San Diego Workforce Partnership

# Policy Board Agenda

Date: Thursday, February 22, 2024

Time: 1:00 pm

Place: San Diego County Administration Center Board of Supervisors Chamber, Room 302
1600 Pacific Highway, San Diego CA 92101

## AGENDA ITEMS – OPEN SESSION:

Item 1: Non-Agenda Public Comment

**ACTION ITEMS:**

Item 2: 2024 Policy Board Chair & Vice Chair Selection

Item 3: Minutes of the November 16, 2023 Meeting

Item 4: Client Services: Adult and Dislocated Worker WIOA Funding Transfer

Item 5: Client Services: Live Well Southeastern Internship Program Contract Renewal

Item 6: Conrad Prebys – Healthcare Program Contract

Item 7: Sector Initiatives: High Road Construction Careers (HRCC): Resilient Workforce Subagreement

Item 8: Proposal to Adopt a Resolution to Clarify Contractual Authority & Scope

Item 9: South County Career Center Lease Renewal

**INFORMATION ITEMS:**

Item 10: SDWP Organizational Updates

Item 11: FY24 Mid-Year Budget Update

Item 12: Proposal for Amendment to SDWP Organizational Bylaws

Item 13: 2024 Policy Board Meetings Calendar

## AGENDA ITEMS – CLOSED SESSION:

Item 14: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Government Code Section 54956.9: (one or More Potential Cases)

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 please complete a Public Comment Form. The SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

## **Item #1:** Non-Agenda Public Communication

Opportunity for members of the public to speak to the Policy Board on any subject matter within the Policy Board's jurisdiction but not an item on today's agenda.

## Item #2: 2024 Policy Board Chair & Vice Chair Selection

**ACTION ITEM – VOTE REQUIRED:**

Pursuant to the Joint Exercise of Powers Agreement between the County of San Diego and the City of San Diego section (4)(a), the Policy Board to select a Chair and Vice Chair for 2024.

## Item #3: Minutes of the November 16, 2023 Meeting CEO Report

**ACTION ITEM – VOTE REQUIRED:**

San Diego Workforce Partnership

Consortium Policy Board

Minutes of the November 16, 2023 Meeting

**Members Present**

Monica Montgomery Steppe, Council President Pro Tem, City of San Diego, District 4 (Chair)

Sean Elo-Rivera, Council Member, City of San Diego, District 9

Nancy Sasaki, CEO, United Way of San Diego County

**Legal Counsel Present**

David Powell, Deputy City Attorney, City of San Diego

Randall Sjoblom, Senior Deputy County Counsel, County of San Diego

Audie de Castro, General Counsel, SDWP

**Staff Present**

Tony Young, Interim President, and CEO

Khaleda Atta, COO

Carlynne Yu, VP Finance

**Location**

City Hall 202 C St, San Diego, California 92101

City Council Committee Room – Floor 12

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 Council President Pro Tem Montgomery Steppe at 2:00pm, with a quorum present.

**Non-Agenda Public Comment**

*Item 1* **Non-Agenda Public Communication**

None

## Action Items

*Item 2* **Minutes of the October 19, 2023 Meeting**

Motion: Board approves the meeting minutes.

*Moved (N. Sasaki), Seconded (M. Montgomery Steppe) Carried Unanimously*

*Item 3* **FY23 Financial & Audit Updates**

C. Yu, VP of Finance, summarized SDWP FY23 Financial and Audit Status. C. Yu shared an unaudited balance sheet as the Finance Department is currently undergoing FY23 year-end.

C. Yu mentioned FY23 key activities such as cleaning up of aged payables (reduction of 40%) and amounts due to other agencies (reduction of 50%), receiving $10M prepayment (increase of 300%) for Sector Initiatives from State Funding for public administration and healthcare sectors.

C. Yu provided a snapshot of SDWP's current financial state as FY23 amounts presented are subject to change due to year end rebalancing.

The budget versus actuals for FY23 revealed a consistent overstatement of budgets by 10%. FY24 was adjusted to $36.5 million, considering operational challenges, staff turnover, and backlog issues. Plans to enhance the fund spending efficiency included system updates for budgeting software and an updated ADP system payroll and human resources.

C. Yu shared the audit process for FY23, which will start in December, with RAMS and its variance segments. RAMS was selected through the procurement process via an Invitation for Bid (IFB) for audit services. SDWP received one bid from RAMS, who is familiar with SDWP and has been auditing SDWP financials for seven years.

N. Sasaki inquired about the cleanup specifics, liabilities, and the selection of RAMS as the auditing firm.

C. Yu explained the cleanup and provided examples of historical issues like unclaimed checks and timely return of funds from an embezzlement claim. She confirmed RAMS as the previously used auditing firm and highlighted RAMS expertise.

M. Montgomery Steppe inquired about the underperformance and underutilization of funding highlighted in the updates, and asked whether there are any steps implemented by SDWP to support the sub-recipients as well as the organization. C. Yu highlighted the process SDWP finance team takes and shared SDWP's ongoing efforts to support sub-recipients.

K. Atta mentioned SDWP's steps to a thorough review of internal and external operations documentation to enhance clarity and compliance.

