

FILE NO. 071056

ORDINANCE NO. 270-07

1 [Centralization of Workforce Development Efforts Under the Department of Economic and
2 Workforce Development.]

3 **Ordinance amending the San Francisco Administrative Code by adding a new**
4 **Chapter 30, Sections 30.1 through 30.8, to: 1) centralize the City's workforce**
5 **development efforts policy and oversight under the Department of Economic and**
6 **Workforce Development (DEWD), or successor department; 2) require the Director of**
7 **Economic and Workforce Development to manage all general fund expenditures on**
8 **workforce development, create City-wide workforce development policy, develop a**
9 **Funding Allocation Plan for workforce development funds ~~submit all grant applications~~**
10 **~~to the state or federal government for workforce development funding on behalf of the~~**
11 **~~City, subject to approval by the Board of Supervisors, and annually report on~~**
12 **workforce development policies to the Board of Supervisors; 3) require City**
13 **departments to enter into Memoranda of Understanding with DEWD as a condition of**
14 **~~funding for~~ administering workforce development dollars; 4) require the Mayor to**
15 **submit the names of prospective appointees to the Local Work Force Investment Board**
16 **to the Board of Supervisors for approval or; ~~5) urge the Mayor to appoint a two~~**
17 **members of the Board of Supervisors to the Local Workforce Investment Board; ~~5)~~**
18 **create a community advisory committee to the Local Workforce Investment Board; and,**
19 **6) require that the Workforce Investment Act Local Plan be submitted for review and**
20 **comment to the Board of Supervisors, and by amending Administrative Code Section**
21 **83.6 to place the administration of the First Source Hiring Program under the DEWD.**

22 Note: Additions are *single-underline italics Times New Roman*;
23 deletions are *strikethrough italics Times New Roman*.
24 Board amendment additions are double underlined.
25 Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

1 Section 1. The San Francisco Administrative Code is hereby amended by adding a
2 new Chapter 30, Sections 30.1 through 30.8, to read as follows:

3 **CHAPTER 30 – CENTRALIZATION OF WORKFORCE DEVELOPMENT**

4 **SEC. 30.1. FINDINGS.**

5 *The Board of Supervisors finds and declares the following:*

6 *(a) The complimentary goals of the City's workforce development programs and services*
7 *are to prepare unemployed and underemployed individuals in becoming as economically self sufficient*
8 *as possible, and to assist employers with locating and retaining skilled workers.*

9 *(b) To this end, many City departments currently manage specific workforce development*
10 *programs that provide a wide array of services to targeted communities with local, state, and federal*
11 *funding in order to support workforce development and to create jobs within the City.*

12 *(c) However, ongoing unemployment and underemployment perpetuate individual and*
13 *community disenfranchisement and contribute to increased criminal activity. The City must focus*
14 *renewed efforts on employment training, job creation placement and retention services, and career*
15 *advancement, particularly in neighborhoods struggling with poverty and violence.*

16 *(d) Different workforce development programs and services housed in different City*
17 *departments, agencies and community based organizations all work toward the common goals, but*
18 *unfortunately tend to duplicate programs, create gaps in services, and increase administrative costs*
19 *and delay, thereby decreasing the overall effectiveness of the City's workforce development efforts.*

20 *(e) Currently, the Department of Economic and Workforce Development (DEWD) is*
21 *responsible for workforce development functions in the City, providing policy direction and oversight*
22 *for workforce development programs and services. In addition, the DEWD staffs the San Francisco*
23 *Workforce Investment Board, a local board of community stakeholders required by federal law to*
24 *govern implementation of, and compliance with, the Workforce Investment Act 1998 (29 U.S.C.A. 2801*
25 *et seq.), a significant source of federal funding. Therefore, the Director of the DEWD should oversee a*

1 comprehensive City-wide workforce development strategic and funding allocation plans that
2 coordinates all City department resources devoted to workforce development in order to more
3 effectively meet the needs of job seekers in obtaining economic self-sufficiency, and of employers in
4 locating and retaining a skilled workforce.

