

**Management Audit of
San Francisco's Workforce Development
Programs**

**Prepared for the
Board of Supervisors
of the City and County of San Francisco**

**by the
San Francisco Budget Analyst**

August 2, 2007

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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August 2, 2007

Honorable Tom Ammiano,
and Members of the Board of Supervisors
City and County of San Francisco
Room 244, City Hall
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Dear Supervisor Ammiano and Members of the Board of Supervisors:

The Budget Analyst is pleased to submit this *Management Audit of San Francisco's Workforce Development Programs*. This management audit of the City's workforce development programs was conducted by the Budget Analyst, pursuant to the Board of Supervisors powers of inquiry as defined in Charter Section 16.114. The purpose of the management audit has been to: (i) evaluate the economy, efficiency and effectiveness of the workforce development programs implemented by City departments; and (ii) assess the appropriateness of established goals and objectives, strategies and plans to accomplish such goals and objectives, the degree to which such goals and objectives are actually being accomplished, and the appropriateness of controls established to provide reasonable assurance that such goals and objectives will be accomplished. The scope of the management audit includes all direct workforce development services, as defined by the respective City departments, including services provided in-house and by contractors.

The management audit was conducted in accordance with *Governmental Auditing Standards, 2003 Revision*, issued by the Comptroller General of the United States, U.S. Government Accountability Office. The management audit staff presented applicable draft report findings and recommendations to each of the respective departments included in the audit on July 26, 2007. Subsequent to careful consideration of the additional information provided by each of the departments after submission of our draft report findings and recommendations, the management audit staff prepared final report. The Human Services Agency, the Department of Economic and Workforce Development and the Department of Public Health have provided

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written responses to the Budget Analyst's *Management Audit of San Francisco's Workforce Development Programs*, which is appended to this report, beginning on page 122.

Workforce Development Programs in San Francisco

The Board of Supervisors approved an appropriation of funds in the FY 2006-2007 Department of Economic and Workforce Development budget, authorizing the creation of the Office of Workforce Development. According to the Department of Economic and Workforce Development, the Office of Workforce Development serves as the oversight and policy-making body for employment and training programs and services in San Francisco, including implementation of a comprehensive city and county-wide workforce strategic plan that will coordinate all city department resources connected to workforce development. The City's workforce development initiatives are intended to provide life skills and job training and associated services to people who have barriers to employment, such as educational, mental health and physical health, and other issues, bringing these people into the labor force for an extended period of time.

In FY 2007-2008, the Department of Economic and Workforce Development will reconstitute the membership of Workforce Investment San Francisco, which is the governing board for workforce development programs required by the Federal Workforce Investment Act, and expand the role of Workforce Investment San Francisco to oversee all of the City's workforce development programs. This governing board currently has 49 members appointed by the Mayor. At the same time, two major actions are pending before the Board of Supervisors:

- During the FY 2007-2008 budget review, the Board of Supervisors reserved six-months of the Human Services Agency's Workforce Development Division's FY 2007-2008 salary and fringe benefits budget pending discussion of transfer of the Division from the Human Services Agency to the Department of Economic and Workforce Development.
- A proposed ordinance is now pending before the Board of Supervisors (File 07-1056) that would amend the Administrative Code to (a) require the Mayor to centralize the City's workforce development efforts under the Department of Economic and Workforce Development or a successor agency; (b) require the Mayor to manage all General Fund expenditures on workforce development, create Citywide workforce development policy, submit all grant applications to the State or Federal government for workforce development funding on behalf of the City, subject to approval by the Board of Supervisors, and annually report to the Board of Supervisors on workforce development policies, and related matters; and (c) require City departments to enter into Memoranda of Understanding with the Mayor's Office as a condition of funding for workforce development dollars.

The Budget Analyst reviewed the workforce development programs of the eleven City departments and agencies that have workforce development programs, which include the (1) Human Services Agency, (2) Department of Public Works, (3) Department of Public Health, (4)

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Public Utilities Commission, (5) Mayor's Office of Community Development, (6) Department of Economic and Workforce Development, (7) Redevelopment Agency, (8) Airport, (9) Port, (10) District Attorney's Office, and (11) Department of the Environment.

Overall, the Budget Analyst has found that the City's workforce development system is fragmented, with inconsistent planning and coordination of resources and inadequate monitoring of programs to ensure that the programs' goals and outcomes are achieved. The Budget Analyst has formulated recommendations to correct these deficiencies, improve planning and policy oversight, coordinate programs and resource allocation and improve monitoring of program performance and outcomes.

This report has six findings and 32 associated recommendations. The eleven City departments' workforce development programs were estimated to cost at least \$29.1 million in FY 2006-2007. However, City departments can not demonstrate that the primary purpose of the workforce development program, placing economically-disadvantaged individuals into permanent jobs that lead to financial self-sufficiency, has been accomplished. Job placement is not well-defined, and does not require that the jobs be permanent or at a living wage as defined by City ordinance. Improving the City's workforce development program performance by just ten percent, a realistic and achievable objective, would yield a value of approximately \$2.9 million, either in direct cost savings or improved effectiveness. An estimated \$1.46 million of the \$2.9 million would be General Fund or other local revenues.

The following sections summarize our findings and recommendations.

Section 1. Planning and Coordinating Workforce Development Programs

The City's delivery of workforce development services is fragmented and lacks central planning and coordination, which results in inadequate policy and management oversight and inefficient delivery of services with resulting deficient measurement of performance effectiveness. Workforce Investment San Francisco, the City's local workforce investment board established by the Federal Workforce Investment Act and currently consisting of 49 members appointed by the Mayor, has provided planning and oversight of programs funded by the Federal Workforce Investment Act only, which was approximately \$4.6 million in FY 2006-2007.

In FY 2007-2008, the Department of Economic and Workforce Development's Office of Workforce Development plans to reconstitute the membership of Workforce Investment San Francisco, which is the governing board for programs funded by the Federal Workforce Investment Act, increasing participation from the business community, and spearheading a new strategic planning process, required by the Workforce Investment Act. Workforce Investment San Francisco and the new strategic plan need to encompass all City workforce development resources and programs.

In order to encompass all City workforce development resources and programs, the Board of Supervisors should amend the Administrative Code, to define Workforce Investment San

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Francisco's role in planning and coordinating locally-funded as well as federally-funded programs.

The Workforce Investment Act authorizes the Mayor to appoint members¹ to Workforce Investment San Francisco to oversee programs funded by the Workforce Investment Act. The Board of Supervisors plays a key role in creating and directing the City's workforce development policies and programs. In amending the Administrative Code, the Board of Supervisors should define their role in providing policy oversight of the City's workforce development programs, including appointing designated members to Workforce Investment San Francisco and approving workforce development programs funded by local revenues, subject to applicable Federal and State law.

To ensure coordination of workforce development programs and resources, Workforce Investment San Francisco should develop an annual work plan to complement the strategic plan and identified funding in the fiscal year which would then be subject to the Board of Supervisors appropriation authority.

Section 2. Workforce Development Programs for Adults

Overall, City programs do not universally demonstrate that individuals receiving services are eventually placed into permanent jobs leading to financial self-sufficiency, which should be a primary goal of any workforce development program.

The City's three One-Stop Centers² established by the Federal Workforce Investment Act, two of which are operated by the Human Services Agency and one of which is operated by the State Education Department, are job centers intended to provide employment and support services to cash-aid recipients and general job seekers. The One-Stop Centers primarily provide basic job services, including self-directed job searches. Few persons are directly placed into jobs by these Centers. In FY 2006-2007, the three One-Stop Centers reported 13,157 clients receiving a range of services from casual contact to self-directed job searches and more intensive staff-assisted job

¹ The Federal Workforce Investment Act, which requires the establishment of local workforce investment boards (called Workforce Investment San Francisco in San Francisco) to oversee Federal Workforce Investment Act funds and outlines the different constituencies to be represented on the board, does not specify how many members should be appointed, although the existing Workforce Investment San Francisco has 49 members. Under the recommendations presented in Section 1 and Section 2 of this report, the Department of Economic and Workforce Development will need to work with the City Attorney's Office, the Board of Supervisors, and the Mayor to determine the total number of members to be appointed to Workforce Investment San Francisco. The Board of Supervisors will need to work with the City Attorney to define their authority to appoint members to Workforce Investment San Francisco subject to applicable State and Federal law.

² The two One-Stop Centers operated by the Human Services Agency are located in the Mission District and on Oakdale Avenue in southeast San Francisco, and the One-Stop Center operated by the State Employment Development Department is located at 801 Turk Street.

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services. Of the 13,157 clients, including walk-in clients, CalWORKS and Personally Assisted Employment Services referrals, and referrals from community-based organizations and other programs, only 2,054 clients found jobs, or 15.6 percent. According to the June 2007 Business Services Monthly Report, 4,273 of these clients received more intensive services. Only approximately 33 percent, or 1,398 of the One-Stop Centers' clients who received more intensive job services were placed into jobs that paid 125 percent of the San Francisco minimum wage, short of the targeted goal of 45 percent job placement. However, there was no evidence to indicate that the jobs were permanent jobs.

Community-based organizations, which make up \$15.4 million of the FY 2006-2007 funding of \$29.1 million, also do not place many individuals into jobs. In a review of 32 community-based organization contracts for which job placement data was available, 10,530 individuals were served but only 2,256 were reported to receive job placement. Further, there was no evidence to indicate that these jobs were permanent. Not all services provided by community-based organizations are expected to lead to job placement, but even when outcomes other than direct placement are a reasonable goal of the program, City departments do not routinely move participants from pre-employment programs provided by community-based organizations to programs providing job training and placement.

Because the City's workforce development system lacks coordination, City departments implement workforce development programs on their own initiative, resulting in duplication of services to some communities and significant gaps in services to others. Planning for and providing services in specific City neighborhoods is not based upon a Citywide plan, or funding formula based on need, but rather is based on the discretion of each department or the availability of community-based organizations to provide services. For example, at least four City departments have workforce development programs targeting the City's southeast neighborhoods without collaboration with one another or participation in Citywide programs, such as CityBuild which provides job opportunities for low-income residents with the City's construction contractors.

Community-based organizations have more capacity to provide services in some economically-disadvantaged neighborhoods compared to others, resulting in uneven distribution of workforce development programs provided by community-based organizations and funded by City departments. In FY 2006-2007, combined funding to programs provided by community-based organizations in the Mission/Potrero Hill and Tenderloin/ South of Market neighborhoods of \$3.4 million was approximately 55.0 percent greater than combined funding to the Western Addition, Bayview Hunters Point, and Chinatown neighborhoods of \$2.2 million.

City departments' workforce development programs target specific groups or populations needing services rather than targeting programs directed to available jobs. Service delivery is highly fragmented, with multiple programs for different populations and groups and insufficient links between workforce development programs and job opportunities. Further, this uncoordinated approach has resulted in uneven funding to different populations regardless of need. Differences in funding is compounded by lack of clarity in what constitutes workforce

development programs. For example, in FY 2006-2007, funding for programs defined as workforce development programs targeted to individuals needing mental health services was approximately \$3.0 million but funding for programs defined as workforce development programs targeted to individuals with disabilities was less than \$100,000.

As another example, very few City programs address workforce development for young adults under 25 years, yet this population has significant needs. Of 3,412 youth and young adult clients seeking services at the One-Stop Centers, only 140, or 4.1 percent, were actually placed into jobs.

Section 3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

In FY 2006-2007, Community-based organizations received \$15.4 million, more than one-half of all funding for the City's workforce development programs, but City departments providing funds for such programs cannot determine if this funding is effective in placing the City's economically disadvantaged residents into permanent jobs. In FY 2006-2007, City departments awarded \$15.4 million in contracts to 59 different community-based organizations, or approximately 52.9 percent of the estimated funding of \$29.1 million for workforce development programs, providing a range of workforce development services, from basic education, job readiness, and life skills training to more focused job training preparing participants for permanent placement. As noted above, only an estimated 2,256 of 10,530 individuals served were reported to receive job placement, or 21.4 percent. Again, there was no evidence of permanent job placement.

City departments do not consistently measure or ensure the effectiveness of programs provided by community-based organizations, nor do they have a comprehensive plan to ensure that all aspects of adult workforce development (e.g., soft and hard skills development, subsidized jobs, access to work supports, etc.) are provided and linked together. Consequently, clients do not receive the full range and depth of training and employment services that are needed to maintain a permanent job and ultimately achieve self-sufficiency.

The performance data collected by community-based organizations, which primarily includes program participation and job placement data, is very limited and varies from program to program. City departments lack a common definition of successful outcomes for workforce development programs and methods to measure (1) if programs providing services other than direct job placement eventually result in job placement, and (2) if job placements are permanent and financially self-sufficient.

As a result, City departments and community-based organizations are unable to determine the overall effectiveness of the workforce development services in terms of providing their clients with long-term, financially self-sufficient employment.

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The City departments contracting with community-based organizations for workforce development services lack consistent oversight of community-based organizations. There is no formal process to identify organizations that fail to meet performance goals across several funding sources. Having sufficient, consistent, and on-going oversight of community-based organizations is essential in order to ensure that such community-based organizations are effectively performing their contractual obligations and to establish a system of accountability and standards for the City's workforce development efforts.

Section 4. The Human Services Agency's Management of Workforce Development Programs

The Human Services Agency is required to provide workforce development programs and services to certain individuals receiving public assistance benefits, including food stamps and cash aid. Additionally, as a partner in the City's one-stop system, the Agency must provide workforce development services to other eligible San Francisco job seekers.

The Human Services Agency provides workforce development services both in-house and through contractual services. The FY 2006-2007 estimated expenditures of \$10.2 million for direct workforce development services included \$3.5 million for services provided in-house and \$6.7 million for contractual services.

Despite average job placement costs ranging from \$1,614 per placement for in-house services to as high as \$6,106 per placement for community-based services, the Human Services Agency failed to meet its job placement goals in FY 2006-2007. For example, based on the information reported to SF Stat by the Human Services Agency, the One Stop Centers failed to meet their performance targets in FY 2006-2007 to place 45 percent of One-Stop Center clients receiving intensive services into jobs, especially jobs that pay 125 percent or more of the San Francisco minimum wage. Only approximately 33 percent of the One-Stop Centers general clients and 36 percent of the CalWORKS and Personally Assisted Employment Services clients met the 45 percent job placement goal.

According to the Human Services Agency, "placement" indicates only that a client was placed into post-training employment and does not indicate if the placement was a permanent job at a living wage. The Human Service Agency's definition of "placement" is clearly inadequate in that it does not meet the workforce development program goals to place individuals into permanent jobs.

The community-based organizations under contract with the Human Services Agency do not meet their performance goals. Of eight community based organizations reviewed, six did not meet their enrollment targets; seven did not meet their target for the number of participants to complete the program; and seven did not meet their target for the number of participants placed into jobs. For example, in FY 2006-2007 the eight community based organizations had total (a) enrollment targets of 1,351 individuals and actual enrollment of 1,164 individuals, a reduction of

184 or 13.8 percent, and (b) program completion targets of 814 individuals and actual completion of 699 individuals, a reduction of 115, or 14.1 percent. Job placement targets of 543 individuals were generally in line with actual job placement of 532 individuals.

Section 5. First Source Hiring and CityBuild

The City has two Citywide programs that make jobs with City contractors available to the City's low-income residents: the First Source Hiring Program, which is managed by the Human Services Agency and requires City contracts to make entry level jobs available to low-income City residents, and CityBuild, which is managed by the Department of Economic and Workforce Development and places low-income residents into construction jobs with City contractors.

Because the First Source Hiring Program does not have a formal system to identify all City contractors who are required to make entry level jobs available to low-income City residents, and lacks an effective program to enforce compliance, the First Source Hiring Program does not ensure that all employers required to participate in the Program by the First Source Hiring Ordinance actually do so and that job opportunities for low-income City residents are maximized. Although the number of reported job placements through the First Source Hiring Program increased in FY 2006-2007 to 299 placements, compared to 142 placements in FY 2007-2008, an increase of 110 percent, only 128 City contractors posted non-construction jobs with First Source in FY 2006-2007. However, the Controller's database lists more than 20,000 vendors, indicating that many more contractors are subject to requirements.

Also, the First Source Hiring Administration, which is made up of representatives from the Department of Economic and Workforce Development, Human Services Agency and other departments, as established by the Administrative Code, and which governs the First Source Hiring Program, has not even met since 2004. In the absence of an effective First Source Hiring Administration, City departments have not developed First Source Hiring implementation and monitoring plans nor has a Citywide system been developed to ensure that all City departments include First Source Hiring agreements in contracts, leases, and permits.

Although the First Source Hiring Program has a mechanism to enforce compliance, no City department has assumed responsibility for enforcement. In the absence of systems to identify all employers and entry level positions subject to the First Source Hiring Program and an effective enforcement mechanism, First Source cannot ensure that jobs are made available to low-income City residents.

The CityBuild program has been able to place low-income residents into jobs at a lower cost than community-based organizations were able to do previously. Before the establishment of the CityBuild Academy, which provides pre-employment training to low-income residents prior to placement in City construction jobs, the City provided an estimated \$700,000 to approximately six community-based organizations to provide construction training services for economically disadvantaged City residents. However, this funding only trained an estimated 90 participants at a cost of approximately \$7,777 per participant. Further, only an estimated 25 individuals were

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placed into post-training construction employment at a cost of approximately \$28,000 per placement. In FY 2006-2007, approximately 113 CityBuild Academy graduates received job placements at a total cost \$5,930 per student.

However, job placement has been uneven, with far more residents of the City's southeastern neighborhoods placed into jobs than in the City's other economically disadvantaged neighborhoods. Job placements for CityBuild can vary in terms of substance and duration with some construction project jobs lasting for only two days. 452 City residents have been placed into construction jobs through CityBuild between September 2005 and May 2007. Of these 452 residents, zip code data was available for 230, listing 139 of the 230, or 60.4 percent, as residents of Bayview Hunters Point and Visitacion Valley.

Regardless of length of time, all job placements hold equal weight for the purposes of CityBuild job placement tracking. As a result there is no way to evaluate or classify the type of projects for which contractors are requesting CityBuild workers. Nor does CityBuild have a robust retention tracking system in place to evaluate the long-term effectiveness of CityBuild in helping low-income clients to secure long-term employment in the construction industry. Contractual agreements with community-based organizations established after June 1, 2006 will provide additional job retention data for CityBuild Academy graduates up to nine months after program completion. However, efforts to obtain job duration information regarding the long-term employment outcomes for non-CityBuild Academy graduates remain limited at best.

6. Employment Programs for Youth

FY 2006-2007 funding for employment programs for youth under 18 years of age Citywide was \$12.6 million. Although a number of City departments provide youth employment programs or participate in Citywide programs, the Department of Children, Youth and Their Families is the lead department for such programs.

In a March 2005 report, the Department of Children, Youth and Their Families declared the City's youth employment system to be "rich but fragmented". Much of that fragmentation has continued, with at least four City departments funding or operating programs independently, and often funding the same community-based organization under separate agreements to provide similar programs. Youth employment programs show some of the same gaps in services found in adult workforce development programs, including uneven distribution of programs among neighborhoods.

As is the case with workforce development programs for adults, the City lacks policy direction and governance for youth workforce development programs. In the March 2005 report, the Department of Children, Youth and Their Families recommended reconstitution of the Youth Council, which is a committee of Workforce Investment San Francisco in accordance with Workforce Investment Act requirements. The current Youth Council is made up of

representatives from non-profit organizations, City departments and labor unions, but significantly the San Francisco Unified School District does not have formal representation.

The Department of Economic and Workforce Development should play a lead role in rebuilding the Youth Council, and providing oversight over the City's youth employment programs. To achieve this, the Board of Supervisors should define the roles and responsibilities of the Department of Economic and Workforce Development and the Youth Council, including the participation of the San Francisco Unified School District, as a component of Workforce Investment San Francisco, when adopting an ordinance to amend the Administrative Code, as recommended in Section 1 of this report.

The Human Services Agency's Written Response

The Human Services Agency presented a written response to the Budget Analyst on August 1, 2007. In the written response, the Agency makes several assertions that the Budget Analyst would like to address.

- On page 3 of the written response, the Human Services Agency states that "the Budget Analyst fails to properly distinguish between the One Stop Centers and the One Stop System". In the Introduction to the report and on page 11 of Section 2, the Budget Analyst identifies the one-stop system as the local workforce investment system established by the Federal Workforce Investment Act, intended to coordinate and provide services through physical one-stop centers, the local community college and educational system, municipal agencies, and community-based organizations. Sections 2 and 4 of the report discuss the role of the three One-Stop Centers, two of which are operated by the Human Services Agency and one of which is operated by the State Employment Development Department. As noted on page 83 of the report, "because most Human Services Agency clientele served by in-house workforce development programs must interact with the One Stop Centers for job search, placement and other services, all in-house workforce development client tracking occurs at the level of the One Stop Center." Therefore, the Budget Analyst used One Stop Center data to evaluate the effectiveness of the workforce development programs targeted to this clientele.
- On page 3 of the written response, the Human Services Agency states that "the Budget Analyst also fails to note the extent to which nondiscretionary social service funding streams have been leveraged to bolster the City's workforce development system." The Budget Analyst does not consider this to be within the scope of the management audit, and therefore, did not address the issue in the report.
- On page 4 of the written response, the Human Services Agency states that "the Budget Analyst erroneously equates the total number of One Stop enrollments (13,157 clients) with the number of clients directly served by HSA's Workforce Development programs". On page 12 and page 83 of the report, the Budget Analyst states, "In FY 2006-2007, the three One-

Stop Centers reported 13,157 clients receiving a range of services from casual contact to self-directed job searches and more intensive staff-assisted job services." On page 84 of the report, the Budget Analyst provides details of these 13,157 clients.

- One page 4 of the written response, the Human Services Agency states that "the Budget Analyst calculates job placement rates in two different ways: by taking the number of placements as a percent of total clients enrolled in an employment program (e.g. Table 4.8) and as a percent of the total clients who completed an employment program (e.g. Table 4.9)...We feel that the method used to calculate job placement rate in Table 4.8 and elsewhere results in a misleadingly low rate." For the workforce development programs in which job placement was the objective or expected outcome, the Budget Analyst appropriately analyzed and reported on the number of clients participating in the workforce development program, the number of clients completing the program, and the number of clients placed into jobs to provide a full and accurate assessment of the program.
- On page 4 of the written response, the Human Services Agency states that, "the HSA strives to achieve a number of client outcomes that must be attained prior to job placement, none of which are mentioned by the Budget Analyst." The Budget Analyst discusses workforce development programs that have goals other than job placement in Sections 2 and 3 of the report. On page 17 of the report, the Budget Analyst states that outcomes other than job placement are a reasonable goal, such as programs providing life skills training or mental health services. On page 30 of the report, the Budget Analyst discusses the mix of services provided by community-based organizations that are targeted to individuals who have significant skills development needs, including language and basic educational skills, or significant social issues, such as homelessness or mental health issues.
- On page 4 of the written response, the Human Services Agency states that, "the Budget Analyst calculates a cost per client served by Human Services Agency in-house programs and a cost per job placement for HSA in-house programs, in both instances using the 13,157 One Stop visitors as the denominator." On pages 83 and 84 of the report, the Budget Analyst analyzed program participation rates and costs based on data provided by the Human Services Agency and considers the cost per client estimates to be an accurate representation, based on that data provided.
- On page 5 of the written response, the Human Services Agency states that "the Budget Analyst's report suggests that workforce development services and funding are inequitably across City neighborhoods and among City residents". In Section 2, the Budget Analyst analyzes all workforce development programs provided by City departments. The conclusions in Table 2.1, which shows the neighborhood distribution of programs provided by community-based organizations, with total contract amounts of \$15.3 million in FY 2006-2007, and in Table 2.2, which shows the populations served by workforce development programs provided by eleven different City departments, are supported by the data provided to the Budget Analyst from the City departments.

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- On page 5 of the written response, the Human Services Agency states that "the report refers to the First Source 'hiring requirement'". On page 99 of the report, the Budget Analyst states that "the First Source Hiring Ordinance ("First Source") was intended as a means to connect low-income City residents with entry level employment opportunities available through City contracts. Essentially, First Source mandates that contractors who work for the City, and who meet certain threshold contract, lease, and permit amounts, give first right of referral for entry-level positions to economically-disadvantaged individuals participating in the City's workforce development system." The Budget Analyst does not refer to a First Source "hiring requirement".

In their written response in regard to recommendation 4.1, the Human Services Agency states that "HSA disagrees with the Budget Analyst's conclusion (underline added) that the PAES program is constrained by the CalWORKs regulatory framework". However, as noted on pages 74 and 75 of the management audit, Welfare-to-Work activities provided under the CalWORKs program are constrained by state and federal law. As such, the Budget Analyst believes it is wholly appropriate that the Human Services Agency evaluate whether or not workforce training opportunities for Personal Assisted Employment Services clients have been unduly constrained by the CalWORKs regulatory framework, and if so, to explore other workforce training activities that may be better suited for this client population.

As noted above, the Department of Economic and Workforce Development and Department of Public Health provided written responses that are attached to this report.

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We would like to thank the staff of the Human Services Agency and the Department of Economic and Workforce Development, and various representatives from other City departments for their cooperation and assistance throughout this management audit.

Respectfully submitted,

Harvey M. Rose
Budget Analyst

cc: President Peskin
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Supervisor Dufty
Supervisor Elsbernd
Supervisor Jew
Supervisor Maxwell
Supervisor McGoldrick
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Director of Economic and Workforce Development
Director of the Mayor's Office of Community Development
Director of Public Works
Director of Public Health
District Attorney
General Manager, Public Utilities Commission
General Manager, Airport
Director, Redevelopment Agency
Director, Department of the Environment

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Introduction

The City's workforce development initiatives are intended to provide training and services to people who have barriers to employment, bringing these people into the labor force for an extended period of time. The City's workforce development programs are provided by several different City departments or agencies and funded by a variety of federal, state and local funding sources.

The City lacks a common definition of what constitutes workforce development programs, including what support services, such as mental health counseling, childcare, and housing support should be included in workforce development programs. Nor do City departments have clear criteria for defining what direct, administrative and overhead costs should be included when defining program costs.

The City does not have central information on what programs are provided and their funding sources. The Department of Economic and Workforce Development surveyed City departments in FY 2006-2007 on workforce development programs and budgets. Based on information collected by the Department and follow-up interviews to determine the direct costs for providing workforce development services in-house and through contractors, this report identifies \$29.1 million in costs directly attributable to workforce development program activities, as currently defined within the City's budget.

Included in this amount is nearly \$10.2 million that has been appropriated to the Human Services Agency for direct program activities. In total, \$14.7 million has been appropriated to the Human Services Agency's Workforce Development Division for direct and administrative costs. However, the Department incurs other costs for services that support workforce development clients, including case management, emergency housing assistance and childcare provided through the CalWORKS, Food Stamps and County Adult Assistance Program divisions. Therefore, the total Human Services Agency costs attributable to workforce development are likely much greater than the \$10.2 million included in Table 1 or the \$14.7 million identified in the budget. As discussed in Section 1 of this report, the first step in integrating City departments' workforce development programs into a Citywide plan, with resources allocated accordingly, requires the identification of City departments' annual funding. As a first priority, the Department of Economic and Workforce Development should conduct a detailed inventory of programs and costs that support workforce development clients and report on the results to the Board of Supervisors, as discussed in Recommendations 1.2 and 2.1.

Table 1
Estimated FY 2006-2007 Budgets for Direct Workforce Development
Services Provided by City Departments

	Total Workforce Development Funds	City General Funds/ Other Local Revenue	State and Federal Funds	Grants and Donations
Human Services Agency	\$10,187,040	\$2,276,516	\$7,711,916	\$198,608
Private Industry Council/ Workforce Investment Act	3,310,045		3,310,045	
Department of Public Works	3,264,564	2,883,832	380,732	
Department of Public Health	3,098,280	1,945,881	1,152,399	
Public Utilities Commission	2,999,981	2,999,981		
City Build	2,177,187	2,177,187		
Mayor's Office of Community Development	1,904,735	120,000	1,784,735	
Redevelopment Agency	1,042,426	1,042,426		
District Attorney's Office	50,000	50,000		
Office of Workforce Development/ Department of Economic and Workforce Development	547,841	547,841		
Airport	315,840	315,840		
Port	150,000	150,000		
Department of the Environment	35,000	35,000		
Total	\$29,082,939	\$14,544,504	\$14,339,827	\$198,608

Source: Department of Economic and Workforce Development and City Departments

Federally-Funded Workforce Development Programs

Federally-funded programs make up much of the City's workforce development programs.

- The 1996 Personal Responsibility and Work Opportunity Reconciliation Act, which established the Temporary Assistance for Needy Families (TANF) program and the U.S. Department of Agriculture, which funds the Food Stamp Program, require cash aid and food stamp recipients to participate in work programs, funded by a combination of federal and local funds. In San Francisco, the Human Services Agency manages the California's workforce development programs for TANF

recipients (called CalWORKS in California), the Food Stamp Employment and Training program, as well as federally-funded programs for the homeless and refugee population.

- The 1998 Workforce Investment Act provides funds to local communities to operate a one-stop delivery system, providing workforce development programs and integrating services provided by public, private and non-profit agencies. These funds are overseen by the local workforce investment board, Workforce Investment San Francisco.

The Human Services Agency's Workforce Development Programs

The Human Services Agency's workforce development activities are driven by the Agency's primary funding sources: federal and state revenues for CalWORKS and the Food Stamp Program which both have work participation requirements for aid recipients as well as provide direct funding for workforce development programs. The Human Services Agency is also the administrator for two of the three One-Stop Centers in San Francisco, a component of the one-stop system required for regional funding from the Workforce Investment Act, the Personal Assisted Employment Services (PAES) program, funded by the General Fund, as well as providing other workforce development services funded by local funds and other sources.

While the Human Services Agency has a Workforce Development Division that houses a majority of workforce development-specific programs, workforce development activities are also spread across the Human Services Agency's functional areas. The Agency's divisions administering CalWORKS and County Adult Assistance Programs have workforce activities embedded in their day-to-day activities.

Local Service Delivery Under the Workforce Investment Act

The Workforce Investment Act establishes local workforce investment boards that set policy for the local workforce investment, or one-stop, system. Workforce Investment San Francisco is a 49-member board appointed by the Mayor, consisting of representatives from business, labor, education, economic development, and community-based organizations. Until FY 2006-2007, the Private Industry Council served as the fiscal agent for the Workforce Investment Act funds, implementing Workforce Investment San Francisco policies and contracting with community-based organizations to provide services.