*Item 4* **WDB Adoption of Amendment to Organizational Bylaws Article X**

A. de Castro, SDWP General Counsel, updated the board regarding the proposed amendments to the organizational bylaws Article X. He outlined the previous discussion and highlighted the reasons for the proposal. The proposed amendments aimed to clarify the quorum requirement for approving bylaws amendments, determine whether a 2/3 or 51 majority was needed, and the advance notice requirement.

He provided an overview of the discussion revolved around the proposed amendments to the organizational bylaws and the resolution adopted by the WDB on November 9th.

The WDB met on November 9th, and at least 2/3 of the members were present. They adopted the language clarifying the quorum requirement and maintained the higher standard of a 2/3 majority for approving amendments. Additionally, the notice requirement was amended from 15 days to seven (7) days.

The adopted amendments were duly approved, and a copy was presented to the Policy Board and its legal counsel. The update concluded with gratitude for the attorney's guidance and the acknowledgement that the amendments were deemed acceptable by the Policy Board.

*Item 5* **Proposal to Adopt a Resolution to Clarify Contractual Authority and Scope**

A. de Castro presented the proposal of adoption a resolution to clarify contractual authority and discussed the need to clarify the scope of management's authority to enter into contracts. He mentioned that there is a past practice that all contracts exceeding $100,000 are supposed to be presented to the Board for approval. But there has been inconsistency in following this practice in the past due to lack of clear documentation on delegated contractual authority to management under the Partnership Agreement with the Policy Board.

K. Atta added that the management team observed inconsistencies in prior practices related to contract approval threshold. While the procurement policy indicated a $100,000 threshold, there was no documented evidence of delegated authority. The proposal sought consideration for adopting a resolution to expressly establish a threshold of $250,000. That threshold would be consistent with the Directive for Procurement issued by the EDD for WIOA recipients.

The board members discussed the nature of contracts that were subject to approval particularly those related to WIOA funding, and whether dual approval processes were necessary. Additionally, the discussion

included how the budget aligns with contract approval and whether variances from the budget should be explicitly brought to the board's attention.

Board member Elo-Rivera suggested upfront transparency in the budget process, including information about single-source contracts and involved partners. Board member N. Sasaki discussed the level of detail needed in budget presentations, the importance of tracking variances, and shared her experience managing United Way organization.

Board members M. Montgomery Steppe and Elo-Rivera emphasized the importance of considering the liability and governance expectations associated with overseeing WIOA funds. D. Powell, Deputy City Attorney, acknowledged the unique status of SDWP as a federally designated entity and highlighted the need for higher standards of accountability.

In conclusion, the board did not take action on the item, but it will be considered at a future meeting.

*Item 6* **CEO Report**

T. Young presented the CEO report regarding organizational updates, bylaws clarification, and operational highlights.

He provided an update on the organization's efforts to address the backlog challenges in serving clients efficiently. Additionally, he shared the team efforts in identifying the need to streamline the intake and eligibility process, eliminating the program match finder that was hindering the initial engagement with clients.

The intake and eligibility service has been centralized into its own department. This change aims to streamline the process and address backlog issues. The process is now more human-centered, encouraging direct engagement with interested clients.

The decision was made after two retreat sessions with staff members from different levels of the organization.

To enhance efficiency, the organization decided to centralize its policies and procedures, with the Compliance and Operations Department working on updating and clarifying internal and external policies.

Additionally, T. Young mentioned the reorganization that involved eliminating the Vice President role for customer experience and program match finder, establishing a Director of Communications position, and planning to appoint a new Vice President of operations to oversee several departments such as Learning and communications, IT and Facilities, Intake & Eligibility, Compliance and Operations.

He added that the responsibility for ensuring a top-tier client experience was shifted from a separate department to the executive teams of each department.

Overall, these changes aimed to improve the client intake process, organizational structure, and policies for better efficiency and sustainability.

T. Young overviewed upcoming recommendations from the staff, focusing on internal operations and policies. Two significant issues were highlighted: the streamlining of policy management, considering changes in workforce dynamics and remote work.

Additionally, T. Young highlighted ongoing initiatives including the development of a master plan for facilities usage to better align with the workplace trends.

Lastly, T. Young highlighted SDWP's operational activities and events from last month as indicated below:

**Sector Initiatives:**

- On October 18, in partnership with NAMI San Diego, SDWP conducted the Peer Support Specialist Training Program (PSST) Orientation. The Peer Support Specialist is one of SDWP direct service behavioral health training programs. SDWP goal is to train 120 individuals to be peer support specialists over three years in a comprehensive 4-component program.

