increase in contracts and training funds for participants.

Figure 2: Planned Expense Categories

(\$000’s)	FY18 Dec	FY18 Jun	FY18 Dec vs Jun (+/-)	FY18 Dec vs Jun (%)
Central Ops	2,174	2,151	23	1.0%
Direct Program Support	5,295	5,313	(18)	(0.3%)
Programs & Contracts	25,327	24,778	549	2.2%
Total	32,796	32,242	554	1.7%

Looking Ahead

SDWP remains in a strong financial position. With an increasingly diversified portfolio, more private and foundation funding, and a new fee-for-service practice, we are well positioned to close out the remainder of the fiscal year in a very healthy position.

SDWP staff look forward to working with the board to continue to expand and diversify our funding portfolio and service offerings.

Item #4: Funding Award for Second Chance to Continue Operation of the Reentry Works Program

RECOMMENDATION

Policy Board approve the funding award, not to exceed \$150,000, with service provider Second Chance to continue the Reentry Works program at East Mesa Reentry Facility (EMRF) through June 30, 2018. This award is a co-funded initiative by the San Diego County Sheriff's department and SDWP to operate the specialized jail-based AJCC services at EMRF.

BACKGROUND

SDWP launched Reentry Works in June 2015 thanks to a grant award from the U.S. Department of Labor's (DOL) Linking Employment Activities Pre-Release 1 (LEAP1) initiative. The DOL grant expires at the end of this calendar year. Reentry Works serves participants with job center and career services at the EMRF pre-release and continues support for them post-release. The goals of this partnership among SDWP and the Sheriff's and Probation departments are to reduce recidivism, improve public safety and coordinate services to some of our community's most vulnerable citizens.

This FY18 funding award recommendation represents new funding from the Sheriff's department. Additional WIOA funding contributed by SDWP and the Sheriff's department for FY19 will allow for continued operations and successful performance of the AJCC at EMRF.

PERFORMANCE MEASURES

This contract will serve at least 300 people with final performance currently under negotiation between SDWP, Second Chance and Sheriff's. The following performance measures represent DOL's targets:

- **Enrollment Rate:** defined as the number of participants enrolled in the program divided by the enrollment goal. The goal for this measure is 100%.
- **Participation Rate:** the rate of continued participation in the program defined as the percentage of enrolled participants who received at least one LEAP service (excluding supportive services) each month pre-release. The goal for this measure is 90% by the end of the grant.
- **Work Readiness Indicator Rate:** defined as the percentage of participants who are deemed work-ready or demonstrate an increase in work-readiness after receiving pre-release services. To assess increases in work-readiness, grantees must administer work readiness pre- and post-tests (at the time of

enrollment and program exit/release, respectively), which may include a risk assessment of criminogenic needs. The goal for this measure is 80%.

- **Post-release Enrollment Rate:** defined as the percentage of participants who report for and are enrolled into comprehensive career services within 30-days post-release. The goal for this measure is 80%.
- **Recidivism Reduction:** overall participants will not be re-arrested or re-incarcerated at no greater rate than 22%. (Average recidivism in San Diego county is approx. 50-60%)
- **Placement Rate:** participants will be placed into a career, job training program, education or apprenticeship program within first quarter of release. The goal for this measure is 50%.

Item #5: Results of the America’s Job Center of California (AJCC) Network RFP and Approval to Enter into Contract Negotiations

RECOMMENDATION

Policy Board approve the results of the [Request for Proposals \(RFP\)](#) for the Operation and Management of the America’s Job Center of California (AJCC) Network and authorize SDWP to enter into contract negotiations with KRA Corporation, the winner of the RFP process.

An estimated total funding amount¹ of \$5,655,000 will be awarded to the AJCC network operator in FY19 through Workforce Innovation and Opportunity Act (WIOA) Adult, WIOA Dislocated Worker, San Diego County Expanded Subsidized Employment (ESE) and Disability Employment Initiative Fund (DEI)/Ticket to Work grants.

Term of Procurement: one year with the option to extend the agreement for three additional one-year periods based on organizational need, sustained performance, and funding availability. The first period of performance for this agreement begins July 1, 2018 and ends June 30, 2019.

BACKGROUND

This represents an important milestone in the three-year process of procuring a sub recipient for the operation and management of the AJCCs.

RFP Planning and Development Process:

- 2015: SDWP hosted 12 community town halls and did customer satisfaction surveys
- 2016: SDWP’s WIOA local and regional plan approved by the State of CA WDB, including the framework for AJCC’s
- May 4th, 2017: WDB established AJCC Working Group to develop the RFP framework
- June 15th, 2017: WDB approved framework as recommended by AJCC Working Group

RFP Release and Competitive Process:

- July 13th, 2017: RFP Released to SDWP’s list of 10,000+ contacts
- July 26th, 2017: Respondents orientation and Q & A
- October 5th, 2017: Proposals due
- November 9th, 2017: Evaluation panel reviews written proposals

¹ *These amounts may increase or decrease by July 1, 2018 based on availability of formula fund allocation from the State Employment Development Department (EDD) and other special grant program funds. SDWP anticipates that full funding allocations will be known on or about the time of the negotiations of contracts in Spring 2018.