The Board of Supervisors approved the creation of the Office of Workforce Development within the Department of Economic and Workforce Development in the FY 2006-2007 budget to support Workforce Investment San Francisco and provide policy and oversight to the City's workforce development programs. With the dissolution of the Private Industry Council on June 30, 2007, the Department of Economic and Workforce Development assumed responsibility for Workforce Investment Act funds. The Office of Workforce Development has expanded in FY 2007-2008, with a budget of \$3.9 million. The FY 2007-2008 budget includes Workforce Investment Act funds to provide services

and support policy and planning, as well as General Fund monies to develop two new One-Stop Centers in Chinatown and the Western Addition.

Dissolution of the Private Industry Council and Transfer of Responsibility

Prior to its dissolution, the Private Industry Council had experienced several difficulties, including staffing levels that exceeded the needs of the program and inadequate oversight of financial resources and contracts. The California Employment Development Department has audited the Private Industry Council to ensure adequate reconciliation and close-out of funds, reporting its findings to the Department of Economic and Workforce Development. In response, the Department of Economic and Workforce Development is drafting policies and procedures to address or correct prior deficiencies.

Developing Workforce Investment San Francisco and the Five Year Strategic Plan

In FY 2007-2008, the Department of Economic and Workforce Development intends to rebuild Workforce Investment San Francisco and develop a new five-year strategic plan. The previous five-year strategic plan, required by the Workforce Investment Act, was developed in 2000. The plan outlined an integrated system of services provided through one-stop centers, other access points, and community-based organizations. According to the plan, the one-stop system would include neighborhood based career centers, community-based organizations, public agencies providing job training and related services, San Francisco Community College programs, and local business organizations. The plan's goal was to strengthen the ability of community-based organizations to provide direct services. The plan called for core services, such as skills assessment, counseling, and development of individual employment plans, to be provided at each one-stop career center, as well as more intensive case management services for job seekers with multiple barriers to employment.

Although the Workforce Investment Act provided funding for local adult and youth workforce development programs, the strategic plan considered this funding inadequate to provide the full scope of services considered under the plan. The plan called for additional funding from federal, state, local and private sources. The plan anticipated that additional funding, as well as re-direction of other community resources into a more strategic focus, would create the effect of an actual workforce development system that is "visible and acknowledged in the community as something of value to a broad customer base".

However, Workforce Investment San Francisco has had little oversight of the City's locally-funded workforce development programs, which made up more than 50 percent of the City's total workforce development funding in FY 2006-2007, as shown in Table 1. In addition, Workforce Investment San Francisco has not had oversight or authority for coordination of programs funded by state or federal sources, with the exception of the Workforce Investment Act.

The City's Workforce Development Efforts

First Source Hiring Program

The Board of Supervisors adopted the First Source Hiring ordinance in 1998 in response to welfare reform to provide employment opportunities to residents lacking access to employment. The First Source Hiring Program, which is managed by the Human Services Agency, is intended to align job training programs with entry level job opportunities and ensure that graduates of job training programs have access to jobs. City contractors and lessees are required to participate in the program, and to post job openings with the First Source Hiring Program and CityBuild to recruit San Francisco residents.

CityBuild

The Board of Supervisors approved CityBuild in 2005 to facilitate the hiring of economically disadvantaged City residents on construction jobs with City contractors. CityBuild offers 12-week training sessions through San Francisco Community College to prepare jobseekers for construction employment and seeks placement for program participants with City construction contractors. The Department of Economic and Workforce Development manages the CityBuild program, with funding provided by the San Francisco County Transportation Authority and other City agencies.

Other Workforce Development Programs in City Departments

Several City departments provide workforce development programs independently of any coordinated City effort.

- The Department of Public Works has a two-year apprenticeship program, in collaboration with the Laborer's Union, to train adults in construction and gardening skills, mostly from the Bayview Hunter Point neighborhood. The program is provided by a combination of in-house staff and contractors with technical skills. FY 2006-2007 funding was \$3.0 million. The Department also has contracts to provide transitional work experience for economically disadvantaged adults and a program to provide summer work experience for high school students.
- The Public Utilities Commission has programs for both youth and adults. The FY 2006-2007 budget for adult workforce development programs was approximately \$3.0 million, which included a series of employment and apprenticeship programs designed to prepare individuals for employment within the Public Utilities Commission or other City agencies. The Public Utilities Commission allocated \$2.8 million to utility plumber and stationary engineer apprenticeships in FY 2006-2007. \$174,783 was allocated to the Public Service Trainee program, preparing Bay View Hunters Point residents for Stationary Engineers Apprenticeship. The Public Utilities

Commission participates jointly with the Department of Public Works to provide summer work experience for high school students.

- The Mayor's Office of Community Development awards grants funded by the Community Development Block Grant to community-based organizations to provide employment services and job training. In FY 2006-2007, the Community Development Block Grant budget for adult employment services and job training was \$1.9 million, of which \$1.78 million were grant awards to community-based organizations, and \$120,000 were General Fund monies to pay for a job training program provided by the Haight Ashbury Food Program.
- The San Francisco Redevelopment Agency FY 2006-2007 budget included \$1.0 million in tax increment and other funds to provide services to residents of redevelopment project and survey areas. The Redevelopment Agency funds three community-based organizations to provide job training and services to residents of redevelopment areas. The community-based organization contracts were managed by the Private Industry Council in FY 2006-2007 but will be transferred to the Mayor's Office of Community Development in FY 2007-2008.
- The Airport's FY 2006-2007 budget of \$315,840 for workforce development programs funds Career Connect, targeting young adults under the age of 25 and providing a structured work environment so they can learn work skills and receive exposure to a variety of career options; and internship programs. The Airport also participates in YouthWorks, discussed below. Additionally, in FY 2006-2007 the Board of Supervisors allocated \$50,000 to the Airport for the Transgender Employment Initiative.
- The District Attorney has two programs for ex-offenders. Back-on-Track, through a contract with Family Services Agency, provides employment and support services for ex-offenders, ages 18 through 30, with multiple barriers to employment. Changing the Odds targets young adults under the age of 25, providing a three-month job internship with private businesses.
- The Port budgeted \$150,000 in FY 2006-2007 for a work experience program targeting economically disadvantaged youth, ages 16 to 24, as part of a three-year, \$600,000 contract with the San Francisco Conservation Corps for job training, concluding in FY 2007-2008.
- The Department of the Environment funded a \$35,000 contract with Goodwill Industries, Inc. in FY 2006-2007, through the Department's environmental justice program, for a job program in Bayview Hunters Point.
- The Department of Public Health provides workforce development services to mental health consumers and individuals with HIV/AIDS. The Department of Public Health has contracts with several community-based organizations to provide vocational evaluation, rehabilitation, job-readiness and job training, transitional or sheltered

work experience, and support and other services to mental health consumers. The Department also has a contract with the Positive Resource Center, a community-based organization, to provide counseling, training, and employment preparation services to individuals with HIV/AIDS.

Programs for Youth

In addition to the workforce development programs for adults shown in Table 1, an estimated \$12.6 million was allocated to programs for youth under the age of 18 in FY 2006-2007, as discussed in Section 6 of this report. The Department of Children, Youth and Their Families has been the main department funding youth programs through grants to community and other providers. Among other programs, the Department sponsors YouthWorks, through a contract with a community-based organization and participation from City departments, providing career-oriented internships to students in City departments.

Additionally, the Mayor's Office of Community Development, through the Community Development Block Grant, and the Private Industry Council, through the Workforce Investment Act grant, both provide significant funding to youth programs.

The Department of Economic and Workforce Development has assumed responsibility for administering the Workforce Investment Act grant in FY 2007-2008, including managing contracts with community-based organizations providing services for youth. The Department's FY 2007-2008 budget has a youth policy manager position funded by the Workforce Investment Act grant, who is intended to manage the Citywide youth workforce program and policy, as well as support the Youth Council and manage the contracts with community-based organizations.

Types of Workforce Development Programs

The City's workforce development efforts include “soft skills” training, such as life skills, and job-readiness training, or “hard skills” training, such as vocational education and experiential learning opportunities. In addition, assessment, case management, job development and other activities necessary to help job seekers gain employment or successfully training are included in the City's workforce development efforts. In addition, some but not all resources and programs that provide these services have been captured in this report.

This report looks at job training programs that are tailored to at-risk populations. The report does not look at internships for college students, and or services ancillary to workforce development programs.

1. Planning and Coordinating Workforce Development Programs

- **The City's delivery of workforce development services is fragmented and lacks central planning and coordination, which results in inadequate policy and management oversight and inefficient delivery of services with deficient measurement of performance effectiveness. Workforce Investment San Francisco, the City's local workforce investment board established by the federal Workforce Investment Act and appointed by the Mayor, has provided planning and oversight of programs funded by the Workforce Investment Act but has not provided such oversight for the \$14.5 million in locally-funded programs provided by City departments.**
- **In FY 2007-2008, the Department of Economic and Workforce Development's Office of Workforce Development plans to reconstitute the membership of Workforce Investment San Francisco, the governing board for programs funded by the Workforce Investment Act, increasing participation from the business community, and spearheading a new strategic planning process, required by the Workforce Investment Act. Workforce Investment San Francisco and the new strategic plan need to encompass all City workforce development resources and programs. In order to do so, the Board of Supervisors should amend the Administrative Code, to define Workforce Investment San Francisco's role in planning and coordinating locally-funded as well as federally-funded programs.**
- **The Workforce Investment Act authorizes the Mayor to appoint members to Workforce Investment San Francisco to oversee programs funded by the Workforce Investment Act. The Board of Supervisors plays a key role in creating and directing the City's workforce development policies and programs. In amending the Administrative Code, the Board of Supervisors should define their role in providing policy oversight of the City's workforce development programs, including appointing designated members to Workforce Investment San Francisco, and approving workforce development programs funded by local, state and federal revenues subject to applicable federal and state law.**

- **To ensure coordination of workforce development programs and resources, Workforce Investment San Francisco should develop an annual work plan to complement the strategic plan and identified funding in the fiscal year which would then be subject to the Board of Supervisors appropriation authority.**

The City's workforce development programs have been decentralized among several City departments and agencies with inconsistent planning and coordination of resources and services. Under the 1998 federal Workforce Investment Act, the local workforce investment board, Workforce Investment San Francisco, has been responsible for planning and the Private Industry Council as the fiscal agent has been responsible for implementing programs funded by the Workforce Investment Act. The Human Services Agency has operated the One-Stop Centers, career centers funded partially by the Workforce Investment Act, as well as work participation programs for recipients of cash aid and other federally- and locally-funded programs. Other City departments and agencies have implemented job training and workforce development programs, funded by federal and local funds.

In FY 2006-2007, the City began a more formal process of coordinating workforce development programs. Previously, the Private Industry Council, as the fiscal agent for Workforce Investment San Francisco, had responsibility for coordinating programs funded by the Workforce Investment Act as well as other City programs. However, many department programs remained outside the purview of the Private Industry Council. In the FY 2006-2007 budget, the Board of Supervisors approved the creation of the Office of Workforce Development in the Department of Economic and Workforce Development. According to the Department of Economic and Workforce Development, the Office of Workforce Development serves as the oversight and policy-making body for employment and training programs and services in San Francisco, including implementation of a comprehensive City -wide workforce strategic plan that will coordinate all City department resources connected to workforce development.

During FY 2006-2007, the Office of Workforce Development developed an initial policy overview, including:

- Better services and outcomes for job seekers and employers;
- Increased coordination, efficiency, and effectiveness of the City's workforce development system; and
- Improved system responsiveness and capacity.

The Office of Workforce Development assumed responsibility for supporting Workforce Investment San Francisco and developing the five-year strategic plan, required by the Workforce Investment Act. With the dissolution of the Private Industry Council on June 30, 2007, the Office of Workforce Development assumed responsibility for Workforce Investment Act funding and programs.

During the FY 2007-2008 budget review, the Board of Supervisors approved a six month reserve on the Human Services Agency's Workforce Development Division's salaries and fringe benefits, pending a proposal to transfer these functions to the Department of Economic and Workforce Development. Under this proposal, the Office of Workforce Development would become responsible for operating workforce development programs currently operated by the Human Services Agency as well as providing policy oversight and strategic planning to City departments as a whole.

Coordinating the City's Workforce Development Programs

Creation of the Office of Workforce Development and the ongoing discussion of its role in planning, coordinating, and overseeing workforce development programs result from the current lack of coordination among City departments and agencies in funding and implementing programs. An initial step of the Office of Workforce Development was to survey City departments, identifying funding and programs. To date, no comprehensive information exists on what constitutes workforce development programs, the various funding sources, the populations served, and the outcomes. Developing comprehensive data is hampered by incompatible information systems among different agencies, and insufficient or differing performance standards and measurements.

In 2004, America Community Partnerships wrote an assessment of San Francisco's workforce and economic development system for the Walter and Elise Haas Fund. The purpose of the assessment was to provide information on how to best organize, restructure and/or merge functions across City and County agencies in order to create a coordinated workforce development system that is linked to the City's economic development goals.

Among other conclusions, the report found that San Francisco lacks a coordinated Citywide policy and that no one person or office is responsible for ensuring that workforce and economic development programs are effective. City departments essentially operate on their own in making funding, policy, and programmatic decisions related to workforce development, unless provided with such direction from the Mayor's Office, Board of Supervisors, or other entity.

The City's Strategic Planning Process

One of the findings in the American Community Partnerships' report was that San Francisco has not fully realized the Workforce Investment Act's focus on stimulating

economic development through the creation and provision of a well-trained workforce, as well as help jobseekers find secure employment. Rather, Workforce Investment San Francisco developed a five-year strategic plan in 2000 that emphasized services to residents with multiple barriers to employment and vulnerable populations. According to the Department of Economic and Workforce Development, the Office of Workforce Development will re-build Workforce Investment San Francisco to increase participation from the business community and develop a new five-year strategic plan.

The Workforce Investment San Francisco Five-Year Strategic Plan

Workforce Investment San Francisco is beginning the process of developing a new five-year strategic plan, replacing the original five-year strategic plan adopted in 2000. Under the Workforce Investment Act, the local strategic plan is to include identification of:

- The workforce investment needs of businesses, jobseekers, and workers in the local area;
- The current and projected employment opportunities in the local area; and
- The job skills necessary to obtain such employment opportunities.

The local plan is also to provide descriptions of:

- The one-stop delivery system and how Workforce Investment San Francisco will ensure that providers meet the employment needs of local employers and participants;
- Performance measures used to evaluate the local fiscal agent, service providers, and the one-stop delivery system;
- The type and availability of adult and dislocated work employment and training activities in the local area; and
- The type and availability of youth activities in the local area, including an identification of successful providers of such activities.

The 2000 strategic plan ensured universal access to the one-stop system with special commitment to serving individuals with multiple barriers to employment. Under the plan, the one-stop system delivers core employment assessment and support, more intensive services to address special needs, and job training. The 2000 strategic plan also provided for youth employment programs, including links between school and job programs.

The five-year strategic plan that was adopted by Workforce Investment San Francisco in 2000 focused on services provided through the one-stop delivery system and funded by federal Workforce Investment Act monies. The goal was to use available funding to provide support services, such as childcare, transportation and housing support to

jobseekers not eligible for such support from other sources, as well as job training to low income residents, assisting their entry into the workforce.

Update to the 2000 Workforce Investment San Francisco Strategic Plan

In 2005, Workforce Investment San Francisco developed a two-year update to the strategic plan in compliance with the Workforce Investment Act reauthorization. The two-year update identified internal and external goals and objectives that addressed some of the issues in Citywide coordination of workforce development programs, including:

- Coordinating all City resources;
- Developing system-wide performance outcomes;
- Implementing workforce best practices and contracts; and
- Identifying workforce opportunities within City departments.

The two-year strategic plan update also established a goal of increasing business leadership in Workforce Investment San Francisco and identifying additional funding opportunities, including private funding.

Developing the Strategic Plan in FY 2007-2008

Although the 2005 strategic plan update addressed the need to coordinate all City resources, San Francisco's workforce development programs are decentralized among multiple City departments and agencies. As discussed in Section 2 of this report, the current decentralized system has resulted in both inefficient duplication of services to some communities and populations and gaps in services to others.

In FY 2007-2008, the Department of Economic and Workforce Development intends to rebuild Workforce Investment San Francisco, and manage the strategic planning process to develop a new five-year plan. Additionally, the Department of Economic and Workforce Development has replaced the Private Industry Council in administering Workforce Investment Act funds.

Allocating Financial Resources

The Department of Economic and Workforce Development, in response to the 2005 reauthorization of the Workforce Investment Act and in conjunction with other stakeholders in the City's workforce development system, has identified key policy areas to be addressed in the new five-year strategic plan, reflected in the Department's initial policy overview, discussed above, and the 2005 strategic plan update. The City still needs to address how to integrate City departments' workforce development programs to a Citywide plan and allocate resources accordingly.

As a first step, the City departments' annual funding for workforce development programs needs to be identified. The Department of Economic and Workforce Development surveyed City departments in FY 2006-2007 but variations in program definition and budgeting procedures prevented precise results. The Department should develop a standard definition for workforce development programs, identifying program components, such as job training, childcare assistance, pre-employment skills, and other components. The Department should then work with the respective City departments to develop uniform criteria for allocating administrative and direct costs to workforce development programs and establish budget mechanisms to identify and track such costs.

The creation of the Office of Workforce Development within the Department of Economic and Workforce Development and proposed restructuring of Workforce Investment San Francisco assumes that the new five-year strategic plan will address all City workforce development programs, not just programs funded by the Workforce Investment Act, and that Workforce Investment San Francisco will provide policy direction to all City programs.

The Workforce Investment Act defines the role of Workforce Investment San Francisco in governing programs funded by the Workforce Investment Act and makes the Mayor¹ responsible for appointing members. The Workforce Investment Act requires that the majority of Workforce Investment San Francisco's members be made up of business community leaders with other members coming from organized labor, educational entities, community-based organizations, representatives of disabled and veteran's organizations, public and private economic development agencies, and partners in the one-stop system.

Role of the Board of Supervisors

The Board of Supervisors plays a key role in overseeing the City's workforce development policies and programs. The Board of Supervisors should define the roles and responsibilities of the Department of Economic and Workforce Development's Office of Workforce Development and Workforce Investment San Francisco in overseeing locally-funded programs in the Administrative Code. The Administrative Code should also define the role and participation of City departments providing workforce development programs and how central planning and coordination of workforce development programs shall be implemented by each City department.

Through an Administrative Code amendment, the Board of Supervisors should define their role in overseeing the City's workforce development programs, including (a) the authority to appoint members to designated seats on Workforce Investment San Francisco

¹ The Workforce Investment Act designates the Chief Local Elected Official of the Local Workforce Investment Area as the responsible official, which in the City and County of San Francisco is the Mayor.

subject to applicable state and federal laws², and (b) approval of workforce development programs funded by federal, state and local revenues subject to applicable state and federal laws. To ensure full participation in the strategic planning process, the Department of Economic and Workforce Development should provide an initial draft of the new five-year strategic plan to the Board of Supervisors for review and comment.

Annual Work Plan and Budget Oversight

To ensure budgetary oversight, the Department of Economic and Workforce Development and Workforce Investment San Francisco should develop an annual workforce development program plan, in conjunction with the respective City departments, that aligns with the five-year strategic plan. The Board of Supervisors could then adopt annual appropriations for City departments' workforce development programs consistent with the five-year strategic plan and annual workforce development program plan.

Coordination with Communities of Opportunity

The Mayor's Office has established a pilot project, Communities of Opportunity, targeting specific neighborhood street corners and creating an umbrella for programs providing services to the neighborhoods adjacent to these street corners. Among other concerns, these neighborhoods have identified job placement as a high priority. Communities of Opportunity's programs include workforce development services, which need to be included in the annual work plan and budget.

Conclusion

The City's workforce development programs have lacked central planning and resource allocation, resulting in inefficient program delivery and inadequate oversight. In FY 2007-2008, the Office of Workforce Development intends to rebuild Workforce Investment San Francisco and develop a strategic plan. The Board of Supervisors should define the role of Workforce Investment San Francisco in overseeing the City's locally-funded workforce development programs, and define the Board's role in overseeing the City's workforce development programs, including appointing designated members to Workforce Investment San Francisco and approving workforce development programs funded by local, state, and federal revenues subject to applicable state and federal law.

² Under this recommendation, the Department of Economic and Workforce Development will need to work with the City Attorney's Office, the Board of Supervisors, and the Mayor to determine the total number of members to be appointed to Workforce Investment San Francisco. The Board of Supervisors will need to work with the City Attorney to define their authority to appoint members to Workforce Investment San Francisco subject to applicable state and federal law.

Recommendations

The Board of Supervisors should:

- 1.1 Adopt an ordinance, amending the Administrative Code, to establish:
 - (a) The role of the Board of Supervisors in overseeing the City's workforce development programs, including appointing designated members to Workforce Investment San Francisco subject to applicable state and federal law, and approving workforce development programs funded by federal, state, and local revenues subject to applicable state and federal laws.
 - (b) The roles and responsibilities of the Department of Economic and Workforce Development's Office of Workforce Development and Workforce Investment San Francisco in overseeing federal, state, and locally-funded programs subject to the applicable state and federal laws; and
 - (c) The role and participation of City departments providing workforce development programs and how central planning and coordination of workforce development programs shall be implemented by each City department.

The Director of Workforce Development of the Department of Economic and Workforce Development should:

- 1.2 Identify City departments' annual funding for workforce development programs, including:
 - (a) Developing a standard definition for workforce development programs, identifying program components, such as job training, childcare assistance, pre-employment skills, and other components; and
 - (b) Working with the respective City departments to develop uniform criteria for allocating administrative and direct costs to workforce development programs and establish budget mechanisms to identify and track such costs.
- 1.3 Provide an initial draft of the new proposed five-year strategic plan to the Board of Supervisors for review and comment.
- 1.4 In conjunction with Workforce Investment San Francisco, work with the respective City departments to develop an annual workforce development program plan and budget, that aligns with the five-year strategic plan, and is submitted to the Board of Supervisors during the annual appropriation process.

- 1.5 Include workforce development programs under the auspices of Community of Opportunities in the annual work plan and budget.

Costs and Benefits

The Department of Economic and Workforce Development's FY 2007-2008 budget contains resources for the strategic planning process and implementation of these recommendations. Implementation of these recommendations should contribute to increased oversight and more efficient allocation of resources to workforce development programs.

2. Workforce Development Programs for Adults

- Because the City's workforce development system lacks coordination, City departments implement workforce development programs on their own initiative, resulting in duplication of services to some communities and significant gaps in services to others. Overall, City programs do not show that individuals receiving services are eventually placed into jobs leading to financial self-sufficiency.
- The One-Stop Centers primarily provide basic job services, included self-directed job searches, and do not directly place many individuals into jobs. In FY 2006-2007, the three One-Stop Centers reported 13,157 clients receiving a range of services from casual contact to self-directed job searches and more intensive staff-assisted job services. Of these 13,157 clients, including walk-in clients, CalWORKS and Personally Assisted Employment Services referrals, and referrals from community-based organizations and other programs, 2,054 clients found jobs, or 15.6 percent. According to the June 2007 Business Services Monthly Report, 4,273 of these clients received more intensive services. Only approximately one-third of the One-Stop Centers' clients who received more intensive job services were placed into jobs that paid 125 percent of the San Francisco minimum wage, short of the targeted goal of 45 percent.
- Nor do Community-based organizations, which make up \$15.3 million of the FY 2006-2007 funding of \$29.1 million, place many individuals into jobs. In a review of 32 community-based organization contracts for which placement data was available, 10,530 individuals were served and 2,256 were reported to receive job placement, or 21.4 percent. Not all services provided by community-based organizations are expected to lead to job placement, but even when outcomes other than direct placement are a reasonable goal of the program, City departments do not routinely move participants from pre-employment programs to programs providing job training and placement.
- Planning for and providing services in specific City neighborhoods is not based upon a Citywide plan, or funding formula based on need, but rather each department's preferences or the availability of community-based organizations to provide services. For example, several City departments have workforce development programs targeting the City's southeast neighborhoods without collaboration with one another or participation in Citywide programs, such as CityBuild.

- **Also, funding for community-based organizations is unevenly distributed among different neighborhoods because community-based organizations have greater capacity in some neighborhoods than others. In FY 2006-2007, combined funding to programs provided by community-based organizations in the Mission/ Potrero Hill and Tenderloin/ South of Market neighborhoods was 58 percent greater than to the combined Western Addition, Bayview Hunters Point, and Chinatown neighborhoods.**
- **City departments' workforce development programs target specific groups or populations needing services rather than targeting programs to available jobs. Service delivery is fragmented, with multiple programs to different populations and groups and insufficient links between workforce development programs and job opportunities. Further, this uncoordinated approach has resulted in uneven funding to different populations regardless of need. Differences in funding is compounded by lack of clarity in what constitutes workforce development programs. For example, in FY 2006-2007, funding for programs defined as workforce development programs targeted to mental health consumers was \$2.98 million but funding for programs defined as workforce development programs targeted to individuals with disabilities was less than \$100,000.**
- **Few City programs address the needs of young adults under 25 years, yet this population has significant needs. Of 3,412 youth and young adult clients of the One-Stop Centers, only 140, or 4 percent, were actually placed into jobs.**

Because the City has no overall system to plan and coordinate workforce development programs, City departments implement programs independently of one another, resulting in inefficient allocation of services to communities and inadequate follow-through to ensure that services result in jobs providing financial self-sufficiency. The federal Workforce Investment Act established a one-stop system, intended to coordinate and provide services through physical one-stop centers, the local community college and educational system, municipal agencies, and community-based organizations. Workforce Investment San Francisco was intended to serve as the policy, planning and oversight body for the City's one-stop system, but because Workforce Investment San Francisco primarily oversees services funded by the Workforce Investment Act, most locally-funded workforce development services provided by City departments are delivered outside of Workforce Investment San Francisco's oversight.

The City's One-Stop Centers

The City currently has three One-Stop Centers, funded in part by Workforce Investment Act monies. The Human Services Agency operates two centers in southeast San Francisco and the Mission District, and the State Employment Development Department operates a third center in the Civic Center. Because these three physical locations do not serve all economically-disadvantaged San Francisco neighborhoods, the Board of Supervisors added \$500,000 in General Fund monies to the Department of Economic and Workforce Development's FY 2007-2008 budget to develop two additional one-stop centers in Chinatown and the Western Addition.

The One-Stop Centers are intended to provide a range of job services, from "core" services, including self-directed job searches, to "intensive" services, including specific job training and case management supporting individuals through an array of workforce development services. Individuals are referred to the One-Stop Centers by the Human Services Agency, community-based organizations, and other venues, or may refer themselves.

The One-Stop Centers provide mostly core services to assist individuals in finding available jobs, and refer clients to community-based organizations for more intensive workforce development services. Employers who are required to participate in the City's First Source Hiring Program, making entry-level jobs available to economically disadvantaged residents, can post their available entry-level jobs at the One-Stop Centers, who then provide this job information to community-based organizations. The One-Stop Centers receive client referrals from the community-based organizations as well, providing employment assessment and placement into the First Source Hiring Program jobs.

The One-Stop Centers primarily provide basic job services, including self-directed job searches, and do not directly place many individuals into jobs. In FY 2006-2007, the three One-Stop Centers reported 13,157 clients receiving a range of services from casual contact to self-directed job searches and more intensive staff-assisted job services. Of these 13,157 clients, including walk-in clients, CalWORKS and Personally Assisted Employment Services referrals, and referrals from community-based organizations and other programs, 2,054 clients found jobs, or 15.6 percent. According to the June 2007 Business Services Monthly Report, 4,273 of these clients received more intensive services. According to the FY 2006-2007 SF Stat performance measures, only approximately one-third of the One-Stop Centers' clients who received more intensive job services were placed into jobs that paid 125 percent of the San Francisco minimum wage, short of the targeted goal of 45 percent.

The March 2007 *San Francisco One-Stop System Review*, prepared by the Corporation for a Skilled Workforce for the Department of Economic and Workforce, found that the One-Stop Centers and the community-based organizations formed two separate and

unconnected systems. Many of the community-based organizations funded by City departments have not been directly linked to the One-Stop Centers. Nor have the One-Stop Centers had a formal process to refer individuals to community-based organizations for more intensive services or a system to track referrals. Workforce Investment San Francisco has adopted a new service delivery model in FY 2007-2008 that requires community-based organizations to locate staff within the three One-Stop Centers to provide intensive case management services and links to training for adults eligible for services under the Workforce Investment Act.

Many of the City's workforce development programs function independently of the One-Stop Centers. City departments often recruit participants for department-sponsored job programs from the One-Stop Centers but do not have formal ties to the One-Stop Centers generally.

Department-Sponsored Workforce Development Programs

Several City departments provide adult workforce development programs funded by enterprise or General Fund revenues. These departments have established apprenticeship or other job training programs based upon the departments' needs or interests but not linked to a larger City mandate or program.

These department programs vary in populations served, types of services provided, and expected outcomes, depending on the department's goals. This uncoordinated approach, however, has resulted in both duplication of and gaps in services.

Lack of Coordination in Serving Neighborhoods

Several of the City departments providing workforce development programs target their programs to the City's southeast neighborhoods. The Department of the Environment, Public Utilities Commission, Airport, and the Department of Public Works all provide programs emphasizing outreach to residents in the City's southeast neighborhoods with no coordination of these programs.

- The Department of the Environment has a contract with Goodwill Industries to provide services in the Bayview Hunters Point neighborhood. The Department's strategic plan links environmental justice issues with other barriers faced by economically disadvantaged City residents, including employment opportunities.
- The Airport's Office of Employment and Community Partnerships is responsible for connecting economically disadvantaged residents with Airport jobs, working with public agencies and community-based organizations to recruit for jobs with the Airport and its tenants. Because the Airport is located south of the City, the Office of Employment and Community Partnerships targets outreach and recruitment to the southeast neighborhoods.

- The Public Utilities Commission provides pre-apprenticeship programs for residents of Bayview Hunters Point as part of their program to mitigate the impact of the Southeast Wastewater Treatment Plant on the surrounding neighborhood.
- The Department of Public Works provides a general laborer apprenticeship program for economically disadvantaged City residents, with a goal of providing residents of high-crime neighborhoods, especially the City's southeast neighborhoods, with employment training and access to construction jobs.