**Business Engagement:**

**11th Annual Start-up Week on 10/23**

- Several staff participated in the Exhibitor Expo with 50+ exhibitors featuring startups from North and South Counties & 500+ attendees
- The programming focused on celebrating the tech start-up community, which meant celebrating companies, founders, startups leaders, creators, designers, and entrepreneurs that were creating impactful solutions while also growing the local economy
- Location: Carlsbad
- Partners: Start-up San Diego & City of Carlsbad

**6th Annual Life Science Biocom Workforce Symposium on 10/26**

- The business engagement participated in the event designed for veterans and service members transitioning out of the military and underrepresented populations from various backgrounds and educational attainment levels that want to get into the life sciences industry, which included learning about how to navigate the life sciences hiring landscape
- The symposium featured speakers and panelists from the Biocom California Institute, Thermo Fisher Scientific, Merck, Amgen, Triplebar, Illumina, and more
- Location: UTC area

- Partners: Biocom

**45th Annual Grossmont College Job Expo on 11/2**

- Several staff participated in the Job Expo and Interim CEO, Tony Young also popped by the event
- The event promoted employment and resources to job seekers as well as local college students
- The event allowed job seekers to network with local companies and organizations.
- Over 100 employers within the San Diego region were present. This was a FREE event for students, alumni, staff, faculty and community members
- Location: La Mesa

Partners: Grossmont College

At the end of the meeting, the board members expressed their appreciation and thanked T. Young and the executive team for the transparency in communication and commitment to making SDWP a better place which led eventually to much more benefited public and community.

**Adjournment:** The meeting was adjourned at 2:50 pm for closed session.

**Next Meeting:** 12/14/2023

## Item #4: Client Services: WIOA Adult and Dislocated Worker Funding Transfer

**ACTION ITEM – VOTE REQUIRED:**

***Recommendation*:** Authorize a transfer request with the EDD for a revised WIOA award allocation of 75% Adult funds and 25% Dislocated Worker based on shift in funds from: Grant 502, Subgrant AA411033 (DW) to: Grant 500, Subgrant AA411033 (AD).

| Allocations | Amount | Amount | Transfer |
|---|---|---|---|
| **Current** | Adult: $5.7 M (52%) | DW: $5.3 M (48%) | |
| **Requested** | Adult: $8.5 M (75%) | DW: $2.5 M (25%) | **$2.8M** |
| **Needs assessment:** | | | |
| 1. **Enrollment Patterns**: Higher demand in Adult vs. Dislocated Workers.<br>2. **Low Unemployment**: The unemployment rate has been consistent and low. | | | |

We have seen fewer individuals qualifying for our services under the dislocated worker definition. Cumulatively for Q1 and Q2 of FY24, only 27% of the clients we enrolled at our career centers were enrolled as a dislocated worker, as compared to 73% enrolled as Adults. This follows previous years' patterns.

Several factors are considered when requesting a transfer of funds. Among these factors, the Local Board specifically highlights the changes in the labor market, the Local Workforce Board is experiencing a high number of clients seeking adult services, including training, resulting in a lower number of dislocated workers seeking services.

The unemployment rate in San Diego County is also contributing to the need for this request. The unemployment rate in San Diego County in November was 4.2 percent, unchanged from a revised 4.2 percent in October 2023, and above the year-ago estimate of 3.3 percent.

This rationale aligns with SDWP's strategic approach to allocating resources efficiently and addressing pressing needs within the adult community based on current economic conditions.

The current economy and job market require more support for career transition, or to obtain more education and/or occupational/upskilling training.

EDD allows for transfer requests throughout the year between the Adult and DW funds. You can transfer up to 100%. We are requesting that we reallocate our funds to be 75% Adult and 25% DW to better accommodate the community needs we are seeing.

## Item #5: Client Services: Live Well Southeastern San Diego Internship Program

**ACTION ITEM – VOTE REQUIRED**

**Recommendation:** Authorize the **renewal** of the sub-recipient agreement in the **amount of $208,135** for the "Live Well Southeastern San Diego Internship" program with Access, Inc. If approved, the agreement will not exceed this amount.

| Contractor | Funding Source | Amount | # Served | Cost Per Participant |
|---|---|---|---|---|
| Access, Inc. | County of San Diego: Health and Human Service Agency | $208,135 | 65 Youth (18-24) | $3,202 |
| **Contract Outcomes** | | | | |
| • 65 participants will attend no less than one day of the Job-Readiness Training.<br>• 65 participants will complete no less than 80% of the hours of the assigned training course | | | | |

**Contract Term:** January 1, 2024 – June 30, 2024 (4th year of a 5-year procurement cycle)

**New contract or renewal:** Sole Sourced Renewal (funder approved continuity)

**Scope of Work:**

- Recruitment and assessment
- Job readiness training
- Classroom training
- Paid internships
- Career support services

**Contract Payment Terms: Pay for Performance**

| Deliverables | Reimbursement |
|---|---|
| **Recruitment and Assessment:** 150 are recruited for the program | $11,250 |
| **Training Initiation:** 65 participants complete at least one day of training | $13,000 |
| **Training Completion:** 65 participants complete at least 80% of the training | $49,400 |
| **Evaluation Creation:** create 1 outcomes-based exit evaluation | $1,995 |
| **Evaluation Completion:** 50 complete outcomes-based exit evaluation | $3,750 |
| **Follow-up Case Management:** Conduct at least 1 follow-up service to 50 participants after program participation | $12,500 |
| **Open House:** facilitate 2 open houses for prospective participants | $3,000 |
| **Case Management:** conduct 180 case management touchpoints during the program year | $59,940 |
| **Reimbursable Costs:** wages paid to clients during the training stage and associated payroll taxes; supportive services provided to clients | $53,300 |
| **Total:** | **$208,135** |

**Future Option Years:** 4th and final option year in a 4-year procurement cycle.

**Contractor Selection: Small Purchase $100,000 to $250,000**

Through building one-on-one relationships with participants and providing tailored training and relevant resources, Access, Inc provides participants with the tools they need to achieve their education and employment goals, no matter where they are on their career journeys or what barriers they may face due to circumstances.