5 **SEC. 30.2. DEFINITIONS.**

6 For the purposes of this Chapter, the following definitions shall apply to the terms used herein:

7 (a) "City" shall mean the City and County of San Francisco.

8 (b) "Director" shall mean the Director of Workforce Development within the DEWD.

9 (c) "Mayor" shall mean the Mayor of the City and County of San Francisco or his or her
10 designee.

11 (d) "Department of Economic and Workforce Development" (DEWD) shall mean that
12 department or its successor department, as set forth in San Francisco Administrative Code Section
13 2A.270.

14 (e) "Funding Allocation Plan" shall mean the comprehensive annual plan for the
15 appropriation and expenditure of all local, state, and federal workforce development funds
16 administered by the DEWD and all other City departments. The funding allocation plan shall
17 include program and administrative budgets, service delivery structures, performance
18 measures, and outcome goals for all workforce programs and City departments administering
19 workforce dollars.

20 (f) "Workforce development" shall mean any effort by any and all departments and
21 agencies of the City and County of San Francisco, to provide and/or fund job readiness, preparation
22 and other pre-employment services, and training, placement, and retention and advancement
23 programs and services for unemployed or underemployed individuals, to locate jobs and place
24 individuals in those jobs. It shall include efforts to work with the private, public and non-profit
25 sectors to create and improve job opportunities, employment retention and career enhancement, and to

1 set policy and objectives in achieving the dual goals of individual economic self sufficiency and
2 preparation of a skilled labor force. "Workforce development" shall include efforts to seek and
3 manage funding and accountability for pre-employment services, job preparation, training,
4 placement, job-retention, and career advancement programs.

5 (g) "Workforce development service providers" shall mean all entities and organizations
6 that provide job readiness and skill training, locate jobs and place individuals in those jobs, work with
7 the private and non-profit sector to create and improve job opportunities, provide job retention services
8 and career advancement programs, or any other services related to "workforce development" funded
9 through, or by the City with federal, state and/or local funds.

10 (eh) "Workforce Investment Act of 1998 (WIA)" shall mean the federal law governing
11 federally-funded workforce development programs codified at 29 USCA 2801, et seq., or any successor
12 federal programs.

13 (i) "Workforce Investment San Francisco (WISF)" shall mean the local workforce
14 investment board required by WIA and defined at 29 USCA 2832.

15 **SEC. 30.3. PURPOSE.**

16 The purpose of this Chapter is to reorganize the City's workforce development efforts into one
17 location within the DEWD or successor department, in order to centralize workforce development
18 programs and services, policy and oversight increase the effectiveness of workforce development
19 service delivery, coordinate workforce development funding, eliminate duplicative services, fill gaps in
20 services, and to create a single office that oversees the City's complimentary goals of preparing
21 unemployed and underemployed individuals to become as economically self sufficient as possible, and
22 assisting employers with locating and retaining skilled workers.

23 **SEC. 30.4. POWERS AND DUTIES.** (a) To the extent allowable by the City Charter, local, state,
24 and federal law, the Director shall:

1 (4a) Reorganize oversight of the City's workforce development efforts in one location within
2 his or her department in collaboration with the Director of Human Services Agency;

3 (2b) Create workforce development policy and provide an overall five-year strategic plan
4 that includes consideration of the workforce development needs of low income, monolingual
5 speakers, youth and other unemployed or underemployed groups with barriers to
6 employment, consistent with the Strategic Plan for Economic Development approved by the Board of
7 Supervisors, for all employment and job training activities in San Francisco, and consistent with the
8 Local Plan required by WIA (the "Workforce Development Strategic Plan");

9 (3c) Define and enforce meaningful outcome measures for job seekers, current employees,
10 and employers using the City's workforce development system by:

11 (A1) developing a uniform system of data collection for use by all City departments,
12 agencies and community based organizations to track all permanent job placements;

13 (B2) requiring City departments to ensure that contractors providing workforce
14 development services reach performance goals;

15 (C3) collecting and managing all workforce development system data; and

16 (D4) reporting outcomes to all system stakeholders.