Overall, the City's workforce development programs are unevenly distributed among the City's neighborhoods. Table 2.1 shows the neighborhood distribution of programs provided by community-based organizations that received funding from nine City departments in FY 2006-2007.¹

Table 2.1
Neighborhood Distribution of Workforce Development Programs
Provided by Community-Based Organizations
FY 2006-2007

Neighborhood	Number of Contracts with Community Based Organizations	Total FY 2006-2007 Contract Amounts	Percent of All Contracts
Citywide	24	7,576,605	49.5%
Mid Market/ Castro	7	2,102,999	13.7%
Mission/ Potrero	15	1,832,374	12.0%
Tenderloin/ South of Market	17	1,617,179	10.6%
Western Addition/ Haight Ashbury	6	1,034,717	6.8%
Chinatown	9	651,371	4.3%
Bayview/ Hunters Point/ Ingleside/ Visitacion Valley	7	496,501	3.2%
	85	15,311,746	100.0%

Source: City Departments

Approximately 49.5 percent of funding to community-based organizations are Citywide programs, including programs provided by large community-based organizations, such as Goodwill Industries, Inc., and training services provided to individuals. 13.7 percent are programs provided in the Mid-Market and Castro neighborhoods, of which \$1.96 million of the \$2.1 million are programs provided by the Department of Public Health for mental health consumers.

¹ These departments include Airport, Port, Public Utilities Commission, Mayor's Office of Community Development, Human Services Agency, Department of Public Health, Department of the Environment, Department of Public Works, Redevelopment Agency, and programs funded by the Workforce Investment Act under the auspices of the Private Industry Council.

The remaining funding, or 36.8 percent, is distributed among community-based organizations in the City's economically disadvantaged neighborhoods. Some neighborhoods, such as the Mission District and the Tenderloin, receive a larger portion of funding due to greater organizational capacity in those neighborhoods. In FY 2006-2007, combined funding to programs provided by community-based organizations in the Mission/ Potrero Hill and Tenderloin/ South of Market neighborhoods was 58 percent greater than to the combined Western Addition, Bayview Hunters Point, and Chinatown neighborhoods.

According to interviews, the Western Addition especially lacks organizational capacity to provide services to the neighborhood. One of the main community-based organizations located in the Western Addition, Ella Hill Hutch Community Center, received more than \$463,537 from City departments in FY 2006-2007 but was unable to meet contractual requirements. According to a November 2006 status report prepared by the Redevelopment Agency, the Ella Hill Hutch Community Center placed only 76 individuals into jobs between July 1, 2005 and September 30, 2006, or 38 percent of the 200 job placement goal.

Lack of Coordination in Serving Populations

The City's workforce development programs target specific groups or populations needing services rather than training individuals for employment in the City's business sectors. This has resulted in fragmented service delivery, with multiple uncoordinated programs to different populations and groups and insufficient links between workforce development programs and job opportunities.

Table 2.2
Population Distribution of Workforce Development Programs Provided
by City Departments and Community-Based Organizations
FY 2006-2007²

Population Served	Total FY 2006-2007 Amount	Percent
Other Low Income	\$14,111,204	51.9%
Cash Aid Recipients	5,225,051	19.2%
Mental Health Consumers	2,976,781	11.0%
Homeless	2,206,530	8.1%
Refugee/ Immigrant	1,822,760	6.7%
Lesbian/ Gay/ Bisexual/ Transgender	368,000	1.4%
Ex Offenders	156,000	0.6%
People with AIDS	151,499	0.6%
Disabilities	91,332	0.3%
Foster Youth	55,900	0.2%
	27,165,057	100.0%

Source: City Departments

At least ten City departments have implemented some form of workforce development program, of which nine have contracts with community-based organizations to provide some or all of the services. Although the Human Services Agency, as the City's social service agency, must provide workforce development programs to recipients of federally-funded cash aid, other City departments provide workforce development programs for a variety of reasons, including the department's own initiative. This has resulted in several departments providing programs to specific communities or populations with inconsistent coordination of efforts.

- The Mayor's Office of Community Development provides grants to community-based organizations and the Airport and Human Services Agency provide programs for lesbian, gay, bisexual, or transgender participants.
- The Mayor's Office of Community Development provides grants to community-based organizations and the Human Services Agency provides programs for homeless participants.
- The Private Industry Council and the Mayor's Office of Community Development provide funding to community-based organizations, and the Human Services Agency provides programs to refugees and immigrants.

² Programs for young adults (as shown in Table 2.3) are included in Table 2.2 under the subcategory, such as "Refugee/Immigrant" for programs targeted to immigrants between the ages of 18 to 24 years. Some programs serve more than one population, such as immigrants or homeless receiving cash aid, and are categorized as the subcategory, "Refugee/Immigrant" or "Homeless".

- The Department of Public Health provides programs and the Mayor's Office of Community Development provides grants for programs for people with HIV/AIDS.
- The District Attorney's Office provides programs and the Mayor's Office of Community Development provides grants for programs for ex-offenders.

Several City departments provide programs for economically disadvantaged individuals in general.

- The Redevelopment Agency has job training and placement programs in their redevelopment areas in response to a State mandate.
- The Human Services Agency provides programs, and the Mayor's Office of Community Development and the Private Industry Council provide funding to community-based organizations for various job readiness, support, training and employment programs for low-income participants.
- The Port and the Public Utilities Commission both contract with the California Conservation Corps to provide work experience to economically disadvantaged individuals.
- The Department of Public Works contracts with the San Francisco Clean City Coalition to provide transitional economically individuals and the Human Services Agency contracts with the same organization to provide services to the homeless population.
- The Public Utilities Commission and the Department of Public Works have both provided general laborer apprenticeship programs.
- The Airport provides workforce development services to economically disadvantaged individuals through its Career Connect program.
- The Department of Public Health provides services to mental health consumers, including assessment, support services, training, transitional work experience and internships, and other employment services and opportunities.

Each of these departments has its own process of identifying populations to be served, programs to be provided, and expected outcomes. Several City departments may fund the same community-based organization to provide services, but each department selects the organization and establishes performance goals and outcomes independently. Some of the programs, such as the Public Utilities Commission and the Airport, are able to provide jobs to program participants but other City departments' programs do not link workforce development services and job training to employers and available jobs.

Nor do City departments necessarily identify job placement as an intended outcome. In a review of 32 community-based organization contracts for which placement data was available, 10,530 individuals were served and 2,256 were reported to receive job placement, or 21.4 percent.

Even if outcomes other than job placement are a reasonable goal, such as programs providing life skills training or mental health services, the various departments have no

systematic method to move participants from pre-employment programs to programs providing job training and placement, nor a method to track if program participants are ultimately employed.

Further, this uncoordinated approach to planning and implementing workforce development programs by ten different City departments has resulted in uneven funding for different populations regardless of the needs. Differences in funding is compounded by lack of clarity in what constitutes workforce development programs. For example, in FY 2006-2007, funding for programs defined as workforce development programs targeted to mental health consumers was \$2.98 million but funding for programs defined as workforce development programs targeted to individuals with disabilities was less than \$100,000.

Programs for Young Adults

Neither the One-Stop Centers nor the First Source Hiring programs specifically address the needs of young adults under the age of 25 in seeking employment. The three One-Stop Centers provide very few jobs for young adults. From July 1, 2006 through March 31, 2007, the three One-Stop Centers reported 3,412 youth and young adult clients between the ages of 14 and 24 years. Only 140 youth and young adults, or 4 percent, were actually placed into jobs.³

In interviews, City and community-based organization staff often reported that young adults between the ages of 18 and 24 constitute a population that critically needs workforce development attention. However, because the City divides funding and programs into youth and adult categories, it is not clear if the needs of this group are being met or that resources and outcomes for this group are captured in current data collection. Although the City has made some efforts to ensure that a greater focus is placed on transitional youth, such as the Transitional Youth Task Force, interviews with City staff and community-based organizations indicate that much more still needs to be done.

In FY 2006-2007, City departments funded \$1.7 million for workforce development programs for young adults, or approximately 5.8 percent of the City's total funding for workforce development programs of \$29.1 million.

³ One Stop Career Link Centers Quarterly Youth Report, March 2007

Table 2.1
Workforce Development and Job Training Programs for Young Adults
Between the Ages of 18 and 24
FY 2006-2007

Department	Program	Budget	Expected Participants
Human Services Agency	<u>Connect by 25</u> . Job readiness training for foster youth ages 14 through 24	\$55,900	15
Airport	<u>Career Connect</u> . Provides a structured work environment for "at risk" young adults ages 18 through 25 to learn work skills	150,000	20
Public Utilities Commission	<u>Garden Project Earth Stewards</u> . Provides job skills and education to "at risk" young adults through environmental projects. Upon successful completion, participants are eligible to enter a department apprenticeship program.	741,744	33
Public Utilities Commission	<u>Conservation Corps</u> . Provides young adults ages 18 through 26 with basic job skills	150,000	16
Port of San Francisco	<u>Conservation Corps</u> . Provides young adults ages 18 through 26 with basic job skills	150,000	11
Mayor's Office of Community Development	<u>Bayview Hunter's Point Center for Arts and Technology</u> . Provides young adults with computer training and opportunity to design community based logos	58,000	20
Mayor's Office of Community Development	<u>Glide Foundation</u> . Provides counseling, hard and soft skills, and placement into construction industry jobs for young adults	48,000	25
Mayor's Office of Community Development	<u>Brava! For Women in the Arts Provides</u> technical training in theater production and placement in internships at professional theaters for youth and young adults ages 14 through 25	45,000	33
Mayor's Office of Community Development	<u>Brothers Against Guns</u> . Provides job training, life skills training, counseling and placement for young adults ages 18 through 25 connected to the criminal justice system	40,000	10
Mayor's Office of Community Development	<u>Community Youth Center</u> . Provides job preparation, job placement and support services for youth and young adults ages 16 through 25, primarily focusing on Asian immigrants with limited English proficiency	71,000	200

2. Workforce Development Programs for Adults

Department	<u>Program</u>	Budget	Expected Participants
Mayor's Office of Community Development	<u>Ella Hill Hutch Community Center</u> . Provides job readiness, job training and placement services for young adult men ages 18 through 24 in the Western Addition	98,000	56
Mayor's Office of Community Development	<u>Ingleside Community Center</u> . Provides job counseling, placement and supportive services for young adults ages 18 through 25	40,000	15
Mayor's Office of Community Development	<u>Life Frames, Inc.</u> Provides vocational language, gardening, landscaping, and green construction training and job placement for young adults ages 18 through 24	35,000	20
Mayor's Office of Community Development	<u>Vietnamese Youth Development Center</u> . Provides employment counseling and placement for young adults ages 18 through 24	40,000	60
TOTAL		\$1,722,644	534

Source: City Departments

In addition to these programs provided by City departments, the District Attorney includes employment programs for young ex-offenders under the age of 25 in the "Changing the Odd" re-entry program. Under this program, private employers pay the costs for a four-week job-readiness training program provided by a non-profit agency and for six weeks of work experience. According to the District Attorney's Office, approximately 20 young adults participated in FY 2006-2007.

The workforce development programs served approximately 534 young adults under the age of 25. These programs for young adults were generally designed to provide life skills and job readiness training and work experience, rather than actual placement into permanent jobs. Job placement results varied among departments, as well as the definition of job placement. Some of the programs provided work or internship experience, such as the California Conservation Corps program. Other programs defined job placement as the goal but the type of job placement (permanent or temporary, living wage) was not uniformly defined. Both the Human Services Agency and the District Attorney's Office reported that all program participants were placed into jobs. The Airport reported placing 50 percent or more of program participants into jobs, and the Public Utilities Commission reported that one-third of the participants who completed the program found a job. The Mayor's Office of Community Development had not yet tabulated FY 2006-2007 program outcomes.

Although young adults also participate in the City's workforce development programs designed for the general adult population, the March 2007 One-Stop Center quarterly

report shows that young adults are less likely to find a job than adults 25 years and older. In the nine-month period from July 1, 2006 through March 31, 2007, the One-Stop Centers reported that more than nine times as many adults 25 years and older found jobs than younger adults.⁴ The existing City programs designed for young adults reach too few individuals and are insufficiently geared toward job training and placement to address the problem of employment for this age group.

Tracking and Monitoring Workforce Development Programs

Systems to track and monitor workforce development programs Citywide are inadequate. According to the Human Services Agency, the One-Stop Centers cannot track referrals of the Centers' clients to other agencies and services, including eventual outcomes, due to inadequate systems and staff resources. Consequently, the One-Stop Centers' data shows that only 15.6 percent, or 2,054, of 13,157 clients were placed into jobs in FY 2006-2007. The Centers can not show if clients successfully received other services or were ultimately employed.

The One-Stop Centers were able to conduct a random sample of 633 jobseekers in January 2007, showing that 249 or 39 percent reported wages based on Employment Development Department data. Overall, though, the One-Stop Centers can not evaluate their own effectiveness and whether their services place individuals into financially self-sufficient jobs or that referrals to more intensive services lead individuals toward successful employment.

Different funding sources require different degrees of reporting. Federal Temporary Assistance for Needy Families (TANF), Community Development Block Grants, and Workforce Investment Act programs all have different reporting requirements. Locally-funded programs can determine their own reporting requirements, but variations in definitions, data gathering, and departments' information systems prevent the City from tracking the outcomes of locally-funded workforce development programs. This lack of monitoring and tracking of workforce development programs and outcomes is significant, because existing data suggests that the City's annual investment of \$29.1 million does not provide jobs and financial self-sufficiency for the City's most economically disadvantaged residents.

The Department of Economic and Workforce Development has grant funding in FY 2007-2008 to begin a needs assessment of workforce development program systems. Developing compatible tracking and monitoring systems will be significant in evaluating the cost effectiveness and successful outcomes of the City's workforce development programs.

⁴ According to the March 2007 quarterly report, 1,301 adults 25 years and older found jobs compared to 140 adults 24 years and younger.

Conclusion

City departments' implementation of workforce development programs is fragmented and unfocused. City departments provide services to specific populations or neighborhoods without consulting or coordinating with one another, resulting in duplicated and uncoordinated services. Some neighborhoods or populations receive significantly larger share of funding and programs based on capacity and interest rather than need or results.

Most importantly, City department programs do not ensure that placement in financially self-sufficient jobs is the end goal. In general, programs are targeted to types of individuals rather than available job opportunities. Although programs providing pre-employment support appropriately set performance goals on employment readiness prior to actual job placement, City departments have no system to ensure that individuals move from pre-employment to more specific job training and placement programs or that the individuals served by the system eventually gain jobs.

Section 1 of this report has recommended Administrative Code provisions that define the central planning and coordinating role of Workforce Investment San Francisco and the supporting role and responsibilities of the Department of Economic and Workforce Development, development of a comprehensive five-year strategic plan, and annual Citywide work plan and budget consistent with the five-year strategic plan.

As the central planning and coordinating entity, Workforce Investment San Francisco needs to ensure accountability and effectiveness of the City's workforce development programs. This includes an annual work plan and budget that allocates resources to City departments and programs based on need, effectiveness, and desired outcomes.

Recommendations:

The Director of Workforce Development of the Department of Economic and Workforce Development should:

- 2.1 As part of the strategic planning process in FY 2007-2008 and development of an annual work plan and budget:
 - (a) Inventory and map City departments' workforce development programs and funding; and
 - (b) Identify duplication and gaps in services.
- 2.2 Submit a report to the Board of Supervisors prior to December 31, 2007 on information system needs and data monitoring and tracking requirements to effectively monitor workforce development programs and outcomes.

Workforce Investment San Francisco, with the support of the Director of Workforce Development of the Department of Economic and Workforce Development, should:

- 2.3 As part of the strategic planning process in FY 2007-2008 and development of an annual work plan and budget, develop a plan to:
- (a) Coordinate City programs and funding,
 - (b) Integrate all City department and community-based organization programs, including the One-Stop Centers and First Source Hiring Program, into a comprehensive workforce service delivery model, and
 - (c) Link all City programs to employment outcomes.
- 2.4 As part of the development of an annual work plan and budget, develop standard performance and outcome criteria for City workforce development programs.

Costs and Benefits

The FY 2007-2008 budget for the Department of Economic and Workforce Development includes both General Fund and Workforce Investment Act resources to provide for planning and coordination of the City's workforce development system. Planning and coordinating programs should provide more cost-effective services, filling in gaps and reducing duplication of services.

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

- **Several City departments have contracted with community-based organizations to provide workforce development services, because departments consider community-based organizations to have closer ties to the local communities and economically disadvantaged adults. In FY 2006-2007, City departments and the Private Industry Council awarded \$15.3 million in contracts to 59 different community-based organizations, or approximately 52.6 percent of the estimated funding of \$29.1 million for workforce development programs, providing a range of workforce development services, from basic education, job readiness, and life skills training to more focused job training preparing participants for permanent placement.**
- **Although community-based organizations receive more than one-half of all funding for the City's workforce development programs, City departments cannot determine if this funding is effective in placing the City's economically-disadvantaged residents into permanent jobs. City departments do not consistently measure or ensure the effectiveness of programs provided by community-based organizations, nor do they have a comprehensive plan to ensure that all aspects of adult workforce development (e.g., soft and hard skills development, subsidized jobs, access to work supports, etc.) are provided and linked together. Consequently, clients do not receive the full range and depth of training and employment services that are needed to maintain a permanent job and ultimately achieve self-sufficiency.**
- **The performance data collected by community-based organizations, which primarily includes program participation and job placement data, is limited and varies from program to program. City departments lack a common definition of successful outcomes for workforce development programs and method to measure (1) if programs providing services other than direct job placement eventually result in job placement, or (2) if job placements are permanent and financially self-sufficient. As a result, City departments and community-based organizations are unable to determine the overall effectiveness of the workforce development services in terms of providing their clients with long-term, financially self-sufficient employment.**

- **The City departments contracting with community-based organizations for workforce development services lack consistent oversight of community-based organizations and a formal process to identify organizations that fail to meet performance goals across several funding sources. Having sufficient, consistent, and on-going oversight of community-based organizations is necessary in order to ensure that community-based organizations are effectively performing their contractual obligations and to establish a system of accountability and standards for the City’s workforce development efforts.**

As part of the City’s broader efforts to provide adult training and employment services to City residents with barriers to employment, several City departments have contracted with community-based organizations to implement the City’s workforce development programs. City departments perceive that community-based organizations have close contacts with the community and economically disadvantaged residents lacking access to educational and training programs.

In theory, community-based organizations’ connections to community residents may make them more effective in recruiting and assessing residents for workforce development programs, especially in low-income neighborhoods; integrating employment and training with social service and community development activities; and developing community-sensitive, public policy agendas for labor market reform. Although community-based organizations may possess this theoretical “benefit of place,” some studies have shown that community-based organizations do not necessarily meet performance requirements, especially the successful placement of clients in jobs providing financial self-sufficiency, and retention and advancement of those clients. Despite such findings, community-based organizations have continued to play a central role in providing adult training and employment services to San Francisco.

Overview of San Francisco’s Adult Workforce Development Community-Based Organizations

Community-Based Organizations’ Funding and Services

In FY 2006-2007, several City departments and the Private Industry Council, funded by the Federal Workforce Investment Act, contracted with 59 different community-based organizations to provide adult training and employment services, totaling \$15.3 million, as shown in Table 3.1. Of these contracts, the Human Services Agency awarded \$6.6 million, or 43.1 percent of the contract amounts; the Department of Public Health awarded \$3.1 million, or 20.2 percent of the contract amounts; and the Private Industry Council awarded \$2.2 million, or 14.3 percent of the contract amounts.

Table 3.1
Total Amount Provided by City Departments & Private Industry
Council to Community-Based Organizations
for Adult Workforce Development
FY 2006-2007

Departments or Entities Providing WD Grants to Community-Based Organizations and Programs for Adults	FY 2006-2007 Amount Provided to Community Organizations and Programs	
Human Service Agency*	\$6,593,951	43.1%
Department of Public Health	\$3,098,280	20.2%
Private Industry Council (WIA Adult Only)	\$2,190,844	14.3%
Mayor's Office of Community Development	\$1,904,735	12.4%
Redevelopment Agency (through Private Industry Council funding)	\$1,042,426	6.8%
Department of Public Works	\$246,510	1.6%
Port Authority	\$150,000	1.0%
District Attorney	\$50,000	0.3%
Department of the Environment	\$35,000	0.2%
	\$15,311,746	100.0%

Source: Survey data collected by the Department of Economic and Workforce Development and by the Budget Analyst from city departments and community-based organizations.

* Note: Excludes CityBuild and includes programs for adults only.

Of the 59 different community-based organizations that received funding in FY 2006-2007, thirteen received funding from more than one City department, as indicated in Table 3.2 below.

Table 3.2
Community-Based Organizations That Received Funding From More Than One City Department in FY 2006-2007

	Dept. of the Environment	Dept. of Public Health	Dept. of Public Works	Human Services Agency ¹	Mayor's Office of Community Development	Private Industry Council	Redevelop. Authority
Arriba Juntos				X	X	X	
City College				X		X	
Ella Hill Hutch Community Center				X	X		X
Episcopal Community Services				X	X		
Goodwill Industries	X			X	X	X	
Haight Ashbury Food Program					X	X	
Jewish Vocational and Career Counseling Service					X	X	
Mission Hiring Hall					X		X
Mission Language & Vocational School					X	X	
Northern California Service League				X	X	X	
Positive Resource Center		X			X		
San Francisco Clean City Coalition			X	X			
The Young Community Developers				X	X		X

Source: Survey data collected by the Department of Economic and Workforce Development and data collected by the Budget Analyst from city departments and community-based organizations.

The 59 community-based organizations included in the survey offered a mix of services:

- 17 provided assessment, career counseling and other support services.
- 50 provided pre-employment training (e.g., job-readiness and adult education);
- 52 provided skills training (e.g., customized, incumbent worker, and new worker
- 33 provided job placement;
- 14 provided transitional work, internships, and other work experience; and
- 10 provided other types of services such as behavioral health counseling.

Table 1 in the Appendix shows all of the community-based organizations that received funding from city departments and the Private Industry Council in FY 2006-2007, including the types of services they provided to adult populations.

¹ In FY 2006-2007, the Human Services Agency provided funding to the Ella Hutch Community Center, the Northern California Service League, and the Young Community Developers via funding through the Private Industry Council.

Populations Served

San Francisco's workforce development programs are generally designed to serve specific populations or communities rather than provide skills training for specific occupations or business sectors. Most of the Human Services Agency's programs target cash aid recipients while other City departments target other low-income residents. Of the community-based organizations that received funding from City departments²:

- 15 organizations served refugee or immigrant populations,
- 8 organizations served Temporary Assistance for Needy Families (TANF) or aid recipients,
- 7 organizations served homeless adults, and
- 3 organizations served ex-offenders or incarcerated adults.

Most of the community-based organizations indicated serving "Other" adult population groups, including (a) young adults; (b) poor, low-income, or disadvantaged individuals; (c) lesbian, gay, bisexual, and transgender groups; (d) people with disabilities; (e) people with HIV/AIDS; (f) Visitacion Valley residents; and (g) at-risk young adults what have been affected by critical incidents. Table 2 in the Appendix shows the adult populations served by the community-based organizations in FY 2006-2007.

Monitoring, Measuring, and Evaluating Community-Based Organizations' Performance

City departments' ability to adequately monitor, measure, and evaluate the performance of community-based organizations in providing workforce development services to adult populations is inconsistent. The effectiveness of community-based organizations in preparing residents for and placing them in jobs leading to financial self-sufficiency can be assessed based on:

- (a) the range and depth of the services currently provided;
- (b) the performance measures in place indicating the relative success of clients in terms of job placement, retention, and advancement; and
- (c) the systems in place to ensure sufficient oversight by and accountability to city departments that provide funding to community-based organizations.

² This analysis of the types of populations served included only those community-based organizations that received funding from City departments, (i.e., excluding those that received funding from the Private Industry Council) because the Private Industry Council did not provide information on the populations served by its community-based organization grantees.

Range and Depth of Services Provided

Because City workforce development programs generally target populations with significant or multiple barriers to employment, community-based organizations often provide basic job readiness and life skills services rather than specific job skill training. As discussed above, the 59 different adult workforce development community-based organizations that received funding from City departments and the Private Industry Council, provided a mix of job readiness, pre-employment, and job training services. As the survey results show, most of the services provided by these community-based organizations focus primarily on training and career counseling instead of direct recruitment or placement of individuals to jobs.

City departments generally set workforce development goals based on the requirements of their funding sources. Departments have not uniformly defined placement into permanent jobs providing financial self-sufficiency as a goal when planning workforce development programs or funding community-based organizations to provide services.

- The Human Services Agency, which provides the largest portion of funding to community-based organizations to provide workforce development services to adult populations, must meet Federal work participation mandates for cash aid recipients of at least 20 hours per week in allowable activities, although these requirements do not include placement into permanent jobs leading to financial self-sufficiency.
- The Mayor's Office of Community Development, which administers the Federal Community Development Block Grant, funds community-based organizations that provide workforce development services to individuals who have multiple barriers to employment or are not served by other City programs. According to the Mayor's Office of Community Development, job placement is not a goal for all community-based organization contracts. The Federal Housing and Urban Development Department, which oversees the Community Development Block Grants program, does not require placement into permanent jobs leading to financial self-sufficiency as a condition of funding. According to the Mayor's Office of Community Development, even if placement is not a goal for a specific contract, the contractor must demonstrate that it is linked to other employment services as well as placement. The proposal has to show that the contractor has a relationship with an agency that assists with placement.
- The Department of Public Health provides services to people living with HIV/AIDS based upon both the funding source and the Department's determination of the need, and pre-employment and employment services to mental health consumers. These contracts provide counseling, case management and other services but do not specifically target job training and placement.

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

Other City departments and agencies provide workforce development programs through community-based organizations based on specific department or agency requirements. The Redevelopment Agency, for example, must place redevelopment area residents into construction and other jobs resulting from development activities. The Port provides work experience through the California Conservation Corps for young adults.

In FY 2006-2007, the Private Industry Council awarded federal Workforce Investment Act grants to community-based organizations to provide basic educational and English skills, job training, and other associated workforce development services. The Workforce Investment Act requires reports on the use of these funds, including the percentage of participants who have completed a program, retention rates in unsubsidized employment, and wages. However, as noted below, most of the community-based organizations that received funding from the Private Industry Council did not meet their performance targets in FY 2006-2007.

Most of the community-based organizations provided a mix of services, generally targeted to language, basic skills, job readiness, and job skills training. Of 85 separate community-based organization contracts³, only 33 specifically included job placement services. Many of the contracts with community-based organizations targeted services to individuals who have significant skills development needs, including language and basic educational skills, or significant social issues, such as homelessness or mental health issues. Therefore, the services provided were intended to provide basic skills or job readiness training to prepare individuals for employment.

However, City departments that provide funding to these organizations lack a comprehensive and cohesive plan to ensure that pre-employment, life skills, job readiness and other services are eventually linked to job training and placement. Workforce Investment San Francisco, with the support of the Department of Economic and Workforce Development, should develop a cohesive workforce development plan that clearly defines the roles of all workforce development service providers (e.g., the departments themselves, community-based organizations, employers, educational institutions, private entities, etc.), ensuring that clients' employment and training needs are met and that, ultimately, clients are placed in permanent jobs providing financial self-sufficiency. Taking advantage of the strengths of each of the key player in the City's workforce development network (e.g., the community-based organizations' community outreach capabilities, the City departments' ability to link soft and hard skills, etc.) and having a plan that links all the service providers, as well as the services they provide, are essential in managing the complexities involved in workforce development.

³ The 59 discrete community-based organizations held 85 separate contracts with nine City departments.

Performance Measures

Most contracts with community-based organizations require some data collection and reporting, but the data collected by community-based organizations is limited and varies from program to program. In addition, the definitions of performance measures (e.g., placement) currently used by community-based organizations vary from one organization to another. Based on the survey data collected by the Department of Economic and Workforce Development, the most common performance measures collected by adult workforce development community-based organizations were pre-employment training and job placement. Performance indicators collected typically include the number of participants completing training and the number placed in jobs. In addition, based on the Budget Analyst's interviews of community-based organization staff, only a few community-based organizations actually monitor and collect information on their clients' job retention prospects (e.g., after six months of completing the workforce development program), whereas most community-based organizations focus primarily on collecting program participation/completion information.

Based on available participation/enrollment and placement data for community-based organizations, placement rates⁴ ranged from 7 percent to 100 percent, with 50 percent being the median placement rate. The community-based organizations with available enrollment and placement data⁵ received a total of \$8,323,649 in workforce development funding from City departments in FY 2006-2007 and provided services to 10,530 participants, of whom 2,256 were placed into jobs. The average cost per placement, therefore, was \$3,690. This data, however, is incomplete. The Redevelopment Agency was only able to provide complete data for FY 2005-2006 but not for FY 2006-2007, and the Mayor's Office of Community Development was only able to provide projections rather than actual results for FY 2006-2007.⁶ Further, these participation and placement data were self-reported by City departments and community-based organizations and participation and placement data were not available for several community-based organizations. Table 3 in the Appendix shows all of the community-based organizations that have available program participation and/or job placement data.

While collecting program participation and job placement data is important, City departments do not require community-based organizations to consistently collect data to measure the effectiveness of the services they provide in terms of successful placement of clients in jobs that provide financial self-sufficiency, as well as retention and advancement of those clients. The performance measures currently collected by the surveyed community-based organizations do not include job retention rates or information on job upgrades or wage increases during the follow-up. Such limitations in

⁴ Placement rate was calculated by dividing the total number of people placed in jobs by the total number of program participants/enrollees.

⁵ This represents 32 different community-based organizations.

⁶ According to the Mayor's Office of Community Development, complete FY 2006-2007 data will be reported in September 2007.

the performance data and the data collection practices of community-based organizations make it difficult to measure overall progress of workforce development program clients along a self-sufficiency continuum and ultimately assess the overall effectiveness of the City's network of workforce development initiatives and efforts.