Access' historic performance & partnership with SDWP on training components and case management on County programs, and Access' ability and willingness to leverage other funding sources to support program enhancement make them uniquely qualified to execute this service agreement.

**Target Populations:** Youth in low-to-moderate income households residing in the Southeastern San Diego catchment area aged 18-24.

**Background:** With over 41,000 young people aged 16-24 in San Diego County who are not in school or working, it's critical to address issues of education and career early in a student's life to change this outcome from disconnection to opportunity. The development of a skilled workforce is vital for improving a region's economy. Individuals unprepared to enter the workforce due to a lack of education or training are more likely to live in poverty.

This program supports work readiness and increased job opportunities specifically for youth residing in the catchment areas of Southeastern San Diego to develop a pipeline of prepared candidates for the workforce. The program advances the vision of creating self-sufficient, safe, and healthier communities by the creation and administration of impactful job readiness training and employment programs that support personal and community economic growth opportunities.

## Item #6: Conrad Prebys Healthcare and Youth Workforce Initiative – Welcome to Healthcare Careers Program

**ACTION ITEM – VOTE REQUIRED**

**Recommendation:** Authorize the execution of a new sub-recipient agreement in the amount of $200,000 for the "Welcome to Healthcare Careers" youth program with Access, Inc. If approved, the agreement will not exceed this amount.

| Contractor | Funding Source | Amount | # Served | Cost Per Participant |
|---|---|---|---|---|
| Access, Inc. | Conrad Prebys Foundation | $200,000 | 75 Youth (16-26) | $2,667 |
| **Contract Outcomes** | | | | |
| • Enrollment – enroll 75 youth participants, with focus on BIPOC & Lived Experienced<br>• Work Readiness Training – at least 50 participants complete an intensive healthcare-focused work readiness training<br>• Case Management – at least 50 participants receive intensive case management with at least 3 touchpoints per month<br>• Placement – at least 50 participants are placed in direct employment, subsidized internships, occupational trainings, and/or healthcare programs & educational opportunities<br>• Follow-up Services – at least 50 participants receive follow-up services | | | | |

**Contract Term:** February 1, 2024 – October 31, 2025

**New contract or renewal:** Sole Sourced New (Approved by Funder)

**Scope of Work:** "Welcome to Healthcare Careers" (WHC) will help opportunity and overburdened youth across under-resourced communities in San Diego County find and sustain meaningful employment in the healthcare field. WHC will place 50 opportunity and overburdened youth in healthcare direct employment, subsidized internships, occupational training, and/or educational opportunities. Diverse youth are not well represented in the healthcare industry. WHC will introduce youth to healthcare careers leading to more diversity while creating pathways to self-sufficiency.

**Contract Payment Terms: Pay for Performance**

| Deliverables | Reimbursement |
|---|---|
| **Enrollment**: 75 youth enter the program | $25,000 |
| **Work readiness trained:** 50 complete healthcare focused training | $50,000 |
| **Case managed:** 50 participants receive regular case management | $25,000 |
| **Placed:** 50 participants enter employment, internship, occupational training, or education | $100,000 |
| **Total:** | **$200,000** |

**Contractor Selection: Small Purchase $100,000 to $250,000**

Through building one-on-one relationships with participants and providing tailored training and relevant resources, Access, Inc. provides participants with the tools they need to achieve their education and employment goals, no matter where they are on their career journeys or what barriers they may face due to circumstances.

Access, Inc. is uniquely qualified to execute this contract as they hold 2 (including the largest) SDWP funded WIOA Youth contracts including the Youth Career Center contract. These WIOA Youth contracts will be braided and leveraged to holistically serve opportunity and overburdened youth. Access, Inc. also runs specific programming in the Southeastern San Diego area and is well-connected to youth and other community-based organizations in this region.

**Target Populations:** 16-26-year-old opportunity and overburdened youth with a focus on the BIPOC community and specific populations (WIOA Youth programming populations) including: Black opportunity youth, foster youth, justice-impacted youth, unstably housed youth, and ELL, refugee, and immigrant youth. At least 25% of participating youth will reside in Southeastern San Diego.

**Background:**

The healthcare workforce shortage has been well documented, with employee burnout and fewer new workers entering the field being major contributing factors. There is a need to expose youth to possibilities in healthcare, develop emerging professionals, and train those currently in the field to meet the needs of an increasingly diverse patient population. There is a critical need in San Diego for greater investments in the future of our healthcare workforce, specifically focused on:

- Exposing, recruiting, expanding, and deepening high-quality job training, bridge, and certification programs that retain and create pathways for youth from historically marginalized communities to needed healthcare careers.

Addressing some of the critical barriers to a more diverse, culturally competent, high-quality workforce, including reducing the disconnect between training programs and placements.