17 (4d) Manage Establish policy for, and oversee all federal, state and local, including
18 general fund, dollars for workforce development activities in the City, including the submission of all
19 grant applications to the state or federal government for workforce development funds on
20 behalf of the City, subject to approval by the Board of Supervisors. In this endeavor, the
21 Director shall leverage all available workforce development system resources, avoid duplicate
22 services, fill identified gaps in services, and streamline administrative and programmatic functions;

23 (1) Phase 1, to be completed during Fiscal Year 2007-2008:

24 (6A) identify all federal, state, and local workforce development funds and the legal
25 requirements for securing and retaining such funds, that are currently administered by all City

1 departments and agencies, and establish budget mechanisms to track such funds ("Identified
2 Workforce Development Funds");

3 (5B) identify all City expenditures incurred in workforce development programs and
4 services, and establish budget mechanisms to track such expenditures ("Identified Workforce
5 Development Expenditures");

6 (C) prepare a Funding Allocation Plan for all general fund dollars designated
7 as Identified Workforce Development Funds and as Identified Workforce Development
8 Expenditures administered by all City departments for review and comment by the WISF by
9 February 28, 2008, and for review and approval by the Board of Supervisors by March 31,
10 2008. The Board of Supervisors shall make a determination on such plan by April 30, 2008.

11 (D) Manage all general fund dollars, including all matching funds necessary to
12 obtain federal and state workforce development funds.

13 (2) Phase 2, to be completed during Fiscal Year 2008-2009:

14 (A) continue to identify all federal, state, and local workforce development funds
15 and the legal requirements for securing and retaining such funds, that are currently administered
16 by all City departments and agencies, and establish budget mechanisms to track such funds
17 ("Identified Workforce Development Funds");

18 (B) continue to identify all City expenditures incurred in workforce development
19 programs and services, and establish budget mechanisms to track such expenditures ("Identified
20 Workforce Development Expenditures");

21 (C) prepare a Funding Allocation Plan for all federal, state and general fund
22 dollars designated as Identified Workforce Development Funds and as Identified Workforce
23 Development Expenditures administered by all City departments for review and comment by
24 the WISF by December 1, 2008, and for review and approval by the Board of Supervisors by

1. January 1, 2009. The Board of Supervisors shall make a determination on such plan by
2. February 28, 2009.

3. (D) continue to Mmanage all general fund dollars, including all matching funds
4. necessary to obtain federal and state workforce development funds.

5. (7E) create a timeline and a plan for further centralizing centralization of
6. workforce development efforts under the DEWD in order to maximize efficiency and effectiveness
7. consistent with the Workforce Development Strategic Plan, WIA, and this Chapter. This plan
8. shall be approved by the Board of Supervisors, and to shall be implemented beginning in fiscal
9. year 2008-2009-2010.

10. (5e) Work with all City departments to ensure that the City delivers and administers
11. workforce development services consistent with this Chapter and with the applicable policies set forth
12. by the Board of Supervisors and the DEWD; and

13. (6f) Work closely with the San Francisco Workforce Investment Board ("WISF") to
14. coordinate and streamline workforce development services for job seekers and employers in the City,
15. consistent with the WIA and this Chapter.

16. (7g) Assume the management of the First Source Hiring Program. (b) In addition, to the
17. extent consistent with the Charter, the Director shall administer all funds that the City budget
18. appropriates to fund the First Source Hiring Program.