These limitations and inconsistencies in performance measure data can be attributed to the nature of the services provided and/or the varying expectations and requirements of the community-based organizations' funding sources (e.g., City departments), as described in the examples below:

- Human Services Agency: Most of the community-based organizations funded by the Human Services Agency primarily collect data on the number of enrollees or program participation and placement of clients in unsubsidized employment. Based on the Human Services Agency's definition, placement simply refers to the client being placed in post-training employment (i.e., without any measures of placement duration, job advancement, or the client's self-sufficiency). Community-based organizations are required to submit monthly Attendance and Progress reports for all welfare-to-work participants, which are then reviewed by Human Services Agency case workers.
- Mayor's Office of Community Development: Community-based organizations funded by the Mayor's Office of Community Development provide a variety of services based on five-defined activities: soft skills training, hard skills training, job counseling, placement, and retention services. The Mayor's Office of Community Development does not track job placement data if this was not one of the community-based organization's activities, although the community-based organization may track placement data if job placement tracking is required by other funding sources. If job placement is not a goal, the Mayor's Office of Community Development measures other participation data.

Overall, City departments have no common definition of successful outcomes for workforce development programs provided by community-based organizations and no method to measure (1) if programs providing services other than direct job placement eventually result in job placement, or (2) if job placements are permanent and financially self-sufficient. Community-based organizations offering workforce development services aimed at self-sufficiency should track participants and measure their advancement and performance to monitor the overall effectiveness of the City's workforce development efforts. Workforce Investment San Francisco should coordinate programs provided by City departments through community-based organizations, establishing standard policies, processes and procedures for measuring performance across all community-based organizations, and tracking outcomes for clients served by the community-based organizations.

Oversight and Accountability

Although City departments have systems in place to monitor community-based organizations, the current systems of oversight are inconsistent and vary from one department to another.

Transfer of Contract Management to the Department of Economic and Workforce Development from the Private Industry Council

Only three of the community-based organizations receiving federal Workforce Investment formula funds from the Private Industry Council in FY 2006-2007 met their enrollment goals⁷. In 2007-2008, due to the dissolution of the Private Industry Council, the Department of Economic and Workforce Development will administer the federal Workforce Investment Act grant, including management of contracts with community-based organizations, and will enter into new agreements in FY 2007-2008 with these three community-based organizations: Arriba Juntos, Mission Language and Vocational School, and Self Help for the Elderly. Management of contracts with community based organizations providing workforce development services is a new function for the Department of Economic and Workforce Development, although the Department is developing policies and procedures to address weaknesses in the Private Industry Council's financial and contract management of the Workforce Investment Act grant.

In order to streamline contract administration, the Budget Analyst recommended during the June 2007 Budget and Finance Committee budget hearing that the Department of Economic and Workforce Development work with the Mayor's Office of Community Development, which administers the Department's General Fund contracts, to determine the feasibility of the Mayor's Office of Community Development administering contracts funded by the Workforce Investment Act grants as well, although this recommendation was not accepted by the Committee (Files 07-0739 and 07-0740).

Mayor's Office of Community Development and Human Services Agency Contract Oversight

In FY 2007-2008, in addition to contracts for workforce development services funded by the Community Development Block Grant, the Mayor's Office of Community Development will administer the Redevelopment Agency's three contracts with community-based organizations as well as the Department of Economic and Workforce Development's contracts with community-based organizations funded by the General Fund. According to the Mayor's Office of Community Development, contracts with community-based organizations are monitored monthly to determine whether the organization met its contractual goals each month through the on-line database. If the

⁷ According to the Department of Economic and Workforce Development, other community-based organizations received funding in FY 2006-2007 but were not included in the assessment because they were not candidates for funding in FY 2007-2008.

organization fails to meet its goals for three months, the contract manager can override the automatic system and withhold contract payment until performance goals are met. According to the Mayor's Office of Community Development, many but not all contractors receive at least one site visit per year.

The Human Services Agency conducts semi-annual site visits as needed for program start-up, participant file review, and quarterly progress review in order to evaluate the quality of the contracted services provided by community-based organizations and to ensure compliance with the contract. Community-based organizations are required to submit monthly attendance and progress reports for all Welfare-to-Work participants, which are then reviewed by Human Services Agency case workers.

The Controller's Joint Fiscal and Compliance Monitoring Project

In order to coordinate, streamline, and ensure adequate oversight of community-based organizations that receive funding from more than one City department, the Controller has initiated a project in which these community-based organizations receive one standard fiscal monitoring site visit or self assessment each year. At the beginning of the year, the participating departments meet to determine which community-based organizations require closer monitoring and site visits and which organizations only require self assessment. In FY 2006-2007, the community-based organizations providing workforce development services that received site visits were:

- Arriba Juntos,
- Catholic Charities,
- Conrad House,
- Episcopal Community Services of San Francisco,
- Glide Foundation,
- Jewish Family and Children's Services,
- Charity Cultural Services Center, and
- Ella Hill Hutch Community Center.⁸

Self Help for the Elderly was the only community-based organization funded by more than one City department and providing workforce development services that required self assessment rather than a site visit.

The Controller's program only addresses community-based organizations' fiscal and compliance management but not other performance issues. Although City departments include performance goals and monitor performance in contracts with community-based

⁸ This Controller's list of community-based organizations that received funding from more than one City department differs from the Budget Analyst's list because the Budget Analyst's list focused only on those community-based organizations that provided workforce development services to adult populations in FY 2006-2007. Additionally, the Controller's list only includes community-based organizations that have contracts with participating departments.

organizations, and collaborate informally when funding the same community-based organization, City departments lack a more formal process to share information on contractor performance. Having sufficient, consistent, and on-going oversight of community-based organizations is necessary in order to ensure that community-based organizations are sufficiently and effectively performing their contractual obligations and to establish a system of accountability and standards for the City's workforce development efforts.

Community-Based Organizations: Some Lessons Learned

Although no single model exists for designing and implementing workforce development strategies and programs that work best for community-based organizations, a review of the workforce development literature indicates some lessons learned from past research and experiences. Below are just some of these lessons:

- Community-based organizations should collaborate with one another to learn and gain strength, find out what employers are looking for, and respond to these employers' needs. In most cases, no single organization can do it all and thus multiple organizations, agencies, and entities must work in coordination through partnerships and other arrangements.
- Many innovative initiatives combine elements from multiple workforce development models and are relatively comprehensive in the range of the services they provide.
- A community audit in the workforce development context identifies the needs, resources, and gaps in the local workforce development system. Conducting or participating in a community audit as part of the strategic planning process can help community-based organizations make informed decisions about how to change the way they do business and position themselves appropriately in the local workforce development system.
- If community-based organizations are to effectively assist people in moving from poverty to self-sufficiency, they will need to provide or establish linkages to more than basic education, short-term skills training, and job placement. Workers need services that support job retention, career management, and connections to post-secondary education.
- Community-based organizations that are involved in workforce development must be willing to adopt a dual-customer approach, in which they simultaneously serve employers and individual job seekers. Community-based organizations focusing their workforce development programs on helping individuals achieve self-sufficiency know that employers play a key role in worker retention and advancement.

- A community-based organization should have clear criteria for what constitutes a good job, such as placement in a high-demand occupation, certain wages, benefits, and access to education and training opportunities.
- Funding entities and community-based organizations should create a comprehensive and standardized performance measurement system to track their clients' specific progress in moving toward self-sufficiency. Performance measure data should be collected, entered, and analyzed by the organizations on a regular basis.

Conclusion

Community-based organizations, under contract with City departments, play an important role in providing community outreach and adult training and employment services to San Francisco residents, but community-based organizations provide a limited range of workforce development services and City departments lack a comprehensive plan to ensure that all aspects of adult workforce development are provided and are linked together. In addition, community-based organizations do not collect data on whether clients are successfully placed in permanent, decent-paying jobs, and City departments currently do not have a coherent definition of successful workforce development outcomes. Further, City departments lack consistency in their oversight of and accountability for community-based organizations and the workforce development services they provide. Such weaknesses in monitoring, measuring, and evaluating community-based organizations' performance limit the City departments' ability to determine the true impacts and value of these organizations in providing workforce development services to San Francisco residents.

Recommendations

Workforce Investment San Francisco, with the support of the Director of Workforce Development of the Department of Economic and Workforce Development, should :

- 3.1 Regularly, collaboratively, and consistently track and compile data on funding, types of services provided, and types of populations served relating to community-based organizations receiving funding from City departments for workforce development purposes to ensure that the City has a comprehensive accounting of all dollars being spent for workforce development and to ensure that there is no duplication of efforts across workforce development efforts and that linkages exist among all service providers.
- 3.2 Establish a comprehensive workforce development strategic plan that links all workforce development efforts together and would set up minimum standards and expectations for the provision of workforce development services, including:

3. *Effectiveness of Workforce Development Programs Provided by Community-Based Organizations*

- (a) Determining the adequate mix and level of training and employment services and other workforce development activities (e.g., outreach) that reflect the actual needs of the City departments' and community-based organizations' workforce development clients;
 - (b) Clearly defining the roles of all workforce development service providers, including the City departments themselves, community-based organizations, employers, educational institutions, etc., taking into consideration the strengths and limitations of each service provider. Having a plan that links all the service providers, as well as the services they provide, are essential in managing the complexities involved in workforce development; and
 - (c) Establishing clear and consistent goals for all workforce development service providers and definition of what successful outcomes for workforce development clients entail.
- 3.3 Establish clear and consistent policies, processes, and procedures for collecting reliable (i.e., accurate and complete) performance measure data, including standard definitions for these performance measures, that should be regularly tracked, analyzed, and reported by community-based organizations, with support from City departments. In addition to the participation and job placement data that are currently collected by most community-based organizations, additional performance data that should be collected include data on the clients' job retention, advancement, and performance, as well as other performance measures deemed by City departments as crucial to determining the effectiveness of community-based organizations in moving clients to self-sufficiency.
- 3.4 Require community-based organizations receiving funding from City departments to regularly collect and analyze comprehensive performance measure data by making the collection, analysis, and reporting of performance measure data on a regular basis a mandatory requirement of the contracting agreement.
- 3.5 Establish consistent and sufficient systems of oversight and accountability of community-based organizations across all City departments to recognize what workforce development practices works and what does not work. For example, minimum monitoring standards should be established that would enable City departments to identify community-based organizations that fail to meet defined performance goals in a regular and consistent manner.

Costs and Benefits

Implementation of all recommendations should be accomplished using existing resources. The benefits include vastly improved monitoring, measuring, and evaluation of the effectiveness of workforce development services provided by contractual community-based organizations. In addition, establishing a full accounting of all funding provided to community-based organizations, as well as the services provided and populations served, would result in a reduced risk of duplication of efforts and resources for the City's workforce development initiatives. Furthermore, City departments would increase efficiency and reduce unnecessary costs through better reporting on performance results and improved oversight of community-based organizations' activities. Lastly, holding City departments and community-based organizations accountable for the results of their efforts would ensure that San Francisco residents are receiving workforce development services that would result in successful job placement and self-sufficiency.

Appendix

**Table 1
Adult Workforce Development Community-Based Organizations' Funding from City Departments & the
Private Industry Council and Types of Services Provided
FY 2006-2007**

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY- BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre- employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Department of the Environment	Goodwill Industries	\$35,000	Install pollution reduction devices on trucks serving the Goodwill's Bayview Hunters Point store; use biodiesel use in the training vehicle at a truck driving school, called the Bayview Hope Trucking Academy; and purchase or lease a truck training simulator.			X			
Department of Public Health	Positive Resource Center (PRC) Employment Services Program	\$121,499	Assist people with HIV/AIDS through culturally appropriate counseling, training and employment preparation in making informed choices that maximize their available employment opportunities	X	X	X			

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Department of Public Health	(1) Peer Internship Program (\$100,654) and (2) Outreach and Workforce Development (\$50k) thru the San Francisco Study Center (contractor)	\$150,654	Peer Internship Program provides training for mental health consumers in recovery to provide peer counseling and peer support within the CBHS system of care through placements with providers. Outreach and Workforce Development is the CBHS human resource development commitment that provides internships to individuals interested in pursuing education and training in behavioral health services, e.g. mental health, substance abuse and primary care.					X	
Department of Public Health	Community Vocational Enterprises (CVE)	\$1,604,514	Vocational evaluation, employment, training and support services for seriously mentally ill individuals. Additionally, CBHS funds a match paid to the State Department of Rehabilitation which is matched 3 to 1. These funds are then part of a separate contract between CVE and the State DR.	X	X	X			X (Support Services)

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Department of Public Health	Richmond Area Multi-Services (RAMS): RAMS Hire-Ability	\$598,191	Vocational rehabilitation services provided to individuals with serious mental illness. Provides basic job preparedness and paid work experience in a structured group setting. Participants referred from RAMS outpatient programs, or other CBHS programs. Additionally, CBHS funds a match paid to the State Department of Rehabilitation which is then matched 3 to 1. These funds are then part of a separate contract between RAMS and the State DR.		X			X	
Department of Public Health	Baker Places Vocational Rehab Services	\$331,111	Program to assist Baker Places' residential treatment clients to achieve vocational goals through volunteer, sheltered or mainstream paid employment. Services include case management, group and individual sessions.		X			X	

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Department of Public Health	Westside Critical Incident Response Team(CIRT)	\$80,000	Program to assist at risk youth who are effected by critical incidents by providing free workforce preparation.		X				
Department of Public Health	Volunteer Center of San Francisco	\$212,311	Transitional Volunteer Program is designed to refer and place mental health consumers in structured, pre-vocational volunteer positions in community agencies as a first step towards potential employment. Provides placement and necessary support services.		X	X		X	X (Support Services)
Department of Public Works	None Provided	\$106,510	Neighborhood clean up program; hire and train disadvantaged people to clean and sweep sidewalks			X		X	
Department of Public Works	SF Clean City Coalition	\$140,000	Training program/ Tenderloin clean up		X	X		X	

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
District Attorney's Office	Family Services Agency (Back on Track)	\$50,000	Back on Track, is a 12-16 month program that provides education, employment, child support, health care, family reunification and mentoring services to young, first-time, non-violent felony drug sales offenders. The \$50,000 contract with Family Services Agency pays for an employment specialist who helps Back on Track clients find jobs, write resumes, etc. This contract is passed through the Mayor's Office of Criminal Justice but is part of the District Attorney's Back on Track Program.	X					
Human Services Agency	Arriba Juntos	\$75,000	HomeWORK provides a 17-week training to the unemployed / staff working in the homeless service industry with courses in computers, basic math, English, money management, business writing, grant writing administrative skills, communication and operation of office equipment	X	X	X			

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Human Services Agency	Arriba Juntos	\$18,454	Individual Referrals to Job Training Programs;	X			X		
Human Services Agency	Arriba Juntos	\$20,861	Transitional Employment Program, paid work experience; MUNI					X	
Human Services Agency	Arriba Juntos	\$40,920	Vocational English as a Second Language Vocational Immersion Program (VIP); Classroom instruction to improve vocational English language skills of CalWORKs and PAES participants to increase employability.		X	X			
Human Services Agency	City College and Catholic Charities	\$388,214	Vocational English as a Second Language Vocational Immersion Program (VIP); Classroom instruction to improve vocational English language skills of CalWORKs and PAES participants to increase employability.		X	X			

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Human Services Agency	Community Housing Partnership - Supportive Housing Employment Collaborative (SHEC) § Chinatown Comm Dev. Ctr § Conard House § Episcopal Comm Svcs § Hamilton Family Ctr § Mercy Housing	\$266,809	(HUD McKinney) A five (5) member agency collaborative that provides a network of comprehensive and coordinated vocational, training, employment and educational services to formerly homeless individuals residing in member agencies' permanent supportive housing sites.	X	X	X			X
Human Services Agency	Department of Rehabilitation (DOR) – Vocational Rehabilitation –	\$91,332	DOR vocational rehabilitation services to person with disabilities to obtain and retain employment to CalWORKs, PAES CAAP.		X	X			
Human Services Agency	Episcopal Community Services – CHEFS Program	\$189,099	(HUD McKinney) To create opportunities for homeless and formerly homeless individuals to be trained and to learn culinary skills that will enable them to find employment within the food industry. The target market for this program is institutional food service. The CHEFS program provides a six-month program in kitchen skills training and job readiness	X	X	X			

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Human Services Agency	Episcopal Community Services –GED Preparation Program	\$63,033	Basic Skills Training, GED preparation Arendt Foundation Grant		X	X			
Human Services Agency	Florence Crittenton Services - Pre-Vocational Life Skills Training	\$79,675	Pre-vocational life skills training Arendt Foundation Grant			X			
Human Services Agency	Goodwill – Community Jobs Program (CJP)	\$1,508,781	Tier 1: Situational assessment in a 20 hour/week structured work environment to evaluate participant’s ability to function in a work environment to CalWORKs and PAES participants; Tier 2: Transitional employment through at a community agency to increase employability, in combination with skills development and supportive services to CalWORKs and PAES participants.	X	X			X	

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Human Services Agency	Goodwill Industries – San Francisco Training Partnership (SFTP): (1) Swords to Plowshares; (2) No. Ca. Services League; (3) Goodwill Industries; (4) Urban University	\$264,473	(HUD McKinney) A four (4) member collaborative that provides the following services: outreach, assessment, job training, life skills instruction, paid transitional employment, job placement and follow-up (18 years of age or older, homeless or chronically homeless, ex-offender and veteran.	X	X	X	X	X	
Human Services Agency	Private Industry Council Employment / Training Contracts 40+ CBOs participate	\$1,642,139	Operate an Employment and Training System for HSA clients by creating Individual Referral Training Contracts			X			

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Human Services Agency	Private Industry Council Homeless Employment Collaborative (HEC) § Arriba Juntos § Central City Hospitality House § Community Housing Partnership § Goodwill Industries, Inc § Northern California Services League § Swords to Plowshares § Catholic Charities St. Joseph's Village § Toolworks, Inc § Mission Hiring Hall / South of Market Employment Center § Episcopal Comm Svcs, Skills Ctr	\$932,076	(HUD McKinney) The Homeless Employment Collaborative (HEC) is a ten (10) member agency collaborative that provides occupational classroom training, on the job training, job search and prep training, work readiness training, work experience, transitional employment, basic remedial education, job placement services, job retention services, support services and case management for homeless individuals and homeless parents with children	X	X	X	X	X	

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Human Services Agency	Private Industry Council: (1) Glide, (2) Ella Hill Hutch, (3) Northern California Service League, (4) Asian Neighborhood Design, (5) Young Community Developers, (6) Charity Cultural Services - Construction	\$544,785	Provide job readiness/ life skills support to low-income residents with the intended outcome of enrollment in City Build Academy		X	X			
Human Services Agency	SF Clean City Coalition – Transitional Employment and Retention	\$168,300	Transitional employment through community improvement simultaneous with job readiness instruction and job placement assistance, and job retention services to homeless that include CalWORKs, PAES, Food Stamps, and Care not Cash participants.		X	X	X	X	

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Human Services Agency	Transgender Employment Initiative (TEI) Employment Services	\$300,000	A comprehensive employment services program which will enable transgendered individuals obtain employment and/or retain employment with employers and fields that have traditionally been closed to them due to discrimination and lack of appropriate support to ensure career growth.	X	X				X
Mayor's Office of Community Development	Arriba Juntos	\$60,000	Job training and placement services in the home health care field, incorporating vocational ESL			X	X		
Mayor's Office of Community Development	Asian & Pacific Islander Wellness Center	\$43,000	Job readiness/counseling and psychotherapy services primarily targeting Asian Pacific Islander transgendered residents in the Tenderloin	X	X				
Mayor's Office of Community Development	Bayview Hunter's Point Center for Arts & Technology	\$58,000	Arts and technology educational program providing young adults (18-25) with computer training and opportunity to design community based logos			X			

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Mayor's Office of Community Development	Board of Trustees of the Glide Foundation	\$48,000	Counseling, hard and soft skills training and placement in construction industry jobs for low-income San Franciscans ages 18-24	X	X	X	X		
Mayor's Office of Community Development	Brava! for Women in the Arts	\$45,000	Technical training in theater production and placement in internships at professional theaters for youth ages 14-25		X	X	X		
Mayor's Office of Community Development	Brothers Against Guns	\$40,000	Job training, life skills training, counseling and placement for older youth ages 18-25 connected to the criminal justice system	X	X		X		
Mayor's Office of Community Development	Central City Hospitality House	\$31,650	Vocational training and job placement to homeless and very poor adults living in the Tenderloin neighborhood		X		X		
Mayor's Office of Community Development	Charity Cultural Services Center	\$80,000	Job readiness, VESL, and training and placement services in the culinary industry primarily for immigrant individuals		X		X		
Mayor's Office of Community Development	Chinese for Affirmative Action	\$100,000	Employment program primarily for people with limited-English skills in Chinatown and Visitacion Valley neighborhoods		X				

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Mayor's Office of Community Development	Chinese Newcomers Service Center	\$96,000	Employment readiness, VESL, training and placement services primarily targeting recent immigrants		X		X		
Mayor's Office of Community Development	Chinese Progressive Association	\$40,000	Job readiness, training, vocational ESL and placement services for restaurant workers		X	X	X		
Mayor's Office of Community Development	Community Center Pjt of S.F dba The San Francisco LGBT Community Center	\$25,000	Employment readiness training and job placements for primarily lesbian, gay, bisexual and transgender (LGBT) individuals		X		X		
Mayor's Office of Community Development	Community Youth Center-San Francisco (CYC-SF)	\$71,000	Job preparation, VESL, job placement and support services for youth ages 16-25, primarily focusing on Asian immigrants with limited English proficiency		X		X		
Mayor's Office of Community Development	Donaldina Cameron House	\$35,000	Multi-lingual employment readiness training and placement services primarily to monolingual Asian immigrants		X		X		
Mayor's Office of Community Development	Ella Hill Hutch Community Center	\$98,000	Job readiness, job training and placement services primarily targeting 18-24 year old young men in the Western Addition		X	X	X		

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Mayor's Office of Community Development	Episcopal Community Services of SF	\$30,000	Adult education focused on job skills and basic education for the homeless in its shelter program		X	X			
Mayor's Office of Community Development	Goodwill Industries of San Francisco, San Mateo & Marin Counties	\$75,000	Integrated retail training and work experience with vocational ESL support services primarily targeting Limited English Proficiency (LEP) Chinese speaking populations within San Francisco		X	X		X	
Mayor's Office of Community Development	Haight Ashbury Food Program	\$120,000	Job training and placement for disadvantaged adults			X	X		
Mayor's Office of Community Development	Ingleside Community Center	\$40,000	Job counseling, placement and supportive services for individuals ages 18-25+ in the OMI neighborhoods	X			X		
Mayor's Office of Community Development	Jewish Vocational and Career Counseling Service	\$60,000	Job training and placement services for individuals seeking employment in the non-profit sector			X	X		

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Mayor's Office of Community Development	Life Frames, Inc.	\$35,000	Vocational ESL and gardening, landscaping, and green construction training and job placement program primarily targeting young adults ages 18-24 and immigrant adults			X	X		
Mayor's Office of Community Development	Mission Hiring Hall, Inc.	\$119,000	Job readiness, training and placement services and asset building programs for immigrants, low-literacy and limited English speaking individuals		X	X	X		
Mayor's Office of Community Development	Mission Language and Vocational School, Inc.	\$125,000	Job readiness, training and placement services and financial education primarily for limited English speaking immigrants		X	X	X		
Mayor's Office of Community Development	Mujeres Unidas y Activas	\$50,000	Job readiness training, hard skills training in home health care, VESL, job referral and placement, and retention services for primarily monolingual Spanish-speaking Latina immigrant women		X	X	X		
Mayor's Office of Community Development	Northern California Service League	\$66,000	Life skills training and job placement program		X		X		

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Mayor's Office of Community Development	Positive Resource Center	\$30,000	Job placement and retention services for persons living with HIV/AIDS				X		
Mayor's Office of Community Development	Self-Help for the Elderly	\$30,000	Home health aide training, including VESL, to limited English-speaking adults for state certification and job placement		X	X	X		
Mayor's Office of Community Development	Toolworks	\$56,085	Paid on-the-job janitorial training, certification and placement program for homeless, chronically homeless and low-income adults with disabilities.			X	X	X	
Mayor's Office of Community Development	Urban University	\$50,000	Job training and placement in the bio-tech field for low and moderate income families		X		X		
Mayor's Office of Community Development	Vietnamese Community Center of SF	\$35,000	Employment training and placement services for primarily Vietnamese immigrants		X		X		
Mayor's Office of Community Development	Vietnamese Youth Development Center	\$40,000	Employment counseling and placement for primarily young adults ages 18 - 24	X					

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Mayor's Office of Community Development	Young Community Developers	\$73,000	Life skills and job training for those with numerous barriers to employment		X	X			
Port Authority	San Francisco Conservation Corps	\$150,000	The San Francisco Conservation Corps (SFCC) is a non-profit job and academic training organization serving young people ages 18-26. The SFCC has grown from a single site program serving 24 youth to a multi-site, multi-program operation serving more than 250 youth and young adults annually. The SFCC's mission is to offer young people opportunities to develop themselves, their academic abilities and marketable job skills while addressing community needs through service work			X		X	
Redevelopment Agency	Mission Hiring Hall/SOME C	\$399,724	Job readiness, training and placement services and asset building programs		X	X	X		

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Redevelopment Agency	Young Community Developers	\$277,165	Job readiness, training and placement services and asset building programs		X	X	X		
Redevelopment Agency	Ella Hill Hutch Community Center	\$365,537	Job readiness, training and placement services and asset building programs		X	X	X		
Private Industry Council	Arriba Juntos ESL-OST	\$114,125	WIA-A-02; ESL Training		X				
Private Industry Council	Arriba Juntos OJT	\$89,970	WIA-A-01; On the Job Training			X			
Private Industry Council	Children's Council	\$55,000	WIA Adult - Childcare Services						X
Private Industry Council	Children's Council	\$110,000	WIA DWP - Childcare Services						X
Private Industry Council	Children's Council	\$100,000	WIA 25% - Childcare Services						X
Private Industry Council	City College of SF TAA-Garment	\$474,802	WIA 25%; DW Training			X			

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Private Industry Council	Goodwill Industries (Intensive)	\$81,216	WIA FA; Case management - DW	X					
Private Industry Council	Haight Ashbury Food Program	\$80,069	WIA-A-03; Culinary Arts Training			X			
Private Industry Council	Jewish Family and Children's Services	\$13,336	WIA-A-11 CT						
Private Industry Council	Jewish Vocational Service	\$115,119	WIA 15%; HC Training			X			
Private Industry Council	Mission Language & Vocational School	\$41,129	WIA-A-04 ESL Training		X				
Private Industry Council	Northern California Service League	\$90,392	WIA-A-05 Job Training (Ex Offenders)			X			
Private Industry Council	OJT Employer Reimbursement Pool	\$113,843	WIA-A-09 Job Training			X			
Private Industry Council	San Francisco Works	\$206,250	WIA 15% Biotech Training			X			
Private Industry Council	Self Help Home Health/ESL	\$44,303	WIA-A-07 Job Training			X			

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	PROGRAM DESCRIPTION	Career counseling, assessment, and other support	Pre-employment training	Skills training	Recruitment, Referrals and Placement	Transitional Work Experience, Paid and Unpaid Work or Internships	Other
Private Industry Council	Self Help Housekeeping/ESL	\$155,068	WIA-A-08 Job Training			X			
Private Industry Council	SF Hotel/Restaurant LMEF & CCSF	\$276,525	WIA-A-10 CT DW Training			X			
Private Industry Council	SF Vocational Services	\$29,697	WIA-A-06 Job Training (Disabled Clients)			X			
	TOTAL FUNDING	\$15,311,746							

Source: Survey data collected by the Department of Economic and Workforce Development and data collected by the Budget Analyst from city departments and community-based organizations.