## Item #7: Sector Initiatives: High Road Construction Careers (HRCC): Resilient Workforce Subagreement

**ACTION ITEM – VOTE REQUIRED**

**Recommendation:**

That the Policy Board authorize SDWP to issue a new subagreement funded by High Road Construction Careers: Resilient Workforce Funding (HRCC: RWF). The specific contract is as follows:

| Contractor | Funding Source | Amount | # Participants | Cost Per Participant |
|---|---|---|---|---|
| Vista Unified School District | CA Workforce Development Board (CWDB) | $555,272 | 72 served, 57 trained | $7,712.11 |
| **Contract Outcomes (determined by CWDB Board contract 7/18/23)** | | | | |
| **For Training Providers:**<br>• Funding covers 3 cohorts (cohort cap: 24) for a maximum of 72 students<br>• 80% of enrolled individuals complete training and earn MC3 and other industry recognized certifications<br>• Delivery of weekly stipends, supportive services, and other resources are tracked in SGDS (State Grants Data System) and entered no later than 7 days after service delivery | | | | |

**Contract Term:** February 1, 2024 – June 30, 2025

**New contract or renewal:** New

**Procurement Method:** Sole Source (Funder-approved in Contract)

**Option Years:** Available based on performance and funding

**Contract Payment Terms:** Cost Reimbursement

**Grant & Program Overview**

| Grant Name | High Road Construction Careers (HRCC): Resilient Workforce Fund (RWF) |
|---|---|
| Program Name | Apprenticeship Readiness Program (ARP) |
| Funder | California Workforce Development Board (CWDB) |
| Grant Total | $6M |
| End Date | 3/31/2026 |
| Updates | • SDCEF cohort #1 graduated 12/14/23<br>• Southwestern Cohort #1 began 1/30/24<br>• SDCEF cohort #2 begins 3/11/24 |
| Other Certified MC3 Providers Pending Future Board Approval | Grossmont-Cuyamaca CC District, Imperial Valley College |

| HRCC: RWF Outcomes | # of Participants |
|---|---|
| Enrolled | 288 |
| Completed (MC3 Earned) | 224 |
| Placed (Apprenticeship) | 214 |
| Placed (Post-Secondary Ed) | 71 |

The MC3 curriculum is proprietary to NABTU, which allows CWDB to authorize MC3 training providers' selection by the local building trades council via sole source. As MC3 training providers are required to be included with CWDB's High Roads initiative, Vista Unified School District, as well as previous SDWP board-approved San Diego Continuing Education Foundation and Southwestern College, has been approved by Sole Source after certification from the San Diego Building Trades Council. Regional certification is based on capacity, alignment with the High Roads framework, geography, and localized need. VUSD's location provides key access for the North County community to access this training opportunity and subsequent career pathways. VUSD also boasts construction and welding CTE programs that will be key sources of future ARP students, new state-of-the-art facilities and the capacity to host, and a Project Labor Agreement that guarantees key work and job quality for future workers.

**Scope of Work:** VUSD will receive enrolled individuals from SDWP, host the ARP and deliver training, support outreach efforts to their unique communities, and promote retention through the duration of the program by delivering supportive services and stipends to participants. Training providers are responsible for tracking key data with support from SDWP.

SDBTC hires and certifies the region's MC3 Program Lead and Instructors to ensure they meet the requirements established by NABTU. Staff under SDBTC are responsible for curriculum & program development, instruction, assessment, mentoring, and post-program placements in union apprenticeship programs and/or with signatory contractors.

**Background:** SDWP was awarded its first HRCC grant in 2020 from CWDB. SDWP served as fiscal agent and worked in close collaboration with the San Diego Building Trades Council to create ARC and launch the program with one training provider: SDCEF. SDWP was awarded HRCC: RWF funding in 2023 to scale and expand the MC3 program regionally.

## Item #8: Proposal to Adopt a Resolution to Clarify Contractual Authority & Scope

**ACTION ITEM – VOTE REQUIRED**

Section 5.e. of the Partnership Agreement states that the responsibilities of the Consortium include…"Approve contract actions or delegate to SDWP the authority to approve contract actions for services provided pursuant to this Agreement, in accordance with Consortium policy." In short, this provision appears to require the approval of one of *either* the Consortium or SDWP (not both) and is unclear as to the *type* of contract requiring approval (i.e. whether it is limited to a contract for "services" *only* or relate to all contracts for the "services provided pursuant to this Agreement").

Furthermore, current management found that SDWP has been inconsistent in its past practices in entering into contracts. For example, it appears the accepted practice has been that contracts under $100,000 were not submitted to either the Consortium or the Workforce Development Board (WDB) for approval. Yet, some contracts over $100,000 appeared to not have been approved by the Consortium and/or SDWP Board for unknown reasons.

Although management has located internal policies with respect to contractual authority, it is uncertain to what extent the Consortium has delegated any authority to the SDWP under Section 5.e. As a result of these uncertainties, current management has erred on the side of caution by obtaining approval for contracts in excess of $100,000 from both the Consortium and the WDB. Management has also reviewed the procurement policies of other organizations for additional guidance.

Recently, the SDWP Board adopted a resolution delegating authority on contracts of up to $250,000.