19. (c) The Mayor and the Board of Supervisors shall immediately convene a working
20. group that shall be responsible for developing a plan for centralizing the City's workforce
21. development efforts. The group shall:

22. (1) be chaired by the Director of the DEWD;

23. (2) include representatives from all City departments that provide workforce
24. development programs and services, the Controller's Office, the Budget Analyst's Office,

1 ~~[business?] and from community-based organizations providing workforce development~~
2 ~~services on behalf of the City;~~

3 ~~(3) identify the component programs and services integral to successful~~
4 ~~employment readiness, training and retention;~~

5 ~~(4) identify the distinct groups of unemployed and underemployed individuals and~~
6 ~~develop the programs and services necessary to assist those groups in achieving the greatest~~
7 ~~economic self sufficiency available.~~

8 **SEC. 30.5. CITY DEPARTMENT RESPONSIBILITIES.** Subject to the City Charter, local,
9 state and federal law:

10 (a) All City departments engaged in workforce development programs and services shall (1)
11 provide information regarding all federal, state and local Workforce Development funds to the
12 Director within 30 days of the effective date of this ordinance, (2) follow the Director's strategic
13 direction for such activities and (3) not implement any new workforce development efforts
14 without the approval of the Director.

15 (b) In Phase 1, as described in Section 30.4(d)(1), the department head of each
16 department that administers workforce development funds shall enter into a Memorandum of
17 Understanding with the DEWD, or successor department, explaining each department's
18 responsibilities and setting forth measurable outcomes as a condition of administering and/or
19 receiving any local, including all general fund, workforce development funding from the DEWD.
20 Each departmental Memorandum of Understanding shall also set forth the department's workforce
21 development budget and program plans. Finally, City departments shall track and report back to the
22 Director job seeker and employer services outcomes and shall respond to other reasonable requests for
23 data from the Director.

24 (c) In Phase 2, as described in Section 30.4(d)(2), the department head of each
25 department that administers workforce development funds shall, enter into a Memorandum of

1 Understanding with the DEWD, or successor department, explaining each department's
2 responsibilities and setting forth measurable outcomes as a condition of administering and/or
3 receiving any federal, state and local, including all general fund, workforce development funding
4 from the DEWD. Each departmental Memorandum of Understanding shall also set forth the
5 department's workforce development budget and program plans. Finally, City departments shall track
6 and report back to the Director job seeker and employer services outcomes and shall respond to other
7 reasonable requests for data from the Director.

8 (d) Beginning in Fiscal Year 2008-2009, the department head of each department
9 that administers workforce development funds shall administer the Identified Workforce
10 Development Funds and Identified Workforce Development Expenditures in accordance with
11 the annual Approved Funding Allocation Plan.

12 (e) Beginning in Fiscal Year 2009-2010, the department head of each department
13 that administers workforce development funds shall comply with the timeline and a plan for
14 centralizing workforce development efforts under the DEWD prepared by the Director as
15 required in Section 30.4(d)(2), and approved by the Board of Supervisors.

16 **SEC. 30.6. REPORTING REQUIREMENTS.**

17 Within one year after the effective date of this Chapter and every year thereafter, the Director
18 shall file a written report with the Board of Supervisors that explains workforce development policies
19 for the City and evaluates the DEWD's ability to leverage workforce development system resources,
20 avoid duplicate services, fill gaps in services, and streamline administrative and programmatic
21 functions, consistent with this Chapter. The report shall also include information regarding the
22 number of individuals placed in permanent jobs across the City and where those individuals were
23 placed for work, verified in writing by the employer.

24 **SEC. 30.7. LOCAL WORKFORCE INVESTMENT BOARD.**

1 (a) Prior to making any appointments to the WISF, as set forth in the WIA, the Mayor shall
2 submit the name of each nominee to the Board of Supervisors. Unless the Board of Supervisors
3 disapproves a nominee within thirty days after receipt of the Notice of Appointment, the appointment
4 shall become final. The Mayor need not submit WISF nominees to Board of Supervisors for
5 approval, if the Mayor appoints two (2) members of the Board of Supervisors to the WISF.

6 (b) Pursuant to the relevant provisions of the WIA, the Mayor may include individuals on
7 the WISF as he or she determines to be appropriate. As a matter of policy, the Board of Supervisors
8 strongly urges the Mayor to appoint a member of the Board of Supervisors to the WISF.