**Table 2
Adult Populations Served By Community-Based Organizations
that Received Funding from City Departments
FY 2006-2007**

Department	Community Based Organization	FY 2006-2007 Funding	TANF/ Aid Recipient	Homeless Adults	Ex-offenders / Incarcerated Adults	Dislocated Workers	Refugees or Immigrants	Other
Department of the Environment	Goodwill Industries	\$35,000						
Department of Public Health	Positive Resource Center (PRC) Employment Services Program	\$121,499						X (People with AIDS)
Department of Public Health	(1) Peer Internship Program (\$100,654) and (2) Outreach and Workforce Development (\$50k) thru the San Francisco Study Center (contractor)	\$150,654						X (People with mental health / substance abuse issues)
Department of Public Health	Community Vocational Enterprises (CVE)	\$1,604,514						X (People with mental health / substance abuse issues)
Department of Public Health	Richmond Area Multi-Services (RAMS): RAMS Hire-Ability	\$598,191						X (People with mental health / substance abuse issues)
Department of Public Health	Baker Places Vocational Rehab Services	\$331,111						X (People with mental health / substance abuse issues)

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

Department	Community Based Organization	FY 2006-2007 Funding	TANF/ Aid Recipient	Homeless Adults	Ex-offenders / Incarcerated Adults	Dislocated Workers	Refugees or Immigrants	Other
Department of Public Health	Volunteer Center of San Francisco	\$212,311						X (People with mental health / substance abuse issues)
Department of Public Health	Westside Critical Incident Response Team(CIRT)	\$80,000						X (At Risk Young Adults)
Department of Public Works		\$106,510						X (Disadvantaged Individuals)
Department of Public Works	SF Clean City Coalition	\$140,000						X
District Attorney	Family Service Agency (Back on Track)	\$50,000			X			
Human Services Agency	Arriba Juntos	\$75,000	X	X				
Human Services Agency	Arriba Juntos	\$18,454	X				X	
Human Services Agency	Arriba Juntos	\$20,861	X					
Human Services Agency	Arriba Juntos	\$40,920	X				X	
Human Services Agency	City College and Catholic Charities	\$388,214	X				X	
Human Services Agency	Community Housing Partnership - Supportive Housing Employment Collaborative (SHEC) § Chinatown Comm Dev. Ctr § Conard House § Episcopal Comm Svcs	\$266,809		X				

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

Department	Community Based Organization	FY 2006-2007 Funding	TANF/ Aid Recipient	Homeless Adults	Ex-offenders / Incarcerated Adults	Dislocated Workers	Refugees or Immigrants	Other
	§ Hamilton Family Ctr § Mercy Housing							
Human Services Agency	Department of Rehabilitation (DOR) – Vocational Rehabilitation	\$91,332	X					X (Persons with Disabilities)
Human Services Agency	Episcopal Community Services – CHEFS Program	\$189,099		X				
Human Services Agency	Episcopal Community Services –GED Preparation Program	\$63,033						X (Poor people)
Human Services Agency	Florence Crittenton Services - Pre-Vocational Life Skills Training	\$79,675						X (Poor people)
Human Services Agency	Goodwill – Community Jobs Program (CJP)	\$1,508,781	X					
Human Services Agency	Goodwill Industries – San Francisco Training Partnership (SFTP): (1) Swords to Plowshares; (2) No. Ca. Services League; (3) Goodwill Industries; (4) Urban University	\$264,473	X	X	X			
Human Services Agency	Private Industry Council Employment / Training Contracts 40+ CBOs participate	\$1,642,139	X					

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

Department	Community Based Organization	FY 2006-2007 Funding	TANF/ Aid Recipient	Homeless Adults	Ex-offenders / Incarcerated Adults	Dislocated Workers	Refugees or Immigrants	Other
Human Services Agency	Private Industry Council Homeless Employment Collaborative (HEC) § Arriba Juntos § Central City Hospitality House § Community Housing Partnership § Goodwill Industries, Inc § Northern California Services League § Swords to Plowshares § Catholic Charities St. Joseph's Village § Toolworks, Inc § Mission Hiring Hall / South of Market Employment Center § Episcopal Comm Svcs, Skills Ctr	\$932,076		X				
Human Services Agency	Private Industry Council: (1) Glide, (2) Ella Hill Hutch, (3) Northern California Service League, (4) Asian Neighborhood Design, (5) Young Community Developers, (6) Charity Cultural Services - Construction	\$544,785						X (City Build Applicants)
Human Services Agency	SF Clean City Coalition – Transitional Employment	\$168,300	X					

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

Department	Community Based Organization	FY 2006-2007 Funding	TANF/ Aid Recipient	Homeless Adults	Ex-offenders / Incarcerated Adults	Dislocated Workers	Refugees or Immigrants	Other
	and Retention							
Human Services Agency	Transgender Employment Initiative (TEI) Employment Services	\$300,000						X (Transgender)
Mayor's Office of Community Development	Arriba Juntos	\$60,000					X	
Mayor's Office of Community Development	Asian & Pacific Islander Wellness Center	\$43,000						X (API Transgender)
Mayor's Office of Community Development	Bayview Hunter's Point Center for Arts & Technology	\$58,000						X (Young Adults)
Mayor's Office of Community Development	Board of Trustees of the Glide Foundation	\$48,000						X (Young Adults)
Mayor's Office of Community Development	Brava! for Women in the Arts	\$45,000						X (Young Adults)
Mayor's Office of Community Development	Brothers Against Guns	\$40,000			X			X (Young Adults)
Mayor's Office of Community Development	Central City Hospitality House	\$31,650		X				
Mayor's Office of Community Development	Charity Cultural Services Center	\$80,000					X	
Mayor's Office of Community Development	Chinese for Affirmative Action	\$100,000					X	

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

Department	Community Based Organization	FY 2006-2007 Funding	TANF/ Aid Recipient	Homeless Adults	Ex-offenders / Incarcerated Adults	Dislocated Workers	Refugees or Immigrants	Other
Mayor's Office of Community Development	Chinese Newcomers Service Center	\$96,000					X	
Mayor's Office of Community Development	Chinese Progressive Association	\$40,000				X	X	
Mayor's Office of Community Development	Community Center Pjt of S.F dba The San Francisco LGBT Community Center	\$25,000						X (LGBT)
Mayor's Office of Community Development	Community Youth Center-San Francisco (CYC-SF)	\$71,000					X	
Mayor's Office of Community Development	Donaldina Cameron House	\$35,000					X	
Mayor's Office of Community Development	Ella Hill Hutch Community Center	\$98,000						X (Young Adults)
Mayor's Office of Community Development	Episcopal Community Services of SF	\$30,000		X				
Mayor's Office of Community Development	Goodwill Industries of San Francisco, San Mateo & Marin Counties	\$75,000					X	
Mayor's Office of Community Development	Haight Ashbury Food Program	\$120,000						X (Disadvantaged Adults)
Mayor's Office of Community Development	Ingleside Community Center	\$40,000						X (Young Adults)

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

Department	Community Based Organization	FY 2006-2007 Funding	TANF/ Aid Recipient	Homeless Adults	Ex-offenders / Incarcerated Adults	Dislocated Workers	Refugees or Immigrants	Other
Mayor's Office of Community Development	Jewish Vocational and Career Counseling Service	\$60,000						X (Non-profit interest)
Mayor's Office of Community Development	Life Frames, Inc.	\$35,000					X	X (Young Adults)
Mayor's Office of Community Development	Mission Hiring Hall, Inc.	\$119,000					X	
Mayor's Office of Community Development	Mission Language and Vocational School, Inc.	\$125,000					X	
Mayor's Office of Community Development	Mujeres Unidas y Activas	\$50,000					X	
Mayor's Office of Community Development	Northern California Service League	\$66,000			X			
Mayor's Office of Community Development	Positive Resource Center	\$30,000						6 (HIV/AIDS)
Mayor's Office of Community Development	Self-Help for the Elderly	\$30,000					X	
Mayor's Office of Community Development	Toolworks	\$56,085		X				X (Persons with Disabilities)
Mayor's Office of Community Development	Urban University	\$50,000						X (Low and Moderate Income Families)

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

Department	Community Based Organization	FY 2006-2007 Funding	TANF/ Aid Recipient	Homeless Adults	Ex-offenders / Incarcerated Adults	Dislocated Workers	Refugees or Immigrants	Other
Mayor's Office of Community Development	Vietnamese Community Center of SF	\$35,000					X	
Mayor's Office of Community Development	Vietnamese Youth Development Center	\$40,000						X (Young Adults)
Mayor's Office of Community Development	Young Community Developers	\$73,000						X (Multiple Barriers)
Port Authority	San Francisco Conservation Corps	\$150,000						X (Young Adults)
Redevelopment Agency	Mission Hiring Hall/SOMECE	\$399,724						X (Poor people)
Redevelopment Agency	Young Community Developers	\$277,165						X (Poor people)
Redevelopment Agency	Ella Hill Hutch Community Center	\$365,537						X (Poor people)

Source: Survey data collected by the Department of Economic and Workforce Development and data collected by the Budget Analyst from city departments and community-based organizations.

Table 3
Available Participation and Job Placement Data
for Community-Based Organizations
FY 2006-2007

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	FY06-07 Enrollment / Number Served	FY06-07 Placement
Human Services Agency	Arriba Juntos	\$75,000	32	15
Human Services Agency	Arriba Juntos	\$18,454	25	16
Human Services Agency	Arriba Juntos	\$20,861	24	12
Human Services Agency	Arriba Juntos	\$40,920	25	
Mayor's Office of Community Development	Arriba Juntos	\$60,000	56	40
Private Industry Council	Arriba Juntos ESL-OST	\$114,125	27	23
Private Industry Council	Arriba Juntos OJT	\$89,970	27	12
Mayor's Office of Community Development	Asian & Pacific Islander Wellness Center	\$43,000	35	
Mayor's Office of Community Development	Bayview Hunter's Point Center for Arts & Technology	\$58,000	20	
Mayor's Office of Community Development	Board of Trustees of the Glide Foundation	\$48,000	25	25
Mayor's Office of Community Development	Brava! for Women in the Arts	\$45,000	33	
Mayor's Office of Community Development	Brothers Against Guns	\$40,000	10	10
Mayor's Office of Community Development	Central City Hospitality House	\$31,650	200	25
Mayor's Office of Community Development	Charity Cultural Services Center	\$80,000	69	63
Mayor's Office of Community Development	Chinese for Affirmative Action	\$100,000	300	80
Mayor's Office of Community Development	Chinese Newcomers Service Center	\$96,000	900	63
Mayor's Office of Community Development	Chinese Progressive Association	\$40,000	20	20
Human Services Agency	City College and Catholic Charities	\$388,214	224	
Mayor's Office of Community Development	Community Center Pjt of S.F dba The San Francisco LGBT Community Center	\$25,000	165	25

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	FY06-07 Enrollment / Number Served	FY06-07 Placement
Human Services Agency	Community Housing Partnership - Supportive Housing Employment Collaborative (SHEC) § Chinatown Comm Dev. Ctr § Conard House § Episcopal Comm Svcs § Hamilton Family Ctr § Mercy Housing	\$266,809	225	25
Mayor's Office of Community Development	Community Youth Center-San Francisco (CYC-SF)	\$71,000	200	50
Human Services Agency	Department of Rehabilitation (DOR) – Vocational Rehabilitation –	\$91,332	120	33
Mayor's Office of Community Development	Donaldina Cameron House	\$35,000	54	35
Mayor's Office of Community Development	Ella Hill Hutch Community Center	\$98,000	56	28
Redevelopment Agency	Ella Hill Hutch Community Center	\$365,537	282	64
Human Services Agency	Episcopal Community Services – CHEFS Program	\$189,099	60	20
Human Services Agency	Episcopal Community Services –GED Preparation Program	\$63,033	80	
Mayor's Office of Community Development	Episcopal Community Services of SF	\$30,000	45	
Human Services Agency	Florence Crittenton Services - Pre-Vocational Life Skills Training	\$79,675	13	
Human Services Agency	Goodwill – Community Jobs Program (CJP)	\$1,508,781	217	28
Department of the Environment	Goodwill Industries	\$75,000	41	27
Human Services Agency	Goodwill Industries – San Francisco Training Partnership (SFTP): (1) Swords to Plowshares; (2) No. Ca. Services League; (3) Goodwill Industries; (4) Urban University	\$264,473	55	33
Mayor's Office of Community Development	Goodwill Industries of San Francisco, San Mateo & Marin Counties	\$75,000	36	23
Private Industry Council	Haight Ashbury Food Program	\$80,069	20	15
Mayor's Office of Community Development	Ingleside Community Center	\$40,000	15	15
Mayor's Office of Community Development	Jewish Vocational and Career Counseling Service	\$60,000	40	30

3. Effectiveness of Workforce Development Programs Provided by Community-Based Organizations

CITY DEPARTMENT FUNDING SOURCE	COMMUNITY-BASED ORGANIZATION	AMOUNT RECEIVED IN FY 06-07	FY06-07 Enrollment / Number Served	FY06-07 Placement
Mayor's Office of Community Development	Life Frames, Inc.	\$35,000	20	4
Mayor's Office of Community Development	Mission Hiring Hall, Inc.	\$119,000	488	144
Redevelopment Agency	Mission Hiring Hall/SOMECE	\$399,724	4785	474
Mayor's Office of Community Development	Mission Language and Vocational School, Inc.	\$125,000	74	45
Mayor's Office of Community Development	Mujeres Unidas y Activas	\$50,000	90	25
Mayor's Office of Community Development	Northern California Service League	\$66,000	50	30
Mayor's Office of Community Development	Positive Resource Center	\$30,000	100	
Human Services Agency	Private Industry Council Employment / Training Contracts 40+ CBOs participate	\$1,642,139	140	60
Human Services Agency	Private Industry Council Homeless Employment Collaborative (HEC) § Arriba Juntos § Central City Hospitality House § Community Housing Partnership § Goodwill Industries, Inc § Northern California Services League § Swords to Plowshares § Catholic Charities	\$932,076	500	250
Port Authority	San Francisco Conservation Corps	\$150,000	11	
Mayor's Office of Community Development	Self-Help for the Elderly	\$30,000	32	30
Human Services Agency	SF Clean City Coalition – Transitional Employment and Retention	\$168,300	125	30
Mayor's Office of Community Development	Toolworks	\$56,085	26	16
Mayor's Office of Community Development	Urban University	\$50,000	62	53
Mayor's Office of Community Development	Vietnamese Community Center of SF	\$35,000	60	15
Mayor's Office of Community Development	Vietnamese Youth Development Center	\$40,000	60	20
Mayor's Office of Community Development	Young Community Developers	\$73,000	50	15
Redevelopment Agency	Young Community Developers	\$277,165	567	98

Source: Survey data collected by the Department of Economic and Workforce Development and data collected by the Budget Analyst from city departments and community-based organizations.

Note: Enrollment and placement data for the three community-based organizations that received funding from the Redevelopment Agency are based on actuals for FY 2005-2006. All of the participation data for community-based organizations that received funding from the Mayor's Office of Community Development AND that has placement data are based on workplan projections (i.e., not actuals) for FY 2006-2007.

4. The Human Services Agency's Management of Workforce Development Programs

- **The Human Services Agency is required to provide workforce development programs and services to certain individuals receiving public assistance benefits, including food stamps and cash aid. Additionally, as a partner in the City's One-Stop system, the Agency must provide workforce development services to other eligible San Francisco job seekers.**
- **The Human Services Agency provides workforce development services both in-house and through contractual services. The FY 2006-2007 budget of \$10.2 million for direct workforce development services included \$3.5 million for services provided in-house and \$6.7 million for contractual services.**
- **Most Human Services Agency clientele served by in-house workforce development programs interact with the One-Stop Centers for job search and placement services, as well as other services. Approximately 2,045 individuals were placed into jobs in FY 2006-2007 through the One-Stop Centers, at an average cost of \$1,614 per placement. According to the Human Services Agency, "placement" indicates only that a client was placed into post-training employment.**
- **The Human Services Agency tracks One Stop Center placement data through the OASYS system, although the Agency has had some difficulty ensuring the quality of the data. Based on the information reported to SF Stat by the Human Services Agency, the One Stop Centers failed to meet their performance targets in FY 2006-2007 to place 45 percent of One-Stop Center clients receiving intensive services into jobs, especially jobs that pay 125 percent or more of the San Francisco minimum wage. Only one-third of the One-Stop Centers general clients and 36 percent of the CalWORKS and Personal Assisted Employment Services clients met that goal.**
- **The Human Services Agency contracts with community-based organizations to provide training and employment services to clients served by the Human Services Agency, including transitional work experience as well as job-readiness, language, and other vocational and job training. Community-based organizations achieve job placement at a higher cost than in-house programs. The estimated cost per job placement in FY 2006-2007, based on the budgeted contract amount for the community-based organizations, was \$6,106.**

- **Of an estimated 1,400 clients participating in programs provided by community-based organizations in FY 2006-2007 for which job placement was the desired outcome, only approximately 504 or 36.0 percent were placed into jobs. However, placement rates for clients who successfully completed a training program administered by a community-based organization were relatively high. For example, in FY 2006-2007 of the estimated 114 clients referred to receive CityBuild Academy preparation training, only 18 or 15.8% actually enrolled. However of the 18 clients who enrolled, 15 or 83.3 percent were placed in post-training employment. Similarly, of the approximately 73 clients served by the CHEFS program in FY 2006-2007, 31 or 42.5 percent completed the program. Of those who completed the program, 24 or 77.4 percent were placed in post-training employment.**
- **Many community-based organizations failed to meet their contractual client enrollment, completion, and placement targets. Of eight community-based organizations providing contracted workforce development services, six failed to meet their client enrollment targets and seven failed to meet their client completion and placements targets.**

The Human Services Agency's Adult Workforce Development Programs

As the county designated agency for the administration of social services, the Human Services Agency is currently responsible for administering public social services.¹ For certain federal, state, and local public assistance programs, including CalWORKs, the County Adult Assistance Programs, and Food Stamps, this charge additionally requires the provision of workforce development activities, programs, and services to specified individuals as a condition of receiving aid. Unlike other City departments that provide workforce development programs based on the Department's own initiative, the Human Services Agency's decision to do so is based on legislative mandate.

Administration of San Francisco's Welfare to Work Program

CalWORKs, California's implementation of the federal cash aid program for low-income families, Temporary Assistance for Needy Families (TANF), has a federally mandated employment service component called Welfare-to-Work. After an initial orientation to the CalWORKs program and an appraisal of their education and employment background, CalWORKs clients may be assigned to participate in specified education, employment, and training programs to meet Welfare-to-Work participation requirements.

¹ San Francisco Municipal Code, Article I, Section 20.1.

Unless exempt, due to age or disability, all CalWORKs clients are required to participate in Welfare-to-Work employment activities as a condition of receiving aid.

Federal performance measures for TANF primarily consist of federal work participation rates required for each state for all parent and two parent families.² To count towards a state's federal work participation rate, TANF participants must spend a minimum number of hours per week engaged in federally allowable work activities, of which there are currently 12.³ Federal law requires that at least 20 hours per week of participation come from "core" activities. Hours spent engaged in "non-core" activities will only count towards allowable work activity hours after an individual has engaged in at least 20 hours per week of "core" activities.

Table 4.1
TANF "Core" and "Non-Core" Activities

TANF "Core" Activities	TANF "Non-Core" Activities
Unsubsidized employment	Job skills training directly related to employment
Subsidized private sector employment	Education directly related to employment
Child care for an individual participating in a community service program	Satisfactory attendance at secondary school or in a General Educational Development (GED) program
Subsidized public sector employment	
On-the-job-training	
Job Search and job readiness assistance	
Community service programs	
Vocational educational training	
Work experience	

² State Federal work participation rate requirements are 50 percent for all families and 90 percent for two parent families. These rates can be reduced through a caseload reduction credit.

³ State federal work participation rates are calculated based on the combination of families receiving Temporary Assistance for Needy Families assistance and families receiving assistance in state-funded separate state programs that count toward the Temporary Assistance for Needy Families maintenance of effort requirement.

While each state is able to prescribe which Welfare-to-Work activities may be offered within their respective TANF programs, only federally allowable work activities will count towards a state's federal work participation rate. Therefore, the breadth of workforce development activities that the Human Services Agency can offer to CalWORKs participants is limited by federally allowed, state sanctioned work activities in which participants must engage in order to remain eligible for aid.

Failure to meet federal work participation rate requirements can result in significant fiscal penalties to the state, including a reduction in a state's TANF block grant and higher maintenance of effort requirements. According to the California Department of Social Services' Federal Data Reporting and Analysis Bureau, each county is expected to meet the federal work participation rate requirements and could assume a portion of the state's fiscal penalty for not doing so.⁴

Table 4.2 below lists the TANF work participation rates for all families, as reported by the nine Bay Area counties and compiled by the state, for July, August, and September of 2006, the only months for which information was available. As can be seen from the table, San Francisco's TANF work participation rates are comparable to statewide rates and to those of the other Bay Area Counties.⁵ However, county TANF work participation rates only measure how many people receiving welfare benefits are engaged in federally recognized work activities for the minimum time required. Accordingly, they do not reflect the effectiveness of the Human Services Agency's workforce development programs in helping CalWORKs clients to secure jobs which allow them to transition to self-sufficiency. Indeed, there is no federal requirement or expectation that this should occur – time-limited federal cash assistance under the CalWORKs program ends regardless of client outcome.

⁴ California Welfare and Institutions Code Section 10544

⁵ Until October 2006, all California counties were required to report monthly to California Department of Social Services, (a) the number of CalWORKs families who met minimum federal work participation requirements and (b) the number of CalWORKs families who were not exempt from participation. These figures were then used to calculate a monthly statewide TANF work participation rate.

Table 4.2
Comparison of San Francisco's Temporary Assistance for Needy Families Work Participation Rates to Other California Counties
July, August, and September 2006

	July	August	September
San Francisco	41.1%	39.6%	34.1%
Statewide*	36.0%	35.0%	34.0%
Alameda	10.3%	18.3%	13.7%
Contra Costa	21.3%	27.4%	20.6%
Marin	34.9%	45.8%	46.1%
Napa	24.8%	31.9%	33.0%
San Mateo	29.7%	35.5%	33.9%
Santa Clara	49.1%	48.3%	47.2%
Solano	28.9%	20.1%	no data reported
Sonoma	24.4%	32.1%	34.8%

Source: California Department of Social Services

* The statewide work participation rate shown is weighted using county caseload share to the total statewide caseload. Without caseload share weights, statewide work participation rates are 35.1%, 36.2%, and 35.9% for July, August, and September, respectively. Work participation rates are reported for all families.

Post-program earnings data compiled by the California Department of Social Services, provides some means to evaluate the effectiveness of workforce development programming provided to CalWORKs clients. According to the California Department of Social Services, in 2005, the most recent year for which information was available, 57.5 percent of San Francisco's CalWORKs cases earned income three months after leaving the program, compared to 55.4 percent of CalWORKs cases statewide. However, of those individuals who earned income, only 28.1 percent had earnings equal to or above San Francisco's Higher Earnings Threshold of \$5,110 or \$20,440 annually.⁶

While this figure is comparable to surrounding counties and well above the statewide average of 17.8 percent, this suggests that the majority of San Francisco's CalWORKs clients will continue to live in poverty despite participating in workforce development activities provided the Human Services Agency. Table 4.3 below provides a comparison of San Francisco's CalWORKs clients' post-program earnings to those of the other nine Bay Area Counties in calendar year 2005.

⁶ Figure based on San Francisco's Higher Earnings Threshold as reported by the California Department of Social Services. A county's Higher Earnings Threshold is equal to 250 percent of the median quarterly earnings of active CalWORKs cases. In 2005, San Francisco's median quarterly earnings for active CalWORKs cases totaled \$2,044. Thus, \$2,044 * 250 percent = \$5,110 * four quarters = \$20,440.

**Table 4.3
Comparison of San Francisco's CalWORKs Clients' Post-Program
Earnings to Other California Counties
Calendar Year 2005**

	Percent of CalWORKs Clients with Post-Program Earnings	Percent of CalWORKs Clients with Post-Program Earnings At or Above the Higher Earnings Threshold
San Francisco	57.5%	28.1%
Statewide	55.4%	17.8%
Alameda	53.6%	26.2%
Contra Costa	59.3%	27.7%
Marin	57.4%	27.0%
Napa	59.3%	22.9%
San Mateo	59.9%	29.6%
Santa Clara	58.1%	24.6%
Solano	59.6%	29.3%
Sonoma	58.6%	32.9%

Source: California Department of Social Services

The County Adult Assistance Programs

The County Adult Assistance Programs (CAAP) are an umbrella of cash assistance programs designed to serve low-income adult residents without dependents and consist of four programs: Cash Assistance Linked to Medi-Cal (CALM), Supplemental Security Income Pending (SSIP), General Assistance (GA), and Personal Assisted Employment Services (PAES).⁷ The General Assistance and Personal Assisted Employment Services programs both have mandatory work participation requirements, while Cash Assistance Linked to Medi-Cal and Supplemental Security Income Pending do not.

- Cash Assistance Linked to Medi-Cal provides financial assistance to low-income seniors and people with permanent disabilities who receive Medi-Cal benefits but who do not currently qualify for Supplemental Security Income due to their immigration status.
- Supplemental Security Income Pending provides financial assistance to individuals believed to have a long-term disability. Supplemental Security

⁷ Homeless County Adult Assistance Program clients are offered housing/shelter as a portion of their benefit package pursuant to Care Not Cash (Proposition N).

Income Pending participants receive Supplemental Security Income application assistance and may also qualify for other supportive services.

- General Assistance provides a cash grant to indigent persons who lack any other personal or public means of support, as required by state law. Able-bodied individuals who receive General Assistance are required to participate in workfare activities as a condition of receiving cash-aid.
- The Personal Assisted Employment Services program serves as the City's Welfare-to-Work program for low-income individuals without children. The program provides a cash stipend to employable adults who agree to develop an employment plan, in consultation with program staff, and participate in specified education, training, and employment activities to minimize barriers to employment. Ancillary and supportive services are also provided to participants, as needed, consistent with their employment plans.

The purpose of the Personal Assisted Employment Services program is to provide participants with supportive services and activities necessary to assist them in obtaining paid employment.⁸ However unlike the CalWORKs program, whose Welfare-to-Work activities are largely constrained by federal and state law, as a county-funded program, the Human Services Agency has much more flexibility to determine the breadth and scope of workforce development programs and services provided to the Personal Assisted Employment Services program population.

To this end, wraparound supportive services provided by the Human Services Agency to Personal Assisted Employment Services participants are comprehensive – ranging from dental and vision care to mental health and substance abuse services. These services are primarily designed to address immediate pre-employment issues that serve as significant barriers to employment.

While the Human Services Agency has chosen to leverage the inherent flexibility of the Personal Assisted Employment Services program with respect to the provision of wraparound supportive services, Welfare-to-Work job training activities are largely limited to those offered within the limited CalWORKs framework. As a result, workforce development employment and training services provided to CalWORKs and Personal Assisted Employment Services program participants are nearly identical. This approach may unduly limit the Human Services Agency from exploring workforce development training activities that may be better suited to meet the unique workforce development needs of the Personal Assisted Employment Services population.

A January 2003 analysis of Personal Assisted Employment Services participants enrolled in the program from January 1999 through December 2000 provides some insight into the employment outcomes of Personal Assisted Employment Services participants. The study found that of the 1,849 clients who left the program, 960 or 51.9 percent achieved a

⁸ San Francisco Administrative Code, Article IX, Section 20.71.

favorable outcome.⁹ Of those who achieved a favorable outcome, 681 or 70.9 percent did so through employment while 279 or 29.1 percent did so through enrollment in Supplemental Security Income.

Food Stamp Employment and Training Services

The Human Services Agency administers the Food Stamp Employment and Training Program (FSET) for all non-exempted individuals who receive food stamps, but who do not receive monthly cash assistance under the CalWORKs program. All non-exempted Food Stamps clients – including employable, non-exempt Personal Assisted Employment Services and General Assistance clients – are required to participate in (a) workfare operated through memoranda of understanding with various City departments and contracts with community-based organizations or (b) another authorized employment or training activity for at least 20 hours per week, as condition of receiving food stamp benefits.

The Food Stamp Employment and Training program provides the means for these participants to maintain receipt of Food Stamps by meeting their participation requirement and to obtain unsubsidized employment. Under state waiver, Food Stamps-only clients are not required to participate in a work activity and the Human Services Agency has no ability to compel their participation.

Because individuals who are eligible for food stamps are often eligible for other need-based assistance programs, work participation requirements for Food Stamp Employment and Training participants are often met through work participation requirements established by other programs. Table 4.4 below indicates how different Food Stamp Employment and Training clients generally meet their work participation requirements.

Likewise, because Food Stamp Employment and Training funds are connected to the individual receiving food stamp benefits, independent of other public assistance provided to a client, Food Stamp Employment and Training funds may additionally be used to enhance employment, training, and supportive services provided to County Adult Assistance Program participants and former CalWORKs clients.

⁹ Profile of Personal Assisted Employment Services Recipients and Factors that Influence Personal Assisted Employment Services Outcomes, January 31, 2003, pg. 32. The report defines a favorable outcome as participants who were discontinued because they achieved employment and their wages exceeded the Human Services Agency's eligibility limits to receive cash assistance (Pg. 5).

**Table 4.4
Food Stamp Employment and Training Clients' Work Participation**

Client Type	Work Requirement Met By	Lead Division
Food Stamps Only	No work requirement under state waiver until Spring 2007; some, but not all clients will continue to be exempt for work requirements thereafter.	Food Stamps
Food Stamps and GA	Workfare; employment, training and other approved work activities.	CAAP
Food Stamps and PAES participant	PAES employment/training activities	CAAP
Food Stamps, Former CalWORKs	Employment, skill enhancement training, education, and job search	CalWORKs
Food Stamps, Former Foster Care Youth	PAES employment/training activities	CAAP

Minimum work participation hours established by the Food Stamp Employment and Training program are simply a federal requirement in order for individuals to maintain food stamp benefits. There are no federally imposed job placement outcomes attached to Food Stamp Employment and Training program funding. However, according to the Human Services Agency, all employment and training contracts awarded by the Agency have program completion, and if appropriate, job placement outcome expectations attached to them.

Food Stamp Employment and Training program clients who are on an employment track (i.e., those clients who are also in the Personal Assisted Employment Services program, CalWORKs, and former foster youth) receive workforce development services through the Human Services Agency. Because the remaining Food Stamp Employment and Training program clients are not on an employment track (i.e., General Assistance clients who receive food stamps) or cannot be required to participate in workforce development services (i.e, Food Stamps-only clients), the Human Services Agency does not target workforce development resources to these clients.

Structure and Effectiveness of the Human Services Agency's Workforce Development Programs

The Human Services Agency provides workforce development services to clients both directly (in-house) and indirectly through contracts with community-based organizations.

In-House Workforce Development Programs

In-house workforce development services and programs are primarily housed within and administered by the Workforce Development Division. Workforce development services

provided by the Division are primarily evaluative in nature and seek to assess participant employability by examining client education levels, work experience, and interpersonal skills. These services include targeted vocational assessments, job readiness appraisals, job skill testing, and career counseling sessions.

In addition to evaluative services, Division staff also provide in-house job retention/career advancement services to CalWORKs and Personal Assisted Employment Services clients who exit public assistance due to excess earned income. According to the Human Services Agency, these services, which include financial literacy training and continued educational opportunities, are intended to help individuals stabilize in their employment, advance in their careers, and ultimately obtain better-paying jobs. As of June 2007, there were 414 clients receiving job retention/career advancement services through the Division including (a) 282 CalWORKs clients and (b) 132 Personal Assisted Employment Services clients.

The Human Services Agency began tracking retention caseload data in February of 2007. Information from the June 2007 Retention Services Report indicates that the data currently being collected is very limited in scope and as a result, provides very little information to evaluate the effectiveness of the services provided as evidenced by the progress of the participants.¹⁰ Specifically, the report does not include information regarding which job retention/career advancement services are being utilized or how those services have helped participants retain their current jobs or move into more meaningful employment.

In addition to evaluative services, the Division also administers seven in-house workforce development programs which generally provide participants with employment preparation services (job readiness/life skills training), job search/referral/placement assistance, or some combination of both. These programs include: One Stop Centers, Refugee Employment Services, Connect by 25, Group Employment Preparation Services, Job Club, First Source Hiring/Workforce Solutions Employment Referral, and the Supportive Housing Employment Outreach Team and Project Connect.

One Stop Centers

The Human Services Agency participates in a consortium of state and local government and community agencies that provide workforce services at three locations – One Stop Centers – in San Francisco. Two of these One Stop Centers are operated by the Human Services Agency through the Division. The One Stop Centers are discussed in Section 2 of this report. However, broadly, One Stop Centers, in compliance with the federal Workforce Investment Act, are required to provide (a) “core” job search services and employment information to all job seekers, (b) “intensive” one-on-one employment

¹⁰ The June 2007 Retention Services Report primarily details the number of CalWORKs and Personal Assisted Employment Services clients receiving retention services, the number of clients whose retention status has been classified as (a) an exit due to time-out, (b) an exit due to return to aid, (c) an individual who lost their job and was re-employed, or (d) an individual who increased their earnings, and specified employment information regarding Refugee Cash Assistance Clients.

services to all eligible job seekers, and (c) training services to individuals eligible for intensive services, but who have not be able to obtain or keep employment.