With respect to the current approval process, management believes that the practice of obtaining approval from both governing boards can be inefficient and possibly inconsistent with the intent of Section 5.e. A possible solution is for the SDWP Board and the Consortium to formally adopt a resolution *expressly* delegating limited authority to the SDWP to enter into contracts up to a certain amount to be determined in this case, the same amount the SDWP Board recently delegated by resolution. Such a resolution would be consistent with the Directive on Procurement of Equipment and Related Services adopted by the California Employment Development Department (EDD) on March 14, 2018 (WSD17-08), applicable to WIOA subrecipients, contains a limit of $250,000+ to be considered "formal". This possibility was discussed at the last Policy Board meeting.

Formal and express delegation of authority and adoption of a higher threshold, in line with the related EDD Directive, will provide more certainty to SDWP management and staff. This will likely improve management's efficiency in achieving its WIOA objectives. Such express delegation by the Consortium will not preclude the WDB from independently exercising its own board oversight duties.

Lastly, Section 5.e. is unclear as to what *types* of contracts are subject to approval. It appears intended to only apply to contracts that involve the use of government funds obtained under WIOA, but also apply to goods (and not just services). While this

interpretation would exclude contracts that are non-WIOA funded, it would also expand the scope of Section 5.3. to include contracts for goods that involve WIOA funds.

**Proposals to Consider**

Pursuant to Section 5.3. of the Partnership Agreement, at the last Policy Board meeting the Consortium was asked to consider expressly delegating to the SDWP the authority to enter into contracts for goods and services that involve the use of WIOA funding of amounts below $250,000 (or whatever threshold the Consortium elects) without prior approval from the Consortium. The Consortium indicated it would consider the threshold but may also require approval for contracts that involve non-WIOA related funds.

Specifically, management respectfully requests the following resolutions be adopted:

(1) The Board delegates to management, under the supervision of the Chief Executive Officer, the authority to enter into contracts up to a value of $250,000 each to be consistent with what the SDWP Board's resolution.

(2) Any single contract or series of related contracts that exceed $250,000 shall require the vote of the Policy Board and the SDWP Board.

Management believes adoption of a formal resolution by the Consortium will remove uncertainty in management's ability to enter into contracts, allow SDWP to take actions under the WIOA more expeditiously, and reduce the workload and time spent by the WDB in approving smaller contracts.

Until such formal resolutions are adopted by Consortium and the WDB, management will continue to seek approval from both governing boards for all contracts over $100,000, without exception.

## Item #9: South County Career Center Lease Renewal

**ACTION ITEM – VOTE REQUIRED**

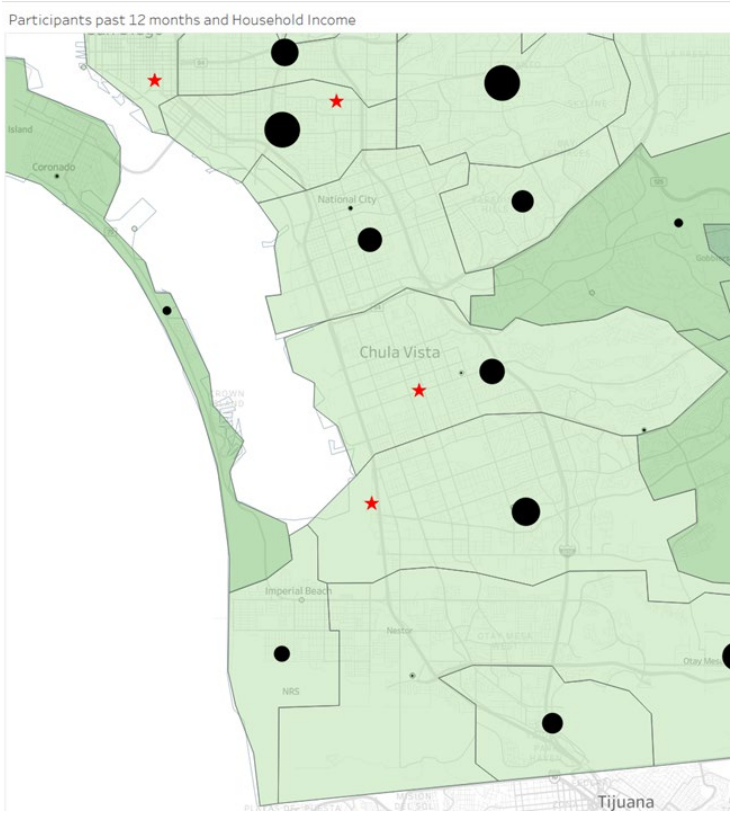
**RECOMMENDATION(S):**

Request for the Policy Board to authorize management to sign a one-year lease agreement extension (April 1, 2024-March 31, 2025) with INLAND INDUSTRIES GROUP, LP for the South County Career Center for a total of $553,104. The current cost per square foot is $2.25, and the renewal rate will be $2.32 per square foot, for a total annual cost increase of $16,216.