- November 15th, 2017: Evaluation panel conducts in-person interviews on site with qualified applicants
- December 7th, 2017: Evaluation panel submits recommendation to the WDB

The Evaluation Panel and Scoring:

The Panel was comprised of community experts: local government, State entities, AJCC partners and senior staff members from other local WDBs across the country. Evaluators were selected based on expertise in workforce development and the AJCC system. Individuals with any potential or actual conflict of interest were excluded from the panel.

The evaluators were responsible for reviewing, scoring, and ranking proposals based upon the RFP criteria. Respondents who received the highest score and within ten points of the highest rated proposal qualified for oral interviews.

The WDB approved scoring based on a total of 100 points according to the following criteria:

Proposal Section	Point Value
3.3.1 Innovations in Service Delivery	12
3.3.2 Strategies for Serving the Target Population	12
3.3.3 Business Engagement	9
3.3.4 Cost-Effective Access Points and Infrastructure	9
3.3.5 Partnership and Collaboration	8
3.3.6 Program Performance	8
3.3.7 Past Performance	10
3.3.8 Organizational Qualifications and Program Staffing	7
Written Proposal Narrative	75
Written Proposal Fiscal/Budget	10
Total Written Score	85
Oral Interview	15
Total Possible Points	100

Overview of Evaluator’s Scores:

After meeting as a group to review proposals and oral interviews the scores were as follows:

Respondent’s Org. Name	Avg. Written Score	Avg. Interview Score	Final Score
Career TEAM	46	N/A (did not qualify)	46
ResCare Workforce Services	66	8	74
MAXIMUS	65	11	76
KRA Corporation*	76	13	89

*The evaluation panel recommended KRA corporation as the winner of this evaluation process with a score of 89.

Thanking our evaluators: SDWP staff would like to thank the community leaders and experts who scored the proposals, spent three weeks reading proposals, up to two days discussing scores with fellow panel members, and conducted hours of oral interviews for finalists.

Item #6: Contracts Performance Dashboard

INFORMATION ITEM – NO ACTION REQUIRED

The following information provides a high-level overview of contractors, programs, and performance year to date. Each program may have varying performance metrics, goals and scope of work. The indicators below represent the status of overall contract performance.

“Performance” is an indicator of whether the subrecipient is meeting their target outcomes as well as compliance with contractual obligations.

Green	Yellow	Red
In compliance and on track to meet all contract goals.	Slightly below contract goals and may include minor corrective action.	Out of compliance or unable to meet contractual goals and significant corrective action required.

Adult			
Contractor	Program Name	Funding Stream	Contract Total
ResCare (South)	Adult/Dislocated Workers	Department of Labor (DOL)	\$1,149,448
	Expanded Subsidized Employment (ESE)	County of San Diego	\$172,699
	Breaking Barriers San Diego	DOL- Workforce Innovation Fund (WIF)	\$212,256
ResCare (North)	Adult/Dislocated Workers	WIOA	\$1262,922
	Expanded Subsidized Employment (ESE)	County of San Diego	\$85,572
	Breaking Barriers San Diego	DOL –WIF	\$200,127
KRA (Metro)	Adult/ Dislocated Workers	DOL	\$2,629,684
	Breaking Barriers San Diego	DOL – WIF	\$449,780
	Expanded Subsidized Employment (ESE)	County of San Diego	\$222,847
Grossmont Unified (East)	Adult/ Dislocated Workers	WIOA	\$958,146
	Expanded Subsidized Employment (ESE)	County of San Diego	\$177,367
	Breaking Barriers San Diego	DOL –WIF	\$148,579
	English Language Learner Grant (ELL)	Employment Development Department (EDD)	\$88,141
MDRC-Evaluation Study	Breaking Barriers San Diego	DOL –WIF	\$854,869
Second Chance	Reentry Works 1	DOL	\$403,862
	Reentry Works 2	DOL	\$387,481
International Rescue Committee	English Language Learner Grant (ELL)	EDD	\$168,677
Youth			
Able Disabled Advocacy	(Metro) Out of School Youth (OSY)	WIOA	\$489,600
Access, Inc.	(Metro) OSY	WIOA	\$441,600
	(East) OSY	WIOA	\$440,736
	(North) OSY	WIOA	\$441,600
	(South) OSY	WIOA	\$713,318
	(County-Wide) Foster Youth SPA	WIOA	\$517,165
Interfaith Community Services	(North) OSY	WIOA	\$437,972
International Rescue Committee	(East) OSY	WIOA	\$228,000
San Diego Continuing Education	(Metro) OSY	WIOA	\$420,096
Second Chance	(Metro) OSY	WIOA	\$432,000
South Bay Community Services	(County-Wide) Foster Youth ILS	WIOA	\$528,000
YMCA	(North) OSY	WIOA	\$413,317

Item #7: 2018 Meeting Dates

INFORMATION ITEM – NO ACTION REQUIRED

The Policy Board meeting schedule will be from 1:00pm to 2:00pm the fourth Friday of every other month, beginning in February (except December):

- Friday, February 23, 2018
- Friday, April 27, 2018
- Friday, June 22, 2018
- Friday, August 24, 2018
- Friday, October 26, 2018
- Friday, December 14, 2018

Item #8: CEO & STAFF REPORT

INFORMATION ITEM – NO ACTION REQUIRED

The CEO and staff members will provide an update on recent and upcoming SDWP activities