Refugee Employment Services

The Refugee Employment Services program provides a variety of job assessment, training, referral, and placement services to adults without children who have official status as a refugee. The Refugee Employment Services program was transferred to the Human Services Agency from the Private Industry Council in FY 2005-2006 and provides the employment services component of the Refugee Cash Assistance program.

Connect by 25

Connect by 25 provides job readiness training, vocational assessments, and job placement services to current and former foster youth aged 16 to 24. According to the Human Services Agency, individuals served by Connect 25 are considered very job ready and for the last two years all participants have been placed in to jobs.

Group Employment Preparation Services

Group Employment Preparation Services provide Human Services Agency clients with job readiness and life skills training prior to their enrollment in the Personal Assisted Employment Services Program. This program is not specifically intended to produce job placements, but rather to provide participants with the skills necessary to secure and sustain employment.

Job Club

The Division administers two Job Club programs, Compass and Gateway, which provide structured and intensive job preparation, search, and placement services to CalWORKs and Personal Assisted Employment Services clients who have completed various evaluative activities and assessments which deem them ready to engage in such activities. Job Club activities are conducted by Division staff at the Human Services Agency administered Express to Success Center located at 50 Van Ness.

First Source Hiring /Workforce Solutions Employment Referral Program

The First Source Hiring Program, which is discussed in Section 5 of this report, links economically-disadvantaged City residents with entry-level jobs provided by City contractors. Employers who are subject to the First Source Hiring ordinance must post entry level positions and give low-income residents the first right of referral.

Under the Workforce Solutions program, One-Stop Center staff work with private employers, some but not all of whom participate in the First Source Hiring Program, to identify available jobs and refer One-Stop Center clients.

Supportive Housing Employment Outreach Team and Project Connect

These services target homeless persons who are supportive housing residents or Project Homeless Connect participants. The program is not intended to produce immediate job placements, but rather seeks to link these individuals to resources that promote stabilization as a means to facilitate participant employability.

Table 4.5 below lists the program budget, number of clients served, and the budget per client for each of the Human Services Agency's in-house workforce development programs for FY 2006-2007.¹¹

Table 4.5
In-House Workforce Development Programs
Budget per Client
FY 2006-2007

Program	Budget	Clients*	Budget per Client
One Stop Centers	\$1,053,768	-	
Job Club	777,235	-	
First Source/Workforce Solutions	586,222	-	
Refugee Employment Services	110,676	-	
Connect by 25	55,900	-	
Group Employment Preparation Services	731,250	-	
TOTAL	\$3,315,051	13,157	\$252

Source: Human Services Agency

* Unduplicated

As can be seen in the table, in FY 2006-2007, the Human Services Agency's budget for in-house workforce development programs provided by the Division totaled \$3,315,051 excluding costs associated with the Supportive Housing Employment Outreach Team and Project Connect. In FY 2006-2007, these programs served an estimated 13,157 clients at a cost of \$252 per client.

Because most Human Services Agency clientele served by in-house workforce development programs must interact with the One Stop Centers for job search, placement and other services, all in-house workforce development client tracking occurs at the level of the One Stop Center. In this way, the One Stop Centers serve as the core of the

¹¹ Program budget and client information for the Supportive Housing Employment Outreach Team and Project Connect have been excluded from this table due to the nature of services provided. In FY 2006-2007, the Supportive Housing Employment Outreach Team and Project Connect budget totaled \$193,038 and served 680 clients. Including these figures yields a total in-house workforce development program budget of \$3,508,089 and 13,837 clients served at cost of \$253 per client,

Human Services Agency's in-house workforce development network – with each in-house program “feeding” clients into the One Stops. However, different Agency clients have different workforce development needs and as such, access the One Stop Centers for a wide range of services – each of which involve varying degrees of interaction with Human Services Agency staff.

For example, the 13,157 clients served through in-house workforce development programs, as recorded by the Human Services Agency at the One Stop Centers, is inclusive of:

- (a) Non-program affiliated San Francisco job seekers who may access the One Stop Centers to conduct self-directed job searches, use the copy machine, or send employment-related electronic correspondence;
- (b) Individuals whose in-house workforce development program includes a job placement or referral component such as Job Club or Refugee Employment Services. These individuals receive more structured, staff-directed workforce development services, and;
- (c) Other individuals who may come to the One Stop Centers to visit one of the agencies co-located at the Center for reasons completely unrelated to employment services.

Of the 13,157 unduplicated One-Stop Center clients in FY 2006-2007, 2,054¹² received job placements, or 15.6 percent, representing an average cost per placement of \$1,614. According to the Human Services Agency, “placement” simply indicates that a client was placed into post-training employment. However, because this definition does not (a) indicate whether the client was able to successfully maintain employment for any specified length of time or (b) assess whether the position was one that would enable the client to achieve self-sufficiency or advance to other meaningful job opportunities, it is a limited indicator of client and program success.

The Human Services Agency does track One-Stop Center placement data through the OASYS system, although the Agency has had some difficulty ensuring the quality of the data. Based on the information reported to SF Stat by the Human Services Agency, the One Stop Centers did not meet all of their performance targets in FY 2006-2007.

¹² Duplicated job placements.

Table 4.6
The One Stop Centers' Target and Actual Performance Measures
FY 2006-2007

	Total Clients	Total Placements	Percent of Clients Placed (Actual)	Performance Target
Universal One Stop Clients				
Percent receiving intensive services and placed into jobs	4,703	1,871	40%	45%
Percent placed into jobs at or above 125 percent of the San Francisco minimum wage ¹³	1,044	346	33%	45%
CalWORKS and Personally Assisted Employment Services Clients				
Percent receiving intensive services and placed into jobs	788	454	58%	45%
Percent placed into jobs at or above 125 percent of the San Francisco minimum wage ¹⁴	354	126	36%	45%

Source: Human Services Agency

The Human Services Agency performance measures track the number of individuals placed into jobs at or above 125 percent of the San Francisco minimum wage, although according to the Agency, the Agency does not currently have the means to track a client after the initial job placement, nor has the State Employment Development Department provided follow-up retention, wage, and wage progression data.

As shown in Table 4.6, approximately one-third or more of the One Stop Center clients, including CalWORKS and Personally Assisted Employment Services Clients, are placed into jobs at or above 125 percent of the San Francisco minimum wage. This falls short of the Human Services Agency's target of 45 percent.

Contracted Workforce Development Programs

The Human Services Agency primarily contracts with community-based organizations to provide (a) Welfare-to-Work contracted training and employment services, (b) Individual Referral training contracts, (c) employment services to homeless individuals, and (d) employment services for other targeted populations.

¹³ Of the 1,871 who received intensive services and were placed into jobs, the Human Services Agency was able to validate data for 1,044 and excluded data for 827.

¹⁴ Of the 454 CalWORKS and Personal Assisted Employment Services clients who received intensive services and were placed into jobs, the Human Services Agency was able to validate data for 354 and excluded data for 100.

Welfare-to-Work Contracted Training and Employment Services

The following programs largely provide Welfare-to-Work contracted training and employment services to CalWORKs and Personal Assisted Employment Services participants. These services generally include transitional employment opportunities, as well as vocational, job, and language training.

Community Jobs Program

The Community Jobs program is a two-tiered employment program for CalWORKs and Personal Assisted Employment Services participants administered by Goodwill Industries of San Francisco. Tier One consists of a two-month, paid, situational work readiness assessment during which participants work 20 hours per week in a structured work environment. Tier Two participants are placed in paid, transitional employment positions with community agencies for six months during which time they receive professional development and supportive services from the CalWORKs and Personal Assisted Employment Services programs.

City Build Academy Recruitment and Preparation

In FY 2006-2007, the Human Services Agency contracted with six community-based organizations including Asian Neighborhood Design, Charity Cultural Services, Ella Hill Hutch Community Center, Glide, Northern California Services League, and Young Community Developers to provide recruitment and preparation services to CalWORKs, Personal Assisted Employment Services program participants, Food Stamps clients, and former foster youth. These services are intended to help participants qualify for construction pre-apprenticeship training through CityBuild Academy.

Vocational Rehabilitation Services

The Human Services Agency contracts with the California Department of Rehabilitation to provide vocational rehabilitation services to persons with disabilities participating in the CalWORKs and County Adult Assistance Programs. According to information provided by the Human Services Agency, job placement is not considered an outcome for this program. Rather, this contract seeks to ensure that all eligible clients receive referrals to other rehabilitative services as appropriate.

Arriba Juntos' On-the-Job Training Program and MUNI Entry Level Training Program

The Human Services Agency contracts with Arriba Juntos to administer two job training programs for CalWORKs and Personal Assisted Employment Services clients – the On-the-Job Training Program and the MUNI Entry Level Training Program. The On-the-Job Training program is a three-month transitional employment program in which participants work with Arriba Juntos staff to secure permanent employment. Once a participant has been hired, their wages for the first three months of employment are subsidized by 50.0 percent as a means to offset employer training costs. The purpose of

the program is to provide participants with practical work experience, on-the-job training, and to facilitate linkages with potential employers.

The MUNI Entry Level Training Program is a six-month paid training program that provides participants with vocational skill training at various MUNI facilities and job readiness instruction via Arriba Juntos. Program participants are provided with forklift certification, Class B permits, general labor certification, and custodial best practices training. The purpose of the program is to provide participants with the skills necessary to obtain long-term employment in the transportation industry.

Vocational Immersion Program

The Vocational Immersion Program provides instruction in vocational English language skills to CalWORKs and Personal Assisted Employment Services clients with limited English proficiency. The Vocational Immersion Program is cooperatively administered by Arriba Juntos, City College of San Francisco, and Catholic Charities.

Individual Referral Training Contracts

The Human Services Agency additionally has relationships with more than 40 community-based organizations to provide additional, specific training opportunities to clients outside of those offered under the contracted group employment training services. The process for referring and enrolling clients into training contracts outside of group employment training contracts is called an Individual Referral.

Employment Services for the Homeless

The following programs provide employment services to homeless individuals and are primarily funded through a federal HUD McKinney grant.

The Homeless Employment Collaborative

The Homeless Employment Collaborative provides education, employment, and case management services to homeless individuals and homeless parents with children. The collaborative is made up of 10 community-based organizations including: Arriba Juntos, Central City Hospitality House, Community Housing Partnership, Goodwill Industries of San Francisco, Northern California Services League, Swords to Plowshares, Catholic Charities of Saint Joseph's Village, Toolworks Incorporated, Mission Hiring Hall/South of Market Employment Center, and the Episcopal Community Services Skills Center.

Community Housing Partnership/Supportive Housing Employment Collaborative

The Community Housing Partnership/Supportive Housing Employment Collaborative is a five member agency collaborative that includes: Chinatown Community Development Center, Conard House, Episcopal Community Services, Hamilton Family Center, and Mercy House. Together, these organizations provide vocational training and employment and educational services to formerly homeless individuals residing in member agencies' permanent supportive housing sites.

San Francisco Training Partnership

The San Francisco Training Partnership provides life skills instruction, paid transitional employment, and job placement assistance to homeless adults, ex-offenders, and veterans. The four member collaborative is made up of Swords to Plowshares, Northern California Services League, Goodwill Industries of San Francisco, and Urban University.

The Conquering Homelessness through Employment in Food Service (CHEFS) Program

The CHEFS program, administered by Episcopal Community Services, is a six-month culinary job training program for homeless adults. The purpose of the program is to provide participants with culinary training and life skills that will enable them to find employment within the food industry.

Homeless People Working for Opportunities, Resources, and Change (HomeWORC)

HomeWORC provides career advancement services to homeless and formerly homeless individuals currently working or volunteering in the homeless service industry. The seventeen-week training includes instruction in computers, basic math, business and grant writing, communication, and operation of office equipment.

SF Clean City Coalition

The Human Services Agency contracts with the SF Clean Coalition to provide transitional employment opportunities to homeless individuals through community improvement projects. Job training activities generally include daily street sweeping, neighborhood planting projects, graffiti removal, and special event clean up and recycling. Program participants earn an hourly wage and work up to 20 hours per week.

Employment Services for Other Targeted Populations

The Human Services Agency additionally contracts with community-based organizations to provide educational and employment services to low-income adults, homeless youth, and transgendered individuals.

In FY 2006-2007, the Human Services Agency contracted with two community-based organizations to provide pre-vocational life skills training (Florence Crittenton Services) and General Education Degree preparation services (Episcopal Community Services) to low-income adults.

In FY 2006-2007, the Human Services Agency established two new programs targeting homeless youth and transgendered individuals – the Homeless Youth Program and the Transgender Employment Initiative. The competitive process for selecting a community-based organization to provide employment services to homeless youth is complete and a contract has recently been awarded. According to the Human Services Agency, the Transgender Employment Initiative is currently in the startup phase and is expected to serve approximately 75 individuals annually.

Table 4.7 below provides the program budget, number of clients served, and the budget per client for each of the Human Services Agency's contracted workforce development programs for FY 2006-2007.¹⁵ In FY 2006-2007, the Human Services Agency's budget for programs provided by community-based organizations totaled \$5,956,546. In FY 2006-2007, the programs served an estimated 2,280 clients at a cost of \$2,613 per client.

Table 4.7
Contracted Workforce Development Programs
Budget per Client
FY 2006-2007

	Program	Budget	Clients*	Budget per Client
Welfare-to-Work	Community Jobs Program	\$1,171,376	265	\$4,420
	CityBuild Academy: Recruitment and Preparation	\$544,785	114	\$4,779
	Department of Rehabilitation: Vocational Rehabilitation Services	\$91,332	146	\$626
	Arriba Juntos' On-the-Job Training Program and MUNI Entry Level Training Program	\$19,658	29	\$678
	Vocational Immersion Program	\$431,540	304	\$1,420
IRs	Individual Referral Contracts: 40+ Community-Based Organizations	\$1,642,139	171	\$9,603
	Individual Referral Contract: Arriba Juntos	\$17,251	31	\$556
Homeless	Homeless Employment Collaborative	\$932,076	500	\$1,864
	Community Housing Partnership/ Supportive Housing Employment Collaborative	\$266,809	274	\$974
	San Francisco Training Partnership	\$264,473	67	\$3,947
	CHEFS Program	\$189,099	73	\$2,590
	HomeWORC	\$75,000	39	\$1,923
	SF Clean Coalition	\$168,300	153	\$1,100
Other	Florence Crittenton Services	\$79,675	16	\$4,980
	Episcopal Community Services	\$63,033	98	\$643
	TOTAL	\$5,956,546	2,280	\$2,613

Source: Human Services Agency

* Annualized based on the number of clients as of April 25, 2007.

¹⁵ These costs per client, excluding the Community Jobs Program, are based on the budgeted, rather than the actual costs, and therefore may be higher than per client costs based on actual expenditures. As of the writing of this report, the Agency had not provided year-end contract data. Costs associated with the Transgender Employment Initiative (\$300,000) and the Homeless Youth Program (\$85,000) have been excluded from this table. Including these costs increases the Human Services Agency's total budget for contracted workforce development programs to \$6,341,546.

Table 4.8 below provides client placement information for all of the Human Services Agency's contracted workforce development programs for which job placement was an objective in FY 2006-2007¹⁶.

Table 4.8
Contracted Workforce Development Programs
Client Placements
FY 2006-2007

	Program	Budget	Clients*	Placements	Placement Rate	Budget per Client Placement
Welfare-to-Work	Community Jobs Program: Tier 1	\$257,703	57	N/A	N/A	\$26,873 (Tier 2)
	Community Jobs Program: Tier 2	\$913,673	208	34	16.3%	
	Community Jobs Program TOTAL	\$1,171,376	265	34	-	
	Arriba Juntos' On-the-Job Training Program and MUNI Entry Level Training Program	\$10,431	29	15	51.7%	\$695
Homeless	Homeless Employment Collaborative	\$932,076	500	305	61.0%	\$3,056
	Community Housing Partnership/ Supportive Housing Employment Collaborative	\$266,809	274	31	11.3%	\$8,607
	San Francisco Training Partnership	\$264,473	67	40	59.7%	\$6,612
	CHEFS Program	\$189,099	73	24	32.9%	\$7,879
	HomeWORC	\$75,000	39	18	46.2%	\$4,167
	SF Clean Coalition	\$168,300	153	37	24.2%	\$4,549
	TOTAL	\$3,077,564	1,400	504	36.0%	\$6,106

Source: Human Services Agency

* Annualized based on the number of clients, completions, and placements as of April 25, 2007.

As can be seen from the table, of the estimated 1,400 clients participating in contracted workforce development programs provided by community-based organizations in FY 2006-2007 for which job placement was a desired outcome, only approximately 504 or 36.0 percent were placed into jobs at an estimated cost of \$6,106 per client placement. This results in estimated budgeted cost per placement of \$6,106 for programs provided by community-based organizations, exceeding the estimated in-house cost per placement of \$1,614.

¹⁶ The costs per placement, excluding the Community Jobs Program, are based on the budgeted, rather than the actual costs and therefore may be higher than per placement costs based on actual expenditures. As of the writing of this report, the Agency had not provided year-end contract data. Community-based organization contracts providing CityBuild Academy preparation services and individuals training accounts are not included in this table. Using budgeted rather than actual expenditures for these programs made placement costs excessively high for purposes of meaningful comparison.

Contracted workforce development programs provided by community-based organizations do not achieve significant client placement rates, resulting in high costs per placement for certain programs. In FY 2006-2007, nearly six out of every ten clients (64.0 percent) served by a workforce development program administered by a community-based organization failed to be placed in post-training employment.

However, placement rates for those clients who successfully completed a contracted workforce development program administered by a community-based organization were relatively high. For example, in FY 2006-2007 of the estimated 114 clients referred to receive CityBuild Academy preparation training, only 18 or 15.8% actually enrolled. However of the 18 clients who enrolled, 15 or 83.3 percent were placed in post-training employment. Similarly, of the approximately 73 clients served by the CHEFS program in FY 2006-2007, 31 or 42.5 percent completed the program. Of those who completed the program, 24 or 77.4 percent were placed in post-training employment.

Table 4.9 below shows the placement rate for clients who completed a contracted workforce development program administered by a community-based organization for which job placement was the desired outcome. This suggests that while community-based organizations may be highly effective in helping a few clients secure post-training employment opportunities at considerable cost, the majority of clients served by these organizations will not receive the workforce services or training they need to transition to meaningful employment. Further, the relative success of contracted workforce development programs, as measured by the number of client placements, must be viewed in light of the Human Services Agency's limited definition placement as discussed earlier in this section.

Table 4.9
Contracted Workforce Development Programs
Placement Rates for Participants Who Completed the Program
FY 2006-2007

Program		Completions*	Placements	Placement Rate
Welfare-to-Work	Community Jobs Program: Tier 2	62	34	54.8%
	CityBuild Academy: Recruitment and Preparation	18	15	83.3%
	Arriba Juntos' On-the-Job Training Program and MUNI Entry Level Training Program	26	15	57.7%
IRs	Individual Referral Contracts: 40+ Community-Based Organizations	98	73	74.5%
	Individual Referral Contract: Arriba Juntos	24	20	83.3%
Homeless	Homeless Employment Collaborative	427	305	71.4%
	Community Housing Partnership/ Supportive Housing Employment Collaborative	59	31	52.5%
	San Francisco Training Partnership	31	40	129.0%
	CHEFS Program	31	24	77.4%
	HomeWORC	24	18	75.0%
	SF Clean Coalition	37	37	100.0%

Source: Human Services Agency

* Annualized based on client completions and placements as of April 25, 2007.

Performance Expectations, Oversight, and Accountability

In-House Workforce Development Programs

Performance expectations, oversight, and accountability for the Human Services Agency's in-house workforce development programs primarily occur at the staff level. According to the Human Services Agency, performance expectations for Division staff are established by (a) performance measures and goals specified in the Agency's strategic plan and those established by various funding sources and (b) performance goals linked to the job responsibilities of each classification providing workforce development services to clients. Staff performance is monitored and enforced using the Performance Appraisal Report process and where necessary, the Progressive Discipline process.

Contracted Workforce Development Programs

The Human Services Agency only contracts with community-based organizations that have obtained specified educational and vocational training certifications to provide

workforce development education and training to Agency clients.¹⁷ These certifications are intended to ensure the quality of services provided and to promote consistency and standardization in curriculum and pedagogy among certified providers.

Performance expectations, as measured by the number of client enrollments, completions, and where appropriate, job placements, are specified in each community-based organization's contract with the Human Services Agency. These expectations vary among community-based organizations depending on the type of services provided and the population served. Table 4.10 below provides the contractual performance benchmarks for eight of the Human Services Agency's fifteen contracted workforce development programs.¹⁸

According to the Human Services Agency, the Agency conducts semi-annual site visits (as needed) and quarterly progress reviews of each community-based organization in order to evaluate the quality of the contracted services provided and to ensure compliance with the contract. Each community-based organization is additionally required to submit monthly attendance and progress reports for all Welfare-to-Work participants, which are subsequently reviewed by Human Services Agency case workers.

Table 4.10
Contracted Workforce Development Programs
Contracted Performance Benchmarks
FY 2006-2007

Program	Enrollments	Completions	Completion Rate	Placements	Placement Rate
Arriba Juntos MUNI Entry Level Training Program	48	42	87.5%	22	52.4%
Individual Referral Contracts: 40+ Community Based Organizations	200	150	75.0%	90	60.0%
Individual Referral Contract: Arriba Juntos	50	36	72.0%	22	61.1%
Homeless Employment Collaborative	500	325	65.0%	225	69.2%
San Francisco Training Partnership	165	115	69.7%	69	60.0%
CHEFS Program	180	48	26.7%	34	70.8%
HomeWORC	60	48	80.0%	34	70.8%
SF Clean City Coalition	148	50	33.8%	47	94.0%

Source: Human Services Agency

¹⁷ Human Services Agency approved certifications include: California Employment Development Department Certified Eligible Training Provider Certification, Board of Private Post-Secondary Vocational Education Certification, California Department of Education Certification, and the Chancellor's Office of the California Community Colleges Certification.

¹⁸ Florence Crittenton Services performance benchmarks were excluded from this table due to the nature of services provided. Performance measures for the remaining six community-based organizations were not provided to the Budget Analyst. Placement rates are calculated based on the number of client completions.

While the Human Services Agency has established reasonable performance measures to evaluate the effectiveness of each contracted workforce development program, it is unclear to what extent non-performing community-based organizations are held accountable for failing to meet contractual workforce development enrollment, completion, and placement targets. Table 4.11 below compares contractual enrollment targets to actual client enrollment for specified contracted workforce development programs in FY 2006-2007. As can be seen from the table, of the eight community-based organizations for which information was provided, excluding Florence Crittenton Services, six did not meet their enrollment targets.

Similarly, seven of the eight community-based organizations did not meet their targets for the number of participant completions or placements. Tables 4.12 and 4.13 below compare contractual completion and placement targets to the number of actual completions and placements for contracted workforce development programs in FY 2006-2007.

Table 4.11
Contracted Workforce Development Programs
Client Enrollment: Target vs. Actual
FY 2006-2007

Program	Enrollment Target	Actual Enrollments*	Increase/ (Decrease)	Percent Difference
Arriba Juntos MUNI Entry Level Training Program	48	29	(19)	-39.6%
Individual Referral Contracts: 40+ Community Based Organizations	200	171	(29)	-14.5%
Individual Referral Contract: Arriba Juntos	50	31	(19)	-38.0%
Homeless Employment Collaborative	500	601	101	20.2%
San Francisco Training Partnership	165	67	(98)	-59.4%
CHEFS Program	180	73	(107)	-59.4%
HomeWORC	60	39	(21)	-35.0%
SF Clean City Coalition	148	153	5	3.4%
TOTAL	1,351	1,164	(187)	-13.8%

* Annualized based on the number of enrollments as of April 25, 2007.

Table 4.12
Contracted Workforce Development Programs Client Completions:
Target vs. Actual FY 2006-2007

Program	Completion Target	Actual Completions*	Increase/ (Decrease)	Percent Difference
Arriba Juntos MUNI Entry Level Training Program	42	26	(16)	-38.1%
Individual Referral Contracts: 40+ Community Based Organizations	150	98	(52)	-34.7%
Individual Referral Contract: Arriba Juntos	36	25	(11)	-30.6%
Homeless Employment Collaborative	325	427	102	31.4%
San Francisco Training Partnership	115	31	(84)	-73.0%
CHEFS Program	48	31	(17)	-35.4%
HomeWORC	48	24	(24)	-50.0%
SF Clean City Coalition	50	37	(13)	-26.0%
TOTAL	814	699	(115)	-14.1%

* Annualized based on the number of completions as of April 25, 2007.

Table 4.13
Contracted Workforce Development Programs Clients Placements:
Target vs. Actual FY 2006-2007

Program	Placement Target	Actual Placements*	Increase/ (Decrease)	Percent Difference
Arriba Juntos MUNI Entry Level Training Program	22	15	(7)	-31.8%
Individual Referral Contracts: 40+ Community Based Organizations	90	73	(17)	-18.9%
Individual Referral Contract: Arriba Juntos	22	20	(2)	-9.1%
Homeless Employment Collaborative	225	305	80	35.6%
San Francisco Training Partnership	69	40	(29)	-42.0%
CHEFS Program	34	24	(10)	-29.4%
HomeWORC	34	18	(16)	-47.1%
SF Clean City Coalition	47	37	(10)	-21.3%
TOTAL	543	532	(11)	-2.0%

* Annualized based on the number of client placements as of April 25, 2007.

However, community-based organizations did relatively well in placing actual program participants into jobs once the program had been completed. The actual placement rate was greater than the targeted placement rate: on average 76.1 percent of actual participants were placed into jobs compared to the performance target of 66.7 percent. However, although the actual performance rate exceeded the targeted performance rate, the total of number of individuals who were placed into jobs fell short of expectations because both client enrollment in and completion of contracted workforce development programs were less than expected.

Conclusions

As a social service agency and strategic partner in the City's One Stop System, the Human Services Agency has a unique responsibility to provide workforce development programs and services to vulnerable populations with significant barriers to employment and more experienced job seekers who require assistance securing employment or transitioning into new careers.

However, in spite of this broad service mandate, much of the Agency's workforce development programming has been developed as a means to comply with federal and state work participation requirements for CalWORKs participants. By utilizing the "CalWORKs framework" of workforce development for all Agency clientele, the Human Services Agency misses an opportunity to develop more innovative, responsive workforce development programming for the Personal Assisted Employment Services program population.

The Human Services Agency has considerable workforce development staff to administer in-house workforce development programs and additionally contracts with several community-based organizations to provide job training and placement services for Agency clients. In FY 2006-2007, both in-house and contracted programs failed to meet performance targets for client outcomes. Most notably, few community-based organizations were able to meet contractual benchmarks established by the Human Services Agency for satisfactory client enrollment, completion, and job placement. At this point, it is unclear to what extent the Human Services Agency will hold low-performing community-based organizations accountable for failing to meet these benchmarks.

Recommendations

The Director of the Human Services Agency should:

- 4.1 Evaluate the breadth of workforce development programs and services available to Personal Assisted Employment Services participants. If necessary, the Personal Assisted Employment Services program should be restructured to de-link Welfare-to-Work employment activities associated with the CalWORKs program to ensure that workforce opportunities for Personal Assisted

Employment Services clients are not being unnecessarily constrained by the CalWORKs regulatory framework.

- 4.2 Make retention caseload tracking more robust in order to properly evaluate the effectiveness of job retention/career advancement services provided to former CalWORKs and Personal Assisted Employment Services participants. At minimum, the Human Services Agency should track which job retention/career advancement services are being utilized, which industries/sectors post-aid clients are working in, and client career progression during the course of service.
- 4.3 Develop a comprehensive retention plan in order to increase the number of clients who complete in-house and contracted workforce development programs.
- 4.4 Develop a more robust standard for what constitutes a successful client placement. At minimum, placement should have some established standards with respect to job quality, employment duration, and potential for upward mobility in order to properly evaluate and compare the effectiveness of various in-house and contracted workforce development programs in facilitating client self-sufficiency.
- 4.5 Re-evaluate the continued utility and cost-effectiveness of using community-based organizations to provide workforce development training to Human Services Agency clients. At minimum, the Human Services Agency should reassess each organization's capacity to meet specified performance targets and hold low-performing community-based organizations accountable for failing to meet contractual obligations.

Costs and Benefits

These recommendations are intended to increase the cost-effectiveness of the Human Services Agency's workforce development programs and should be accomplished within existing resources. As discussed in Section 2 of this report, developing adequate tracking and monitoring systems will be significant in evaluating the cost effectiveness and successful outcomes of the City's workforce development programs. Future costs for improved information system capacity may occur depending on the Department of Economic and Workforce Development's evaluation of existing workforce development program systems.

5. First Source Hiring and CityBuild

- The City has two Citywide programs that make jobs with City contractors available to the City's low-income residents: the First Source Hiring Program, which is managed by the Human Services Agency and requires City contracts to make entry level jobs available to low-income City residents, and CityBuild, which is managed by the Department of Economic and Workforce Development and places low-income residents into construction jobs with City contractors.
- Because the First Source Hiring Program does not have a formal system to identify all City contractors who are required to make entry level jobs available to low-income City residents, nor an effective program to enforce compliance, the First Source Hiring Program does not ensure that all employers required to participate actually do so and that job opportunities for low-income City residents are maximized. Although the number of reported job placements through the First Source Hiring Program increased in FY 2006-2007 to 299 placements, compared to 142 placements in FY 2007-2008, an increase of 110 percent, only 128 City contractors posted non-construction jobs with First Source in FY 2006-2007. However, the Controller's database lists more than 20,000 vendors, suggesting many more contractors are subject to requirements.
- The First Source Hiring Administration, which governs the First Source Hiring Program, has not met since 2004. In the absence of an effective First Source Hiring Administration, City departments have not developed First Source Hiring implementation and monitoring plans nor has a Citywide system been developed to ensure that all City departments include First Source Hiring agreements in contracts, leases, and permits.
- Although the First Source Hiring Program has a mechanism to enforce compliance, no City department has assumed responsibility for enforcement. In the absence of systems to identify all employers and entry level positions subject to the First Source Hiring Program and an effective enforcement mechanism, First Source cannot ensure that jobs are made available to low-income City residents.