9 (c) The Director shall submit the Local Plan, as defined and required by the WIA, to the
10 Board of Supervisors for review and comment not less than 30 days prior to the submission of the Plan
11 to the Governor.

12 (d) (1) A seven (7) member committee ("Committee") shall be convened to serve in
13 an advisory capacity to the WISF. This committee shall include members representing
14 workforce development service providers and other community-based organizations serving
15 low-income San Francisco residents and those with barriers to employment. The Committee
16 shall advise the WISF on workforce system priorities, client needs and services.

17 (2) The Board of Supervisors shall appoint four (4) members to the Committee. The
18 Transitional Youth Task Force shall appoint one (1) member to the Committee; the Local
19 Homeless Coordinating Board shall appoint one (1) member to the Committee; the San
20 Francisco Safe Communities Re-Entry Council shall appoint one (1) member to the
21 Committee. All Committee members must be staff and/or Board members of 501c3
22 organizations.

23 (3) All Committee members will be appointed to serve for a two year term, and all
24 Committee members and/or the organizations they represent will serve for no more than two
25 (2) consecutive terms. The terms are to be staggered. Therefore, at the first meeting of the

1 Committee, the members will draw lots to determine which three (3) members will serve for
2 one (1) year.

3 (4) The Chair of the Committee and/or the organization he/she represents may not
4 receive any funds for workforce development efforts from any department or agency of the
5 City and County of San Francisco during his/her term of appointment as Chair, nor for a
6 minimum of two years following the conclusion of his/her Committee service. The Committee
7 will annually nominate a Committee Chair (from among its membership), to be appointed by
8 the WISF.

9 **SEC. 30.8. SEVERABILITY.**

10 *If any section, subsection, clause, phrase or portion of this Chapter is for any reason held*
11 *invalid or unconstitutional by any court or federal or State agency of competent jurisdiction, such*
12 *portion shall be deemed a separate, distinct and independent provision and such holding shall not*
13 *affect the validity of the remaining portions thereof.*

14 Section 2. The San Francisco Administrative Code is hereby amended by amending Section
15 83.6 to read as follows:

16 **SEC. 83.6. FIRST SOURCE HIRING ADMINISTRATION.**

17 (a) Establishment and Composition. A First Source Hiring Administration ("FSHA")
18 is hereby established for the purpose set forth in Subsection (b) below. The FSHA shall
19 consist of the following: (1) the Mayor or his/her designee from the Mayor's Office of
20 Economic and Workforce Development; (2) the Executive Director of the Human Services
21 Agency, or his/her designee; (3) the Director of the Mayor's Office of Community
22 Development, or his/her designee; (4) the President Chair of Workforce Investment San
23 Francisco the Private Industry Council, or his/her designee; (5) the Chancellor of the City
24 College of San Francisco or his/her designee; (6) other City department representatives
25 appointed by the FSHA as necessary from time to time; and (7) other San Francisco

1 governmental agency representatives participating in the First Source Hiring Program and
2 invited by the FSHA.

3 The Department of Economic and Workforce Development shall manage and provide staff for the
4 FSHA.

5 (b) Powers and Duties. The FSHA shall be responsible for the implementation,
6 oversight, and monitoring of the first source hiring requirements of this Chapter. Its powers
7 and duties shall include:

8 (1) Providing assistance to individual City departments in designing first source
9 hiring implementation and monitoring plans for that department to use in contracts and
10 property contracts, including criteria for assigning particular numerical hiring goals, or
11 reviewing and approving existing Plans. The FSHA shall work with departments to identify
12 those contracts and property contracts that offer available entry level positions in duration and
13 numbers sufficient to justify the additional administrative duties resulting from the
14 implementation of the requirements of this Chapter. To the greatest extent possible, the
15 development of these plans shall utilize the department's existing contract-monitoring
16 procedures and facilitate a coordinated flow of information;