**BACKGROUND**

The South County Career Center located at 1111 Bay Blvd, Chula Vista, is part of the SDWP One-Stop Career Center Network serving the southern region of San Diego County. This facility provides individuals with the guidance and resources necessary to achieve employment success and to deliver quality workforce services to employers. The current square footage of the space under the lease is 19,867 square feet and its cost is $44,740 per month plus operating expenses under the 8th Lease Amendment expiring on March 31, 2024.

Below is a map of our current Metro, Downtown, and South County Career Center.



## FISCAL IMPACT

Highlights from the Renewal of the current Chula Vista South County Site:

- 12-month term effective April 1st, 2024
- 19,867 sq. feet
- $2.32 SF Gross, $46,092 per month

Comparison between current rent and proposed agreement.

| Property | Cost per sq ft | Size | Monthly Base Rent | Annual Cost | Annual Cost Increase from Current |
|---|---|---|---|---|---|
| Current | $2.25 | 19,867 | $44,740 | $536,888 | |
| Renewal | $2.32 | 19,867 | $46,092 | $553,104 | $16,216 |

**Base rate and annual rent increase comparisons**

The proposed lease rate and annual base rent increases are competitive for the San Diego region as referenced in the table below:

| SCCC Location | Current Rate Per Sq Ft | Annual Base Rent Escalation |
|---|---|---|
| 1111 & 1151 Bay Blvd (19,867 SF) | $2.25 | n/a |
| | | |
| **Renewal of SCCC** | **Renewal Rate Per Sq Ft** | **Annual Base Rent Escalation** |
| 1111 & 1151 Bay Blvd (19,867 SF) | $2.32 | 3% |
| | | |
| **Comparative Location** | **Rate Per Sq Ft** | **Annual Base Rent Escalation** |
| 480 4th Avenue | $3.10 | 3% |

## Item #10: SDWP Organizational Updates

**INFORMATION ITEM - NO ACTION REQUIRED:**

- SDWP management to provide key operational and staffing updates.

- CEO Tony Young to provide update on SDWP Emergency Flood Response including request to EDD for just under $1M WIOA Emergency Additional Assistance Funds to support the public with supportive services and worker training needs as part of the first phase of immediate response. Ongoing coordination is taking place with County and City authorities, the Small Business Administration (SBA), the San Diego & Imperial Valley Small Business Development Center Network, Employment Development Department (EDD) workforce & UI divisions, local chambers of commerce, and other partners on assessing best means of supporting affected populations.

- In addition, key updates will be provided on the upcoming Strategic Plan exercise, ongoing organizational and leadership development efforts, the release of the FY23 Annual Report and other key current operational highlights.

## Item #11: Proposal for Amendment to SDWP Organizational Bylaws

**INFORMATION ITEM – NO VOTE REQUIRED:**

Audie de Castro, SDWP General Counsel, to provide an overview on the proposed Amendments to SDWP Organizational Bylaws. Draft Bylaws attached for reference, and a summary of the proposed changes as follows:

| DESCRIPTION | *PROPOSED* BYLAW | CURRENT BYLAW |
|---|---|---|
| Proposed Bylaws now incorporate the "Partnership Agreement" with the Consortium and a historical explanation of "Consortium" and "Policy Board" | Recitals B-D | None |
| Proposed reduction in size of board from 21-30 to 15-25 | Par. 4.3 (p. 4) | Art. IV.C. (p. 2) |
| The composition of members of the Board is revised to conform with WIOA | Par. 4.4 (pgs. 4-5) | Art. IV.C. (p. 3) |
| The removal of directors is made easier for excessive absences | Par. 4.7 (p. 5) | Art. IV.H. (p. 4) |
| Financial disclosure obligations (i.e. Form 700) are added | Par. 4.10 (p. 6) | None |
| The conflict-of-interest policy incorporated | Par. 4.11 (p. 6) | None |
| The authority to call meetings would include Vice- Chair and CEO; covers both regular and special meetings | Par. 5.1 (p. 6) | Art. VI.B. (p. 6) |
| Provision for closed session meetings added | Par. 5.4 (p. 7) | None |
| Expanded detail on notice requirements for meetings under the Brown Act | Par. 5.6 (p. 7) | Art. VI.D. (p. 6) |
| Provision for emergency voting at regular meetings added | Par. 5.9.B. (pgs. 8-9) | None |
| Procedures for election of officers added | Par. 6.2 (p. 10) | None |
| Express bylaw provision requiring that Chair and Vice-Chair be elected from the "business sector" is added (WIOA only requires the Chair) | Pars. 6.4 and 6.5 (p. 10) | None |
| Treasurer and Secretary positions are now separate | Par. 6.6 and 6.7 (p. 11) | Previously combined |
| Added Standing Committee Chairs as members of Executive Committee | Par. 7.5 (p. 12) | Par. VII.A. (p. 7) |

| | | |
|---|---|---|
| Added definition of “Financial Expert” serving on the Audit Committee | Par. 7.6 (p. 13) | |
| “Joint Personnel Committee” bylaw is added, pursuant to the Partnership Agreement | Par. 7.8 (p. 14) | None |

**Excludes stylistic, organizational, and less material changes.*

## Item #12: FY24 Mid-Year Budget Update

**INFORMATION ITEM – NO VOTE REQUIRED:**

FY24 Budget was set at $36.5M. Our projected expenditures to date is trending at $36.2M. Some programs (ie: Equal Representation in Construction Apprenticeship, State Peer Support and Google) have adjusted the timing of their activities causing a reduction in expenses. However, we are continually working on providing more services to our participants and increasing funding to best serve the community.