- **The CityBuild program has been able to place low-income residents into jobs at a lower cost than community-based organizations were able to do previously. Additionally, approximately 60 percent of individuals recruited into the CityBuild Academy complete the program. However, job placement has been uneven, with far more residents of the City's southeastern neighborhoods placed into jobs than in other parts of the City. Job placements for CityBuild can vary in terms of substance and duration with some construction projects lasting for only two days.**
- **However, regardless of length, all job placements hold equal weight for the purposes of CityBuild job placement tracking. As a result there is no way to evaluate or classify the type of projects for which contractors are requesting CityBuild workers. Nor does CityBuild have a robust retention tracking system in place to evaluate the long-term effectiveness of CityBuild in helping low-income clients to secure long-term employment in the construction industry. Contractual agreements with community-based organizations established after June 1, 2006 will provide additional job retention data for CityBuild Academy graduates up to nine months after program completion. However, efforts to obtain information regarding the long-term employment outcomes for non-CityBuild Academy graduates remain limited at best.**

In July of 1998, the Board of Supervisors passed the First Source Hiring Ordinance (File 98-663), which added Chapter 83 to the San Francisco Administrative Code. The First Source Hiring Ordinance (“First Source”) was intended as a means to connect low-income City residents with entry level employment opportunities available through City contracts. Essentially, First Source mandates that contractors who work for the City, and who meet certain threshold contract, lease, and permit amounts, give first right of referral for entry-level positions to economically-disadvantaged individuals participating in the City's workforce development system.

The First Source Hiring Program

There are two entities in the City that implement First Source: the First Source Hiring Program (FSHP) and CityBuild. CityBuild, which is a program in the Department of Economic and Workforce Development and is discussed later in this chapter, administers First Source requirements for construction contracts. The Human Services Agency operates the First Source Hiring Program, primarily identifying job opportunities with City contractors and matching job seekers with available jobs.

Reauthorization of and Amendments to First Source

The First Source Hiring Administration retained the San Francisco Urban Institute in March of 2004 to conduct an independent evaluation of First Source. That report, titled "First in Line: An Evaluation of San Francisco's First Source Hiring Program Ordinance," was issued on August 1, 2004. The evaluation was conducted during a five-month period, from March 1, 2004 through July 31, 2004, and covered five and a half years of the First Source Hiring program from January 1999 through May 15, 2004.

Some of the recommended changes resulting from the San Francisco Urban Institute evaluation of the program were reflected in an ordinance approved by the Board of Supervisors on October 14, 2004 (File 04-1190). Significant amendments in that ordinance included:

- (a) expanding the scope of the First Source Hiring Program,
- (b) increasing the First Source Hiring Administration's reporting requirements to the Mayor and the Board of Supervisors, and
- (c) extending the Program by an additional four years and slightly over two months, from October 20, 2004 to December 31, 2008.

On April 18, 2006, the Board of Supervisors again amended First Source (File 06-0611). Significant amendments in that ordinance included strengthening the penalties mechanisms, and expanding the contracts covered to include contract modifications that trigger threshold levels, among other changes.

First Source Employers and Job Placements

The First Source Hiring Program was incorporated into the Human Services Agency in 2004. As shown in Table 5.1, reported job placements through the First Source Hiring Program have increased since FY 2004-2005.

Table 5.1
First Source Hiring Program Budget, Clients and Placements¹
FY 2004-2005 through FY 2005-2006

	FY 2004-2005	FY 2005-2006	FY 2006-2007	Increase FY 2005-2006 to FY 2006-2007	Percent
First Source Employers	69	110	128	18	16.4%
First Source Job Postings	391	308	348	40	13.0%
First Source Job Placements	96	142	299	157	110.6%

Source: Human Services Agency

According to the 2004 San Francisco Urban Institute report on the First Source Hiring Program, it is estimated that only 189 individuals may have been hired for permanent jobs from January 1, 1999 through December 20, 2003.

The First Source Hiring Administration and Program Compliance and Performance

Under the Administrative Code, the First Source Hiring Administration oversees the First Source Hiring Program, providing policy direction, developing program procedures and ensuring compliance. The First Source Hiring Administration is intended to include City department heads or their designees:

- Director of Economic and Workforce Development,
- Executive Director of the Human Services Agency,
- Director of the Mayor's Office of Community Development,
- President of the Private Industry Council,
- Chancellor of the City College of San Francisco,
- Other City department representatives appointed by the First Source Hiring Administration as necessary from time to time; and
- Other San Francisco governmental agency representatives participating in the First Source Hiring Program and invited by the First Source Hiring Administration.

According to the Human Services Agency's First Source Hiring Program Manager, the First Source Hiring Administration has not met since 2004 pending reconstitution of Workforce Investment San Francisco and transfer of First Source Hiring Program administrative responsibility to Workforce Investment San Francisco and the Department

¹ According to the Human Services Agency, the Agency had not fully developed their data system in FY 2004-2005, and therefore, FY 2004-2005 data has not been verified.

of Economic and Workforce Development.

Because of the First Source Hiring Administration's inactivity and the Human Services Agency's defined role, limited to identifying job opportunities and matching job seekers to jobs, the First Source Hiring Program has failed to meet its intended goals.

First Source Requirements for City Contractors and Developers

First Source requirements apply to all City contracts if they meet or exceed the legislated threshold amounts. The scope of First Source has expanded since its initiation in 1998, and current thresholds that trigger First Source are (a) construction contracts greater than \$350,000, (b) goods and service contracts greater than \$50,000, and (c) grants over \$50,000. First Source requirements apply to contract modifications, subcontractors, and contract work on City-owned property in contiguous counties.

First Source also applies to building permits for a commercial activity over 25,000 square feet in floor area and residential permits with 10 or more dwelling units. All employers working under a permit that have First Source requirements are required to comply as well, including any employers occupying the commercial space after its construction.

Human Services Agency's Tracking of Employers

The Human Services Agency lacks data on how many employers contracting with the City are subject to First Source hiring requirements. The Human Services Agency has 71 First Source Agreements with private developers who have filed permits with the Planning Department, of which 29 were enacted in FY 2006-2007. For City leases and contracts for goods and services, First Source Hiring provisions are contained in the standard lease or contract language. Department contract managers are responsible to inform contractors of their First Source Hiring requirements. 128 City contractors posted non-construction jobs with First Source in FY 2006-2007, although the Controller's database lists more than 20,000 vendors, suggesting many more contractors are subject to requirements.

The First Source Hiring Program relies on the contracts and projects referred by City departments, making the program's ability to identify employers dependent primarily on City departments. Although the First Source Hiring Program staff have worked with City departments during the year to identify contracts and job opportunities, the Human Services Agency has not yet developed a systematic method to identify employers and ensure that entry level jobs are made available.

Further, in the absence of an effective First Source Hiring Administration, City departments have not developed First Source Hiring implementation and monitoring plans nor has a Citywide system been developed to ensure that all City departments include First Source Hiring agreements in contracts, leases, and permits.

To better gauge compliance, the First Source Hiring Program, like CityBuild, should require employers to provide forecasting data of entry level positions on a regular schedule, thereby providing a figure against which actual posted jobs can be measured.

Penalties for Non-Compliance

The First Source Hiring Program does have a mechanism to penalize non-compliance, but it is not used. The First Source Hiring ordinance requires that every contract covered by the ordinance contain provisions that:

- (a) subject the contractor to enforcement of the First Source Hiring provisions;
- (b) hold the contractor liable for ordinance violations; and
- (c) assess an amount up to \$5,000 for every new hire for an entry level position that is not in accordance with First Source Hiring requirements.

The City has a number of offices involved in the compliance with contract requirements. These include the Office of Labor Standards Enforcement, Office of Contract Administration, and Human Rights Commission. None of these three has any measurable role in ensuring compliance with First Source. The Office of Labor Standards Enforcement enforces labor laws and ensures that public works contractors comply with prevailing wage regulations, enforces the Minimum Compensation Ordinance and Health Care Accountability Ordinance, and administers the City's Sweat Free Contracting Ordinance. The Office of Labor Standards Enforcement also enforces labor laws of general application, including the San Francisco Minimum Wage Ordinance, Paid Sick Leave Ordinance, and Health Care Security Ordinance. Even though the Office of Labor Standards Enforcement is required by the First Source Ordinance to administer appeal hearings for liquidated damages assessed to employers who violate First Source hiring requirements, the Office of Labor Standards Enforcement does not even mention First Source on its public website. The Office of Contract Administration provides contracts and potential contractors with information related to the City's contracting processes and requirements, but its website and materials do not mention First Source hiring requirements anywhere. The Human Rights Commission does not monitor or enforce employer compliance with First Source, although some of its forms collect data important for First Source implementation. (See HRC Attachment 2, Section 4.03 and Form 5, for example).

First Source Reporting and Performance Measures

Because the First Source Hiring Administration has been inactive, the Program has failed to meet reporting requirements. The Administrative Code states that the First Source Hiring Administration is required to prepare an annual report to the Mayor and the Board

of Supervisors on the progress of First Source hiring including the:

- Status of first source implementation by all City departments;
- Number of contractors by department subject to First Source requirements by department;
- Number and percent of contractors with signed first source agreements on file, First Source employers posting jobs, and first source employers hiring job seekers;
- Number of jobs posted and the wage data associated with those jobs, job seekers referred to employers, job seekers hired by First Source employers; and
- Length of time that hired individuals remain employed.

Under the Administrative Code provision, the Board of Supervisors shall hold a hearing on the report within 45 days of its submission to the Clerk of the Board of Supervisors.

However, the First Source Hiring Administration has not provided the Board of Supervisors with an annual report regarding the status of First Source Implementation. Further, there is no public information portal for First Source other than a phone number that connects to the secretary of the First Source Hiring Program director.

First Source Hiring Administration as Part of Workforce Investment San Francisco

The San Francisco Urban Institute also recommended that Workforce Investment San Francisco should assume program oversight. As described in Section 1 of this report, the City, under the direction of the Department of Economic and Workforce Development, will be rebuilding Workforce Investment San Francisco in FY 2006-2007. Because many of the designees of the First Source Hiring Administration will also be included in the new Workforce Investment San Francisco, and because the functions of the two policy bodies are interconnected, the Board of Supervisors should incorporate the First Source Hiring Administration into Workforce Investment San Francisco, as part of the recommended Administrative Code amendment in Section 1 of this report. Further, the San Francisco Urban Institute recommended relocating First Source policy activities to the Department of Economic and Workforce Development, which is consistent with the Department's role in supporting Workforce Investment San Francisco and providing coordination of the City's workforce development programs in general.

CityBuild

CityBuild is administered by the Department of Economic and Workforce Development in partnership with other City departments, community-based organizations, and the San Francisco County Transportation Authority and performs three key functions with respect to the coordination and provision of construction-related workforce development programs and services in San Francisco – training, centralization, and job placement.

- **Training:** CityBuild provides hands-on construction training through CityBuild Academy to increase the number of low-income City residents prepared to work in various skilled trades.
- **Centralization:** CityBuild centralizes and streamlines construction employment efforts across City departments by serving as the single-point-of-entry through which several City departments and agencies secure construction staff for City projects.
- **Job Placement:** CityBuild serves as the operational arm of the First Source Hiring Program, intended to place low-income residents into City construction jobs.

The intent of CityBuild is to leverage relationships with contractors, building trades, and community-based organizations in order to maximize local resident participation in City public works projects and private First Source Hiring construction projects (with Union contractors) as a means to facilitate their long-term employment in the construction industry. The Board of Supervisors approved CityBuild as a pilot program in FY 2005-2006 based on findings by the San Francisco County Transportation Authority that low-income residents were not participating in City construction projects, such as the Third Street Light Rail project.

Training

City Build Academy is a feature of the CityBuild program and is managed by the Department of Economic and Workforce Development in partnership with the Northern California Carpenters Regional Council, City College of San Francisco, and the San Francisco County Transportation Authority.² The Academy is a full-time, unpaid, 14-week pre-apprenticeship program that provides participants with hands-on and classroom introductory construction skills training. CityBuild Academy is designed to prepare clients for entry-level work in various skilled trades. The Academy's first class began in February of 2006 and there have been four classes to date. The fifth class will graduate on August 31, 2007.

Prior to CityBuild Academy, the City provided an estimated \$700,000 to approximately six community-based organizations to provide construction training services for economically disadvantaged City residents. However, this funding only trained an estimated 90 participants at a cost of approximately \$7,777 per participant. Further, only an estimated 25 individuals were placed into post-training construction employment at a cost of approximately \$28,000 per placement.

² Prior to its dissolution on June 30, 2007, the Private Industry Council managed recruitment contracts for CityBuild Academy.

In FY 2006-2007, approximately 113 CityBuild Academy graduates received job placements at a total cost \$5,930 per student.³ Thus, CityBuild Academy has been able to place roughly the same number of students into post-training construction employment at significantly lower costs than previous efforts.

Recruitment

The Mayor’s Office of Economic and Workforce Development contracts with community-based organizations to provide recruitment, case management, and retention/mentoring services for CityBuild Academy participants. Prior to June 1, 2006, contracted organizations were paid up to \$3,600 per participant according to the fixed-unit costs schedule specified below in Table 5.1. Community-based organizations can now receive a maximum of \$4,600 per participant. CityBuild staff also recruit potential participants by conducting program orientation sessions at the City’s One Stop Centers.

**Table 5.1
Fixed-Unit Costs Schedule for CityBuild Academy**

Service Benchmarks	Cost Schedule for CityBuild Academy Cycles 1 - 3	Cost Schedule for CityBuild Academy Cycle 4
<u>Recruitment</u>	\$800	\$1,000
Assessment/Referral	\$400	\$500
Acceptance to CityBuild Academy	\$400	\$500
<u>Program Retention and Counseling</u>	\$1,600	\$1,800
Successful Mid-Completion of CityBuild Training	\$600	\$800
Successful Completion/Indenture or other Career Path attainment	\$1,000	\$1,000
<u>Job Retention</u>	\$1,200	\$1,800
Successful 3 month retention and a minimum of 360 hrs. worked	\$400	\$500
Successful 6 month retention and a minimum of 580 hrs. worked	\$800	\$700
Successful 9 month retention and a minimum of 880 hrs. worked	N/A	\$600
TOTAL	\$3,600	\$4,600

Source: Department of Economic and Workforce Development

According to CityBuild, from September of 2005 to May of 2006, 248 students have been recruited by community-based organizations to participate CityBuild Academy. Of those students recruited, 151 or 60.9 percent have completed the program at a total cost of

³ According to CityBuild, approximately 45.0 percent of CityBuild placements are CityBuild Academy graduates. From September of 2005 through May of 2007, 452 individuals received job placements though CityBuild – approximately 21 placements per month or 252 placements per year. Thus, 45.0 percent of 252 CityBuild placements would be approximately 113 CityBuild Academy graduate placements in FY 2006-2007.

\$3,121 per completion.⁴ Table 5.2 below provides the completion rate and the total cost per client completion for each community-based organization from September 2005 to May 2006.

This suggests that the majority of individuals who are recruited to participate in CityBuild Academy by community-based organizations will ultimately complete the program – approximately six out of ten participants for program cycles one through four.

Table 5.2
Community-Based Organizations
Total Cost per Completion
September 2005 to May 2006

Community-Based Organization	Number of Recruitments	Number of Completions	Completion Rate	Total Cost*	Total Cost per Completion
Aboriginal Blackmen United	19	5	26.3%	\$21,500	\$4,300
Asian Neighborhood Design	26	19	73.1%	\$55,300	\$2,642
Anders and Anders	21	16	76.2%	\$48,000	\$2,700
ArcEcology/Community Window	4	2	50.0%	\$6,600	\$3,000
Chinese for Affirmative Action	5	4	80.0%	\$10,000	\$2,500
Charity Cultural Services Center	30	21	70.0%	\$61,200	\$2,686
Community Housing Partnership	3	2	66.7%	\$6,100	\$2,600
Ella Hill Hutch Community Center	11	5	45.5%	\$16,500	\$3,120
Glide Foundation/Glide Memorial	19	14	73.7%	\$40,600	\$2,707
Ingleside Community Center	3	1	33.3%	\$5,100	\$4,200
Mission Hiring Hall	37	15	40.5%	\$55,000	\$3,367
Northern California Service League	17	10	58.8%	\$31,500	\$2,960
Potrero Hill Neighborhood House	15	9	60.0%	\$30,800	\$3,033
Young Community Developers	27	23	85.2%	\$64,600	\$2,591
Visitacion Valley Jobs Education Training	8	3	37.5%	\$11,900	\$3,533
San Francisco Organizing Project	1	-	-	\$1,000	No Completion
San Francisco Conservation Corp	2	2	100.0%	\$5,600	\$2,800
TOTAL	248	151	60.9%	\$471,300	\$3,121

Source: CityBuild Academy Recruitment, Enrollment, and Completion Data

* Total cost includes recruitment and program retention and counseling costs.

Zip code data for 230 individuals who received job placements through CityBuild from September of 2005 through May of 2007 indicate that the majority of CityBuild

⁴ According to CityBuild, the of the 248 individuals recruited to the program, 178 enrolled in CityBuild Academy. Of the 178 who enrolled, 151 completed the program, or 85 percent.

participants live in the Bayview-Hunters Point and Visitacion Valley/Sunnydale neighborhoods. As can be seen in Table 5.3 below, of the 230 individuals who received job placements through CityBuild, 104 or 45.2 percent came from Bayview-Hunters Point while 35 or 15.2 percent came from Visitacion Valley/Sunnydale. Residents of other neighborhoods are represented in much lower numbers.

Table 5.3
CityBuild Placements by Neighborhood and Zip Code,
September 2005 through May 2007

Neighborhood	Zip Code	Placements	Percent
Hayes Valley/Tenderloin/North of Market	94102	6	2.6%
South of Market	94103	14	6.1%
Potrero Hill	94107	14	6.1%
Polk/Russian Hill	94109	6	2.6%
Inner Mission/Bernal Heights	94110	16	7.0%
Ingleside-Excelsior/Crocker-Amazon	94112	19	8.3%
Western Addition/Japantown	94115	10	4.3%
Haight-Ashbury	94117	6	2.6%
Bayview-Hunters Point	94124	104	45.2%
Visitacion Valley/Sunnydale	94134	35	15.2%
	TOTAL	230	100.0%

Source: CityBuild Placement Data

According to CityBuild staff, while other City neighborhoods may have comparable unemployment rates to those seen in Bayview-Hunters Point and Visitacion Valley/Sunnydale, in the absence of strong workforce development partners to conduct the outreach and recruitment services necessary to funnel participants into the program, the number of participants from these areas will remain low. As such, while CityBuild may accept participants from all communities, clearly all City residents do not have equal access to the program.

Centralization and Job Placement

As the hub for citywide construction project staffing, CityBuild receives construction staffing requests – job orders – from several City departments and agencies and the Pacific Gas and Electric Company. There are currently 403 construction projects in the CityBuild project database for a total contract amount of over \$2.4 billion.

Job placements for CityBuild can vary in terms of substance and duration with some construction projects lasting for only two days. However, regardless of length, all job

5. First Source Hiring and CityBuild Programs

placements hold equal weight for the purposes of CityBuild job placement tracking. As a result there is no way to evaluate or classify the type of projects for which contractors are requesting CityBuild workers.

CityBuild job placements occur on two levels - direct placements and CityBuild Academy placements. Direct placements link qualified individuals, who are recruited via One Stop Centers or through ties with community-based organizations, to any building contractor in need of additional workers. CityBuild Academy graduates, however, are only placed in construction apprenticeships with union contractors.

From September of 2005 through May of 2007, CityBuild has placed 452 workers on City-sponsored construction sites. Approximately 140 or 40.9 percent of these individuals have been graduates of CityBuild Academy. Table 5.4 below lists the number of CityBuild placements and job orders received from September of 2005 through May of 2007. As can be seen from the table, approximately one-third (32.7 percent) of all CityBuild placements are with the Public Utilities Commission.

CityBuild placement data shows that, consistent with the pool of workers recruited by CityBuild, representing economically disadvantaged City residents, the majority of jobs provided through CityBuild are trades apprenticeship jobs. However, nearly one-third of the jobs represented (34.7 percent) were journey level positions. Table 5.5 below provides CityBuild job placements by classification category.

Table 5.4
CityBuild Placements and Job Orders Received by Department
September 2005 through May 2007

Department	Job Orders Received	Placements
City College of San Francisco	27	27
Department of Public Works	23	20
First Source Hiring Projects	96	96
Laguna Honda Hospital Replacement Program	34	30
Mayor's Office of Housing	14	13
MUNI Metro East Maintenance Facility	44	36
Other	14	14
PG&E	63	63
Public Utilities Commission	109	112
San Francisco Port Authority	3	3
San Francisco Redevelopment Agency	23	23
San Francisco Unified School District	9	9
University of California, San Francisco	6	6
TOTAL	465	452

Source: CityBuild Monthly Placement Report, May 2007.

Table 5.5
CityBuild Job Placement by Classification Category
September 2005 through May 2007

Classification Category	Number of Job Placements	Percent
Administrative/Other Support	12	2.7%
Trades Apprentice	277	61.3%
Trades Journey	157	34.7%
Engineer Construction Management	6	1.3%
TOTAL	452	100.0%

Source: CityBuild Placement Data

Monitoring and Enforcement

CityBuild shares many of the same enforcement difficulties as First Source. CityBuild must rely on City departments to identify construction contractors with requirements to make entry level jobs available to eligible City residents. CityBuild also lacks procedures to identify City contractors who do not comply with CityBuild hiring requirements.

Retention

According to CityBuild, tracking long-term retention in job placements is a challenge for all participants. Currently, retention is defined by whether or not the participant was able to “stay on” with the contractor to continue working on subsequent - possibly non-City associated – projects. CityBuild has anecdotal evidence which suggests that approximately 65.0 percent of CityBuild Academy graduates have been retained. However, because these individuals have been indentured into a trade union, they are likely to have more and continued access to additional employment opportunities than non-indentured CityBuild participants.

Thus, CityBuild does not have a robust retention tracking system in place to evaluate the long-term effectiveness of CityBuild in helping low-income clients to secure long-term employment in the construction industry. Contractual agreements with community-based organizations established after June 1, 2006 will provide additional job retention data for CityBuild Academy graduates up to nine months after program completion. However, efforts to obtain information regarding the long-term employment outcomes for non-CityBuild Academy graduates remain limited at best.

Conclusion

After nearly nine years of existence, the First Source Hiring Program has not yet achieved its goals. Because the governing body, First Source Hiring Administration, has not functioned since 2004, no City entity has ensured that departments fully participate in the program and that City contractors comply with the program requirements. The Human Services Agency has narrowly defined its role to identify job opportunities and match job seekers to jobs.

The CityBuild program has been able to place low-income residents into jobs at a lower cost than community-based organizations were able to do previously. Additionally, approximately 60 percent of individuals recruited into the CityBuild Academy complete the program. However, job placement has been uneven, with far more residents of the City's southeastern neighborhoods placed into jobs than in other parts of the City. Job placements for CityBuild can vary in terms of substance and duration with some construction projects lasting for only two days. Regardless of length, all job placements hold equal weight for the purposes of CityBuild job placement tracking. As a result there is no way to evaluate or classify the type of projects for which contractors are requesting CityBuild workers. Nor does CityBuild have a robust retention tracking system in place to evaluate the long-term effectiveness of CityBuild in helping low-income clients to secure long-term employment in the construction industry. Contractual agreements with community-based organizations established after June 1, 2006 will provide additional job retention data for CityBuild Academy graduates up to nine months after program completion. However, efforts to obtain information regarding the long-term employment outcomes for non-CityBuild Academy graduates remain limited at best.

Recommendations

The Board of Supervisors should:

- 5.1 Adopt an ordinance, amending to the Administrative Code, (a) defining the membership, role, and responsibilities of the First Source Hiring Administration, and (b) incorporating the First Source Hiring Administration into Workforce Investment San Francisco.
- 5.2 Assign First Source Hiring Program policy oversight to the Department of Economic and Workforce Development as part of the recommended Administrative Code amendment.

5. First Source Hiring and CityBuild Programs

- 5.3 Request Workforce Investment San Francisco, in conjunction with the Director of Economic and Workforce Development, to identify the role and responsibilities of City agencies, including the Office of Contract Administration, the Office of Labor Standards Enforcement, and the Human Rights Commission, in enforcing compliance with First Source Hiring requirements, and recommend Administrative Code provisions as appropriate.

The Director of the Department of Economic and Workforce Development, as staff support to Workforce Investment San Francisco, should:

- 5.4 Establish policies and procedures for the First Source Hiring Administration to:
- (a) identify and track City vendors and construction contractors subject to the requirements of the First Source Hiring Program and CityBuild;
 - (b) require employers to provide forecasting data of entry level positions on a regular schedule; and
 - (b) work with City departments to develop a First Source Hiring implementation and monitoring plan.
- 5.5 In collaboration with the Office of Contract Administration, develop procedures to ensure that (a) all applicable leases, contracts, and permits include First Source Hiring agreements, and (b) City lessees, contractors, and permit holders acknowledge their responsibilities.
- 5.6 Provide an annual report on the First Source Hiring Program, in accordance with the Administrative Code.
- 5.7 Report to the Board of Supervisors prior to June 30, 2007 on the status of the First Source Hiring Administration, including developing policies and procedures and recommendations for Administrative Code provisions, consistent with Recommendations 5.3, 5.4 and 5.5
- 5.8 Develop a substantive long-term retention tracking system to evaluate the long-term employment outcomes of all CityBuild participants.
- 5.9 Keep more detailed job placement data to evaluate the type of construction jobs for which contractors are utilizing CityBuild workers. At minimum, CityBuild should document the duration of each job placement.
- 5.10 As part of the strategic planning process, ensure that all San Francisco residents have equal access to the CityBuild program by identifying and developing in-house and community-based organizational capacity to provide workforce development programs and services in all economically disadvantaged neighborhoods.

Costs and Benefits

The Human Services Agency, which manages the First Source Hiring Program, and the Department of Economic and Workforce Development, which manages the CityBuild program should be able to implement these recommendations within existing resources. These recommendations are intended to increase the cost-effectiveness of the First Source Hiring Program and CityBuild and improve program outcomes, through identifying and assigning policy and oversight responsibility, and improving monitoring of program performance.

6. Employment Programs for Youth

- **Estimated FY 2006-2007 funding for youth employment programs Citywide was \$12.6 million. Although a number of City departments provide youth employment programs, the Department of Children, Youth and Their Families is the lead department for such programs.**
- **In a March 2005 report, the Department of Children, Youth and Their Families declared the City's youth employment system to be "rich but fragmented". Much of that fragmentation has continued, with several City departments funding or operating programs, and often funding the same community-based organization to provide programs. Youth employment programs show some of the same gaps in services found in adult workforce development programs, including uneven distribution of programs among neighborhoods.**
- **As is the case with workforce development programs for adults, the City lacks policy direction and governance for youth workforce development programs. In the March 2005 report, the Department of Children, Youth and Their Families recommended reconstitution of the Youth Council, which is a committee of Workforce Investment San Francisco in accordance with Workforce Investment Act requirements. The current Youth Council is made up of representatives from non-profit organizations, City departments and labor unions, but significantly the San Francisco Unified School District does not have formal representation.**
- **The Department of Economic and Workforce Development should play a lead role in rebuilding the Youth Council, and providing oversight over the City's youth employment programs. To achieve this, the Board of Supervisors should define the roles and responsibilities of the Department and the Youth Council, as a component of Workforce Investment San Francisco, when adopting an ordinance to amend the Administrative Code, as recommended in Section 1 of this report.**

City Funding for Youth Employment Programs

In FY 2006-2007, City departments spent approximately \$12.6 million for workforce development programs for youth under the age of 18. The Department of Children, Youth, and Their Families oversaw most of these programs, receiving funds from the Children's Baseline, City departments, and other funding sources, and awarding contracts to community-based organizations. The Private Industry Council also awarded a large number of contracts in FY 2006-2007, funded by Workforce Investment Act funds.

Table 6.1
City Funding for Youth Employment Programs
FY 2006-2007

Department	Total Funds
Department of Children, Youth and Their Families	8,135,168
Private Industry Council/ Workforce Investment Act	2,045,962
Youth Works	1,031,000
Mayor's Office of Community Development	850,000
Juvenile Probation Department	400,000
Project Pull	114,500
Department of the Environment	<u>17,604</u>
	\$12,594,234

Source: City Departments

Funding for youth programs under the Workforce Investment Act has decreased significantly over the past few years. Prior to FY 2005-2006, the Workforce Investment Act provided a Youth Opportunity Grant to San Francisco as well as general funding for youth programs. As shown in Table 6.2, Workforce Investment Act funding for youth programs has decreased by \$7.4 million, from \$9.4 million in FY 2003-2004 to \$2.0 million in FY 2006-2007.

Table 6.2
Workforce Investment Act Funding for Youth Programs
FY 2003-2004 to FY 2006-2007

	FY 2003- 2004	FY 2004- 2005	FY 2005- 2006	FY 2006- 2007	Decrease
Youth Opportunity Grant	\$5,779,130	\$4,296,586	\$203,414	\$0	(\$5,779,130)
Title 1B Youth	3,325,195	2,377,056	2,109,121	2,045,962	(1,279,233)
Youth Crime Prevention	<u>330,856</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(330,856)</u>
Total	\$9,435,181	\$6,673,642	\$2,312,535	\$2,045,962	(\$7,389,219)

Source: Private Industry Council Annual Report

Funding to City Departments

As federal funding has decreased, the City has funded youth workforce development programs from local revenues. The Department of Children, Youth and Their Families is the lead agency in San Francisco for youth workforce development programs funded by the Children's Fund and the General Fund. Coordination between the Department of Children, Youth and Their Families and other City entities varies. In a March 2005 report, *Toward a Coordinated System of Workplace Learning and Job Opportunities for*

San Francisco's Youth, the Department declared the City's youth employment system to be "rich, but fragmented".

Much of that fragmentation has continued. The March 2005 report recommended that City departments consolidate contracts and contract monitoring for youth employment programs. The report found that 12 City departments funded and operated 80 youth employment programs, with multiple departments funding the same community-based organization to provide programs.