07/01/23-12/31/23 (YTD) expenditures were budgeted at $17.2M. We are currently at $16.5M. The deficit is attributed to lower personnel count and enrollment with regards to supportive services. This is offset by an increase in professional fees and contractor payments due to timing of services.

As FY25 budgets are prepared in the Spring, an effort will be made to reassess and amend the current cost allocation methodologies for improved optimization of WIOA funding across the organization, in line with its mandate to support the entire workforce system.

## Item #13: 2024 Policy Board Meetings Calendar

**INFORMATION ITEM - NO ACTION REQUIRED:**

**BACKGROUND**

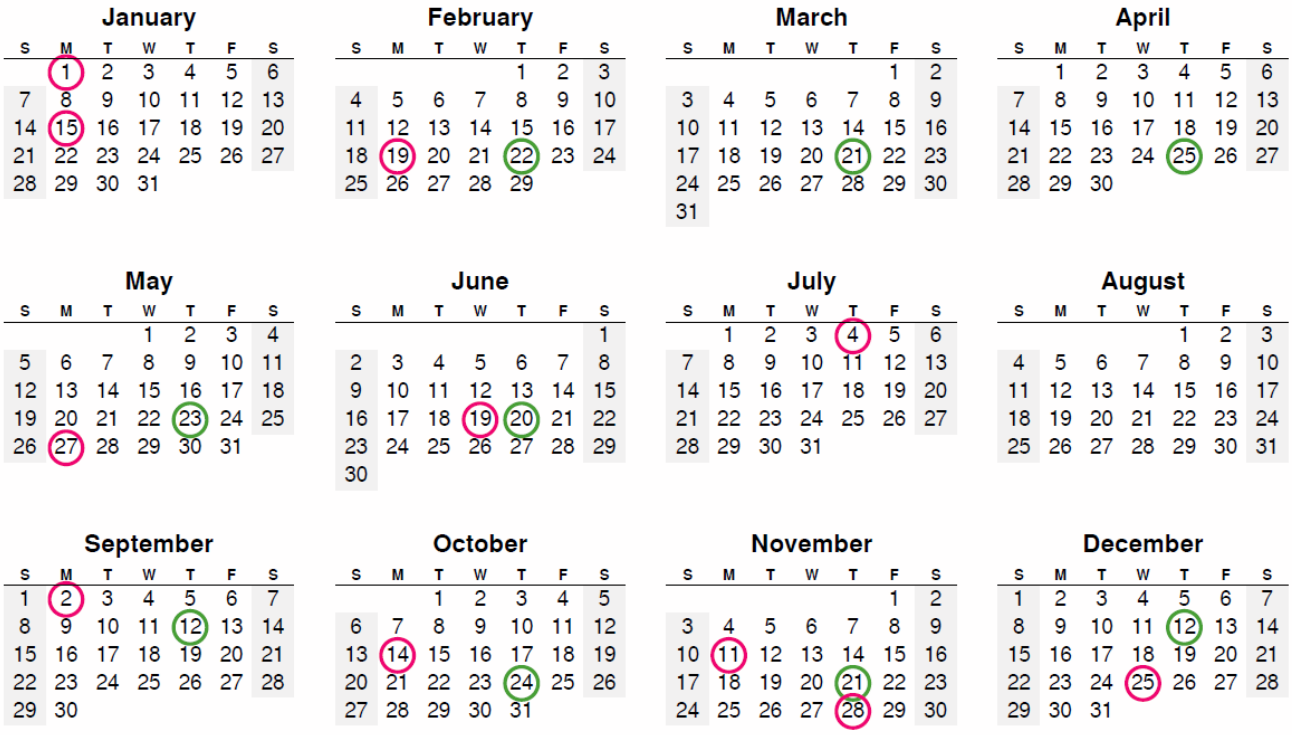
In 2023, the Policy Board met at 1pm on Thursdays – one week after the Workforce Development Board (WDB) meeting.

**Recommendation**

Board members discuss and determine the optimal day of week and time to meet for 2024.

Green: Policy Board Proposed Meetings Calendar

Red: Holidays



| Jan 1 | New Year's Day | Apr 25 | Policy Board Meeting | Jul 4 | Independence Day | Nov 11 | Veterans Day |
|---|---|---|---|---|---|---|---|
| Jan 15 | Martin Luther King Jr. Day | May 23 | Policy Board Meeting | Sep 2 | Labor Day | Nov 21 | Policy Board Meeting |
| Feb 19 | Presidents' Day | May 27 | Memorial Day | Sep 12 | Policy Board Meeting | Nov 28 | Thanksgiving Day |
| Feb 22 | Policy Board Meeting | Jun 19 | Juneteenth | Oct 14 | Columbus Day | Dec 12 | Policy Board Meeting |
| Mar 21 | Policy Board Meeting | Jun 20 | Policy Board Meeting | Oct 24 | Policy Board Meeting | Dec 25 | Christmas Day |