Since the March 2005 report, the Department of Children, Youth, and Their Families has begun some consolidation of contracts.

- The Mayor's Office of Community Development directly allocates Community Development Block Grant funds to the Department of Children, Youth, and Their Families for award and management of contracts providing youth employment programs, totaling \$850,000 in FY 2006-2007.
- For several years, the Department has been funding the Recreation and Park Department's program for high school students, providing work experience in recreation and park programs. In FY 2006-2007, the Department of Children, Youth, and Their Families provided \$684,000 for Recreation and Park Department programs, including the Workrecreation program for high school students and a work experience program for youth in the juvenile probation system.
- In FY 2006-2007, the Department of Children, Youth, and Their Families awarded a \$1.7 million contract to the Japanese Community Youth Council to provide programs for youth in the juvenile probation system.

The Department of Children, Youth and Their Families has work order agreements with 27 City departments to provide paid internships to high school students in the respective departments as part of the Youth Works program, with a FY 2006-2007 budget of \$1,031,000.

Other City departments operate youth workforce development programs independently. The Department of Public Works and the Public Utilities Commission operate Project Pull, providing paid summer work experience to high school students. The Department of the Environment supports the Healthy Lifestyles Program, which employs teenaged interns to operate a fresh produce home delivery service for Bayview residents. The Human Services Agency has begun a program for homeless youth, but has not yet awarded a contract for services.

According to the Department of Children, Youth, and Their Families, some consolidation and coordination of youth programs with the Private Industry Council had begun prior to the dissolution of the Private Industry Council in June 2007. The Department of Economic and Workforce Development assumed responsibility for the program in FY 2007-2008, assessing the performance of community-based organizations providing

workforce development services funded by the Workforce Investment Act and funding 11 organizations to provide services.

Workforce Development Services to Youth

The Department of Children, Youth and Their Families, in partnership with the Private Industry Council, City College of San Francisco, and the San Francisco Unified School District, mapped youth workforce development services in San Francisco, reporting their findings in January 2004. The report found that more than one-third of the City's 16- and 17-year old residents participated in youth workforce development programs.

The largest concentration of youth participating in workforce development programs was in the southeast neighborhoods and Mission District, largely due to the location of the City's for Youth Opportunity Centers funded by the Workforce Investment Act Youth Opportunity Grant, which has now terminated. The City's more central neighborhoods - Tenderloin, Chinatown, South of Market, Western Addition and Haight Ashbury had fewer participants.

Table 6.3
Youth Participation in Workforce Development Programs
January 2004

Neighborhood	Total Participation	Percent Participation
Southeast Neighborhoods	2,779	35.0%
Sunset/ Richmond	1,827	23.0%
Mission/ Potrero Hill	1,422	17.9%
Western Addition/ Haight Ashbury	582	7.3%
Mid Market/ South of Market	571	7.2%
Tenderloin/ Chinatown	562	7.1%
Other	215	2.7%
Castro/ Upper Market	208	2.6%
	7,951	100.0%

Source: Analysis prepared by Budget Analyst based on zip code information provided in the *Report on the Findings of the San Francisco Youth Employment Resource Mapping Initiative*, January 2004

The Department of Children, Youth and Their Families' inventory of youth workforce development services in FY 2004-2005 showed that more than one-half of the programs provided work experience, of which two-thirds were paid experiences.

Table 6.4
Workforce Development Programs
FY 2004-2005

Type of Program	FY 2004-2005 Funding	Percent of Total Funding
Case Management, Leadership and Development, Job Readiness, Educational Support	\$4,274,993	42%
Work Experience in Unskilled Jobs	3,793,045	37%
Work Experience in Professional, Technical, Skilled, and Cultural Jobs	1,831,500	18%
Other	<u>285,201</u>	<u>3%</u>
Total	\$10,184,739	100%

Source: Analysis prepared by Budget Analyst based on Survey of Youth Workforce Programs Citywide conducted by the Department of Families, Youth and Their Children

More than one-half of the programs in the FY 2004-2005 survey provided Citywide services to high school students and the remaining programs provided services to specific communities or populations.

Table 6.5
Youth Served by Workforce Development Programs
FY 2004-2005

Programs' Target Populations	FY 2004-2005 Funding	Percent of Total Funding
High School Students Citywide	\$5,517,167	54%
Out of School, Foster and Homeless Youth, Pregnant or Parenting Teens, At Risk to Enter Juvenile Justice System	1,759,157	17%
Economically Disadvantaged	1,064,678	10%
Youth with Disabilities	553,478	5%
Youth in the Juvenile Justice System	446,666	4%
Lesbian, Gay, Bisexual and Transgender Youth	426,593	4%
Immigrant Youth	260,000	3%
Asian American Youth	<u>157,000</u>	<u>2%</u>
	\$10,184,739	100%

Source: Prepared by Budget Analyst based on Survey of Youth Workforce Programs Citywide conducted by the Department of Families, Youth and Their Children

Policy and Coordination Citywide

The Department of Children, Youth and Their Families' March 2005 report, *Toward a Coordinated System of Workplace Learning and Job Opportunities for San Francisco's Youth*, stated that, although the City has funded numerous employment, training, and career development opportunities for youth, there is little coordination of funding or services or agreement about the types and quality of services provided. The report made several recommendations which have only been partially implemented.

As is the case with workforce development programs for adults, the City lacks policy direction and governance for youth workforce development programs. The Department of Children, Youth, and Their Families serves as a grant-making and operating entity but does not consider its role to set policy or plan programs Citywide.

The Department of Economic and Workforce Development has assumed responsibility for administering the Workforce Investment Act grant in FY 2007-2008, including managing contracts with community-based organizations providing services for youth. The Department's FY 2007-2008 budget has a youth policy manager position funded by the Workforce Investment Act grant, who is intended to manage the Citywide youth workforce program and policy, as well as support the Youth Council and manage the contracts with community-based organizations.

One recommendation of the March 2005 report was to reconstitute the Youth Council, which is a committee of Workforce Investment San Francisco in accordance with Workforce Investment Act requirements. The current Youth Council is made up of representatives from non-profit organizations, City departments, and labor unions. The San Francisco Unified School District does not have formal representation on the Youth Council, and although City agencies and the School District work together on projects, the link between the schools and City programs is not strong.

The March 2005 report envisioned that the Youth Council would develop and oversee implementation of youth workforce development policies. The report recommended that the Youth Council be reconstituted to broaden its membership and partake in a strategic planning process for Citywide programs.

Although the Department of Economic and Workforce Development proposes to rebuild Workforce Investment San Francisco and the Youth Council in FY 2007-2008 and develop a Citywide strategic plan, the Department faces significant tasks in the coming fiscal year. The Department's Office of Workforce Development is increasing from five staff persons to 18, assuming management of the Workforce Investment Act grant and community-based organization contracts, and rebuilding Workforce Investment San Francisco.

The respective roles of the Departments of Economic and Workforce Development and Children, Youth and Their Families needs to be clearly defined. Section 1 of this report recommends that the Board of Supervisors adopt an ordinance, amending the Administrative Code to define the roles and responsibilities of the Department of Economic and Workforce Development and Workforce Investment San Francisco. The Administrative Code provision should be expanded to include roles and responsibilities for planning and implementing Citywide youth workforce development programs.

The Department of Economic and Workforce Development should work with the Department of Children, Youth and Their Families to define responsibility for managing community-based organization contracts and programs. Once the transition of responsibility for Workforce Investment Act programs from the Private Industry Council to the City has been completed, the Department of Economic and Workforce Development should determine the feasibility of transferring grant administration to the Department of Children, Youth and Their Families in order to streamline the City's administrative functions.

Conclusion

Funding and oversight for workforce development programs for youth are fragmented Citywide. Although the Youth Council, as a component of Workforce Investment San Francisco, should reasonably play the leading role in setting policy and ensuring oversight, the Council will need to be reconstituted in FY 2007-2008, expanding beyond the current membership of City department, community-based organization, and union representatives. The roles and responsibilities of the Youth Council and the Department of Economic and Workforce Development for planning and overseeing workforce development programs for youth should be set forth in the Administrative Code in the same manner as programs for adults.

Recommendations

The Board of Supervisors should:

- 6.1 Adopt an ordinance amending the Administrative Code, in accordance with Recommendation 1.1, to establish the roles and responsibilities of the Department of Economic and Workforce Development and the Youth Council, as a component of Workforce Investment San Francisco.

The Director of Economic and Workforce Development should:

- 6.2 Submit a report to the Board of Supervisors prior to December 31, 2007 on the status of the Youth Council and planning process for youth workforce development programs, including the role and participation of the San Francisco Unified School District.

- 6.3 Work with the Director of the Department of Children, Youth and Their Families determine the feasibility of transferring grant administration to the Department of Children, Youth and Their Families.

Costs and Benefits

These recommendations are intended to consolidate policy responsibility within the Department of Economic and Workforce Development, providing support to the Youth Council. The Department's FY 2007-2008 budget contains a new youth policy manager position to coordinate Citywide youth programs. The intent of these recommendations is to ensure that youth workforce development programs are cost-effective, providing services and reaching the desired outcome at the lowest possible cost.

Workforce Development Programs' Response

Budget Analyst Workforce Development Audit:
Human Services Agency Response
Submitted August 1, 2007

The Human Services Agency (HSA) welcomes the opportunity to comment on the Budget Analyst's audit of San Francisco's workforce development system. This response is divided into three sections:

- Section I places the Budget Analyst's report in context by providing an overview of the evolution and current day role of HSA in the City's workforce development system.
- Section II comments generally on broad issues raised in the Budget Analyst's report.
- Section III responds specifically to the Budget Analyst's recommendations.

I. Context for the Budget Analyst's Report

Human Services Agency's Role in the Workforce Development System

In 1996, Congress passed the most significant piece of welfare reform legislation in decades, which eliminated the entitlement to cash assistance and replaced it with a time-limited benefit contingent upon participation in work activities. This shift in philosophy had a dramatic impact not only on participating low-income families but also on HSA. Under welfare reform, HSA was transformed from an agency that merely determined eligibility and dispensed cash grants, thus perpetuating a lifestyle of dependency for welfare recipients, to one that focuses on developing strategies to help low-income people find employment and transition to self-sufficiency.

HSA's role in the City's workforce development system has been shaped principally by the requirements of federal welfare reform, the needs of low-income clients, and the locally supported premise that scarce resources for employment services should be targeted to those with the most barriers to employment.

Welfare reform and the passage of the Workforce Investment Act shortly thereafter led states and localities to rethink the relationship between their welfare and workforce systems, and many moved toward closer integration of the two. HSA's integrated model reinforces the philosophy that welfare services should provide a helping hand rather than an handout by marrying benefit eligibility and case management functions with the development of employment plans and the provision of supportive services that enable work. Over the past decade, HSA has made considerable progress toward designing and operationalizing a system that integrates the welfare and workforce development systems and achieves the goals of both.

HSA is uniquely positioned among City departments to most effectively deliver employment services in conjunction with income support and supportive services to low-income San Franciscans with multiple barriers to employment. Low-income clients benefit from the co-location of the City's welfare and workforce development agencies, which affords easy access to

a broad range of services under one roof, facilitates service coordination, and enables targeting of work supports to those who need them most. Over time, HSA has tried to create synergies between its employment and other programs, tailoring them to ensure that clients have the full range of services needed to secure and retain a job (child care, transportation, mental health services, substance abuse treatment, stable housing, etc.).

The Agency reorganized itself several years ago to create a Workforce Development Division (WDD) that oversees the provision of services such as vocational assessment, work readiness, vocational training, job search and job retention to low income and special needs clients. Those clients include nearly 2,000 CalWORKs recipients, nearly 2,000 single indigent adults in the Personal Assisted Employment Services (PAES) program, over 20,000 Food Stamps beneficiaries, refugees, homeless individuals and foster youth. Additionally, employment and training specialists within the CalWORKs and PAES program develop and monitor welfare recipients' employment plans, which are required in order to continue to receive cash assistance. WDD staff work in close partnership with the welfare case workers to monitor clients' engagement in mandated work activities and to identify and quickly address problems that could interfere with continued participation. This coordination is paramount to client success.

HSA's concerted effort to shift the emphasis of its welfare programs to work and self-sufficiency has demonstrated positive results. San Francisco's welfare rolls were cut roughly in half in the first six years of implementation. Employment outcomes for HSA-administered programs are also positive; two of our largest employment initiatives have a combined job placement rate of over 70%. These successes are due to both the programmatic alignment of welfare and employment services discussed above, and to the fact that HSA is able to reach and effectively assist individuals with multiple barriers to employment. Receipt of cash assistance may be the hook that initially draws these individuals to connect with the system, but participation in a work plan and access to pre-and post-employment services help them to stay connected and succeed in the transition to self-sufficiency. Childcare, transportation, food assistance, housing, behavioral health services, and health coverage – all of which are provided through HSA and can be accessed through the One Stop System – are inextricably linked to positive employment outcomes.

Disconnecting the delivery of workforce and supportive services would represent a step back toward the old welfare model that the Agency has worked so hard to move beyond. HSA would return to being a “welfare department” rather than a “work support agency” for its low-income clients. This would be particularly problematic given that the federal government recently imposed stricter requirements on states and counties to increase the work participation rate of CalWORKs recipients. As a result, San Francisco must move 1,049 additional families into work activities. Severing the programmatic linkages between welfare case managers and WDD services would jeopardize San Francisco's ability to meet the new mandate, expose the City to risk of financial sanction, and result in poorer outcomes for low-income clients.

II. General Comments on the Budget Analyst's Report

One Stop System

The Budget Analyst fails to properly distinguish between the One Stop Centers and the One Stop System. While HSA is the lead agency responsible for operating the One Stop *Career Centers*, it is important to understand that the One Stop *System* is just that: a system comprised of numerous mandated partners, including the community college district, the State Employment Development Department, the State Department of Rehabilitation, community-based organizations and local businesses. HSA and the One Stop Career Centers have never been solely charged with providing the full continuum of One Stop services (core, intensive, training); the Office of Economic and Workforce Development, state agencies and various subcontractors all share these responsibilities. Additionally, the Budget Analyst's report at no point discusses the central role of employers in meeting the objectives of the City's workforce system, unfairly placing full responsibility for achieving job placements on City departments. While HSA believes that it should retain responsibility for operating the One Stop Centers, the Agency concurs with the Budget Analyst's position that responsibility for overseeing and directing the system as a whole should reside with the Office of Economic and Workforce Development and Workforce Investment San Francisco.

The Budget Analyst also fails to note the extent to which nondiscretionary social service funding streams have been leveraged to bolster the City's workforce development system. The Workforce Investment Act's (WIA) One Stop System mandate is a broad one, but the allocation of federal resources has not matched its expansive vision. HSA's budgeted WIA allocation for One Stop operations in FY 07-08 is \$889K, a mere fraction of the Agency's total \$13.6M budget to support the One Stop System. The ability to spend at this level without significantly draining the City's General Fund is possible only because HSA brings substantial amounts of social services funding to the table. Specifically, HSA draws down state and federal reimbursement to offset over two-thirds of the administrative expenses of its Workforce Development Division, and leverages state and federal social service subventions to support workforce development objectives. While HSA is supportive of efforts to better coordinate the disparate funding sources that flow into the workforce development system, many of these sources can only be used legally to serve HSA's low-income clients.

Outcome Data

In most instances, HSA does not disagree with the outcome data in Section 4 of the Budget Analyst's report, but does feel that the data should be presented with a caveat. Program completion and job placement rates are very difficult to calculate because program years do not coincide with fiscal years. Completion rates are understated because the calculation does not exclude clients that are still in the process of completing a program, and contracted programs are given at least three months to place clients in jobs after they complete a program. As a result, annually calculated rates such as those used by the Budget Analyst are skewed: they will include some job placements resulting from program enrollments in a prior year and some enrollments that cannot be expected to result in placement until a subsequent year.

In one instance however, HSA believes that the Budget Analyst's calculations give a faulty depiction of the department's outcomes. The Budget Analyst erroneously equates the total number of One Stop enrollments (13,157 clients) with the number of clients directly served by HSA's Workforce Development programs. The One Stop "enrollment" number is the unduplicated count of individuals who visit a One Stop Center. The vast majority of these individuals do not enroll in job training or job placement program. Some visitors may come only once to look at job postings, use the One Stop computers, or use the copiers and fax machine. Others may come to visit one of the agencies co-located at the center (e.g., Deaf Services, State Department of Rehabilitation, Family & Children's Services) for reasons entirely unrelated to employment services.

Because a much smaller subset of One Stop visitors receive "intensive services" from HSA, we believe that that number (instead of 13,157) should be used in the denominator when calculating the overall job placement rate. The year-end FY 06-07 One Stop Business Services Report shows that 4,273 universal job seekers were assisted by HSA Workforce Development Division staff through the One Stop, of whom 2,054 were placed, for a placement rate of 48%. While these are the best numbers currently available, it must be noted that they reflect only those job placements *documented* by the One Stop System. Many other One Stop visitors likely found jobs on their own without direct assistance from HSA staff. Moreover, only a portion of the clients who receive direct HSA employment services are captured in the One Stop tracking system, so these numbers do not present a complete picture.

On a related topic, the Budget Analyst calculates job placement rates in two different ways: by taking the number placements as a percent of total clients enrolled in an employment program (e.g., Table 4.8) and as a percent of the total clients who completed an employment program (e.g., Table 4.9). While HSA agrees that it is important to track both the *program completion rate for all enrolled clients* and the *job placement rate for all clients who complete a program*, we feel that the method used to calculate job placement rate in Table 4.8 and elsewhere results in a misleadingly low rate.

Additionally, HSA strives to achieve a number of client outcomes that must be attained *prior* to job placement, none of which are mentioned by the Budget Analyst despite the fact that they are inextricably linked to positive employment outcomes. These include housing stability, stable childcare, remediation of mental health, substance abuse, domestic violence and language barriers.

Costs Per Client

The Budget Analyst calculates a cost per client served by HSA in-house programs and a cost per job placement for HSA in-house programs, in both instances using the 13,157 One Stop visitors as the denominator. HSA does not believe this is an accurate calculation due to the fact that only a small portion of these clients received direct employment services (see discussion above) and due to the fact that actual program spending may differ significantly from budgeted expenditures. HSA would also advise against using this figure as a basis of comparison for costs incurred by community-based contractors.

Neighborhoods and Populations Served by the Workforce System

Section 2 of the Budget Analyst's report suggests that workforce development services and funding are distributed inequitably across City neighborhoods and among City residents. The report also states that, "planning for and providing services in specific City neighborhoods is not based upon a Citywide plan, or funding formula based on need, but rather each department's preferences or the availability of community-based organizations to provide services." HSA believes these conclusions are largely unfounded for the following reasons.

First, the analysis of the distribution of contract dollars in Table 2.1 is based on the location of contractors' administrative offices, not the neighborhoods served. Many contractors serve residents from multiple neighborhoods or citywide.

Second, the majority of HSA's workforce development funding comes from the CalWORKS and Food Stamps Education & Training programs and can only be used to serve clients who meet the eligibility criteria for those programs. These are federally restricted funding sources that all eligible San Francisco residents are entitled to be served by, regardless of what neighborhood they live in.

Third, HSA's One Stops were located in the Mission and the Bayview because they are two of the neighborhoods with the highest concentrations of poverty in San Francisco and presumably have the largest number of residents who could benefit from workforce development services.

First Source Ordinance

Section 5 of the report refers to the First Source "hiring requirement." The First Source Ordinance includes no requirement to hire by employers. The requirement is that employers post positions and give first right of referral by the "workforce system" for entry-level positions. This is an important distinction.

The Budget Analyst also suggests that many City contractors are not complying with the Ordinance. While this may be true in some instances, it should also be noted that the First Source requirement may be waived for employers that have a contract with the City above the Chapter 83 threshold. For example, there are many City contracts with out-of-state vendors who do not operate local offices. There are also many vendors who do not have open and available entry-level positions during the course of their contract.

III. Response to Specific Recommendations in the Budget Analyst’s Report

HSA is in agreement with all of the Budget Analyst recommendations with the exception of those discussed below.

1.1 The Board of Supervisors should adopt an ordinance, amending the Administrative Code, to establish:

- (a) **The role of the Board of Supervisors in overseeing the City's workforce development programs, including consulting with the Mayor in appointing members to Workforce Investment San Francisco, and approving workforce development programs funded by local revenues.**

HSA agrees but it should be noted that the role, jurisdiction and legislative authority for the local workforce investment board (i.e., Workforce Investment San Francisco) is dictated by the federal Workforce Investment Act. WIA is also very clear that it is the Chief Elected Official who appoints members based on criteria established by the Governor and State Board. The law is also fairly specific about the membership of the local workforce investment board.

2.3 Workforce Investment San Francisco, with the support of the Director of the Department of Economic and Workforce Development, should as part of the development of an annual work plan and budget, develop standard performance and outcome criteria for City workforce development programs.

HSA is in agreement that common definitions for standard citywide performance *measures* should be established. However, there must be recognition of the fact that actual performance *outcomes* will vary depending on program design and on the target population being served. For example, it would be unreasonable to expect that a training and workforce reentry program for dislocated workers with years of work experience would have the same job placement rate as a training program for welfare-to-work clients with multiple barriers to employment and no previous attachment to the workforce.

While the Budget Analyst notes that HSA works with “hard to serve” clients, this does not fully convey the extreme skill deficits and other barriers to employment faced by clients who have spent years on public assistance, are homeless, have severe mental health and substance abuse issues, and/or have histories of domestic violence.

4.1 The Director of the Human Services Agency should evaluate the breadth of workforce development programs and services available to Personal Assisted Employment Services participants, and if necessary, restructure the Personal Assisted Employment Services program to de-link Welfare-to-Work employment activities associated with the CalWORKs program in order to ensure that workforce development opportunities for Personal Assisted Employment Services clients are not being unnecessarily constrained by the CalWORKs regulatory framework.

HSA disagrees with the Budget Analyst’s conclusion that the PAES program is constrained by the CalWORKs regulatory framework. The two programs do share a “welfare-to-work”

program philosophy. However, PAES' program design is tailored to meet the needs of San Francisco's single indigent adult population, and goes far beyond the CalWORKs model of "workfare in exchange for cash assistance." Indeed, the Board ordinance that enacted PAES focuses not on workfare but on barrier remediation, stating: "The purposes of this program are: (1) to provide quality evaluation of vocational experience, qualifications, strengths and needs; and (2) to provide the participant with the supportive services and activities necessary to assist her/him in obtaining paid employment."

PAES offers a rich array of supportive services designed to address clients' barriers to self-sufficiency, only some of which are offered by CalWORKs. These include:

- Up-front soft skills training from the onset;
- Dental care and eyeglasses;
- Mental health and substance abuse services specially designed to serve the hard-to-engage PAES population and located in the same building as the dentist and the employment specialists;
- Shelter and housing services provided by PAES staff or by the Housing Access Team, which is located in the same building;
- SSI advocacy for those clients who are found to have disabilities that are so severe that they cannot work or can only work limited hours due to their disability, also co-located in the PAES building.

PAES was recognized in a report prepared for the U.S. Congress by Health Systems Research Inc. for its innovation in providing these services to indigent adults without dependent children. The report studied the utilization of Food Stamp Employment & Training (FSET) funds nationally. A separate analysis of the PAES program from 2003 found that 52% of clients who left the program had favorable outcomes, an impressive outcome for a population with a very high incidence of behavioral health issues (50% or more) and homelessness (38% on program entry). The study also found that 43% of clients served by the PAES counseling service had no prior treatment history within San Francisco, indicating that a very hard-to-engage and previously disconnected population was being reached through the PAES program design. These studies contradict the Budget Analyst's conclusion that HSA has unnecessarily limited the scope and potential effectiveness of the PAES program.

4.4 Develop a more robust standard for what constitutes a successful client placement. At minimum, placement should have some established standards with respect to job quality, employment duration, and potential for upward mobility in order to properly evaluate and compare the effectiveness of various in-house and contracted workforce development programs in facilitating client self-sufficiency.

HSA would also like to have better post-employment statistics for clients and would be happy to work on this with the Controller's Office. However, we have found that such data is extremely difficult to track. With regard to employment duration and upward mobility, the Agency has tried in the past to obtain State Employment Development Division data that would allow us to track job retention, wages, and wage progression, but the state has not provided this information. Once a client finds a job, he or she has no obligation to stay in touch with HSA, which makes it difficult to track outcomes after initial job placement. Some of the clients in training programs find jobs during the training

and disappear, or just drop off the rolls, i.e., their outcome is unknown. With regard to job quality, Table 4.3 of the Budget Analyst's report indicates that the HSA CalWORKs program is already outperforming most surrounding counties and far exceeding the statewide average for higher-threshold earnings.

4.5 The Director of the Human Services Agency should re-evaluate the continued utility and cost-effectiveness of using community-based organizations to provide workforce development training to Human Services Agency clients. At minimum, the Human Services Agency should reassess each organization's capacity to meet specified performance goals and hold low-performing community-based organizations accountable for failing to meet contractual obligations.

HSA suggests that this issue be reviewed as part of the strategic planning process being led by the Office of Economic and Workforce Development. Additionally, as noted in Section II above, HSA does not agree with the method used by the Budget Analyst to calculate the cost per client of its in-house programs. As a result, HSA would advise against using this figure as a basis of comparison for costs incurred by community-based contractors.

5.2 The Board of Supervisors should assign First Source Hiring Program policy oversight to the Department of Economic and Workforce Development.

HSA agrees that First Source policy oversight, as well as compliance monitoring, should sit with the Office of Economic and Workforce Development. The FY 06-07 budget funded two positions specifically intended to support these functions. The positions were originally placed at HSA but later transferred to the Office of Economic and Workforce Development with the understanding that that office would be better suited to assume responsibility for oversight and compliance. HSA also agrees with the Budget Analyst's finding that better mechanisms should be put in place to identify mandated First Source employers. Currently, contracting departments have primary responsibility for informing contractors of their First Source obligations and tracking compliance. A better method of data sharing is needed to ensure that the First Source Hiring Program is notified when contracts are issued.

HSA also believes that it should retain the responsibility for matching clients with jobs posted by contractors subject to the First Source Ordinance. As the Budget Analyst notes, hiring of low-income job seekers into First Source positions has improved since HSA took over this role, and HSA is the department best suited to ensuring that the neediest San Franciscans continue to benefit from local job creation.

Department of Economic and Workforce Development
Response to Audit of San Francisco's Workforce Development Programs

Budget Analyst Recommendation 1.1

Adopt an ordinance, amending the Administrative Code, to establish:

- (a) The role of the Board of Supervisors in overseeing the City's workforce development programs, including appointing designated members to Workforce Investment San Francisco subject to applicable state and federal law, and approving workforce development programs funded by federal, state, and local revenues subject to applicable state and federal laws.
- (b) The roles and responsibilities of the Department of Economic and Workforce Development's Office of Workforce Development and Workforce Investment San Francisco in overseeing federal, state, and locally-funded programs subject to the applicable state and federal laws; and
- (c) The role and participation of City departments providing workforce development programs and how central planning and coordination of workforce development programs shall be implemented by each City department.

The Department of Workforce Development agrees that identification of roles and responsibilities within the workforce development system should be formalized in the administrative code, including that of the workforce investment board – Workforce Investment San Francisco (WISF). The Department has reviewed Supervisor Mirkarimi's ordinance (FILE NO. 071056), and is working with Supervisor Mirkarimi to suggest additional legislative language which would codify many of the recommendations contained in this report.

It should be noted that the role, jurisdiction and legislative authority for the local workforce investment board (i.e., Workforce Investment San Francisco) is dictated by the federal Workforce Investment Act (WIA). The federal regulations require that the Chief Local Elected Official appoint members to the Workforce Investment San Francisco based upon established membership criteria and board composition requirements.

In addition, the Department of Economic and Workforce Development has over the course of the past year begun implementing many of the recommendations contained throughout this report, including:

- Identification of City resources dedicated to workforce development activities;
- Mapping of current workforce programs within City departments and the community-based organization and education communities;
- Piloting a comprehensive workforce program data tracking system;
- Implementing a new service delivery model within the One Stop System;

- Identifying industry sectors and jobs that are in demand, provide entry-level access and advancement opportunities for San Francisco residents, and provide self-sufficient wages for individuals and families; and
- Seeding the development of training programs in targeted industry sectors, and strengthening performance requirements for City agencies and community-based organizations funded by the Department.

Within the next six months, the Department will:

- Complete the 5 year workforce development strategic plan, including the identification of workforce system “customer” needs – those of job-seekers, workers, and employers;
- Strengthen the Workforce Investment Act mandated board (WISF), ensuring that all required partners are represented;
- Identify departmental and City-wide performance measures for workforce development activities;
- Develop a coordinated capacity-building plan for workforce development service providers; and
- Develop a 2007-2008 strategic and funding allocation plane for all workforce development activities, which will be renewed annually.

The Director of Workforce Development of the Department of Economic and Workforce Development will report progress on the activities outlined above to the Board of Supervisors by December 31, 2007.



**City and County of San Francisco
Department of Public Health**

Community Programs Division

Michelle Ruggels
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415.255.3404 FAX 415.252-3015

Memorandum

Date: August 1, 2007

To: Severin Campbell
San Francisco Board of Supervisors
Budget Analyst's Office

From: Michelle Ruggels
Operations Director
Community Programs Division

Subject: **Comment on Audit of Workforce Development Programs**

Dear Severin:

In response to your request for comments on your audit of the City's workforce development programs, I do have one comment related to the following section:

- 1.1 Adopt an ordinance, amending the Administrative Code, to establish:
 - (a) The role of the Board of Supervisors in overseeing the City's workforce development programs, including consulting with the Mayor in appointing members to Workforce Investment San Francisco, and approving workforce development programs funded by local revenues.

In implementing this ordinance, the Department requests that the Board's approval of funding not occur on an individual contract-by-contract basis. Alternatively, the Department recommends that the approval either occur as part of the annual budget process, or as a collective approval process prior to the beginning of each Fiscal Year. The reason for this request is that most of our programs have a mixture of funding sources, and for many of our programs, the workforce development portion is only a small portion of their larger contract. Adding a step to the contract approval process will increase the time required for contract certification, which is against the direction we are trying to move (see Citywide Contract Streamlining), and will tie up the rest of a contract not related to workforce development. If you have any questions, please feel free to contact me at (415) 255-3404.