17 (2) Working with the Department of City Planning and the Department of Building
18 Inspection to establish conditions based upon first source hiring agreements for development
19 projects;

20 (3) Working with employers and unions to identify entry level positions for qualified
21 economically disadvantaged individuals, and to set appropriate recruitment, hiring and
22 retention goals;

23 (4) Determining appropriate monitoring and enforcement mechanisms to achieve
24 the purpose of this Chapter, and consistent with Sections 83.10 and 83.12, below;

25 (5) Developing written regulations to implement first source hiring;

1 (6) Entering into cooperative agreements with other San Francisco governmental
2 agencies, including, but not limited to, the Housing Authority, the Redevelopment Agency, the
3 In-Home Supportive Services Public Authority, and the Parking Authority, consistent with the
4 laws governing such agencies and consistent with the purpose of this Chapter;

5 (7) Conducting independent audits of City departmental implementation, monitoring
6 and enforcement of the requirements of this Chapter;

7 (8) Preparing an annual report on the progress of first source hiring for presentation
8 to the Mayor and the Board of Supervisors that will include but not be limited to the status of
9 first source implementation by all City departments, the number of contractors by department
10 subject to first source requirements by department, the number and percent of contractors
11 with signed first source agreements on file, the number and percent of first source employers
12 posting jobs, the number of jobs posted and the wage data associated with those jobs, the
13 number of job seekers referred to employers, the number of job seekers hired by first source
14 employers, the number and percent of first source employers hiring job seekers, and the
15 length of time that hired individuals remain employed. The FSHA shall review these data to
16 determine whether, in light of the data, the liquidated damages provision that this ordinance
17 requires continues to reflect a fair estimate of the injury that the City suffers when a contractor
18 fails to comply with its first source referral obligations. If the FSHA determines that the
19 liquidated damages provision can be improved it shall submit to the Board of Supervisors
20 proposed amendments to this ordinance reflecting those improvements. The Board of
21 Supervisors shall hold a hearing on the report within 45 days of its submission to the Clerk of
22 the Board of Supervisors.

23 (9) Submitting all approved first source hiring implementation and monitoring plans
24 ("approved plan") to the Workforce Development Advisory Committee for review;
25

1 (10) Developing effective outreach, education, support services for, and recognition
2 of, employers.

3 (c) The FSHA shall phase-in implementation of this Chapter in accordance with
4 Section 83.18, below, and as defined in Sections 83.4 (p) and (q), above. The FSHA shall
5 first establish a schedule for assisting in the development of, or approving existing first source
6 hiring implementation and monitoring plans by the following City departments: Airport;
7 Department of Building Inspection; Department of Planning; Department of Public Health;
8 Mayor's Office of Children, Youth and Families; Mayor's Office of Community Development;
9 Mayor's Office of Housing; Municipal Railway; Parks and Recreation; Port; Public Works, and
10 Purchasing. The FSHA shall also establish a schedule for the remaining City departments.

11 (d) The FSHA shall exercise its powers and duties in a manner that does not result
12 in delay for contractors or developers subject to this Chapter.

13 (e) The FSHA, or the OLSE, where appropriate, shall make the final administrative
14 determination as to compliance with the requirements of this Chapter.

15
16 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

17
18 By: 
19 JENNIFER K. WILLIAMS
Deputy City Attorney



City and County of San Francisco

City Hall
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Tails

Ordinance

File Number: 071056

Date Passed:

Ordinance amending the San Francisco Administrative Code by adding a new Chapter 30, Sections 30.1 through 30.8, to: 1) centralize the City's workforce development policy and oversight under the Department of Economic and Workforce Development (DEWD), or successor department; 2) require the Director of Economic and Workforce Development to manage all general fund expenditures on workforce development, create City-wide workforce development policy, develop a Funding Allocation Plan for workforce development funds and annually report on workforce development policies to the Board of Supervisors; 3) require City departments to enter into Memoranda of Understanding with DEWD as a condition of administering workforce development dollars; 4) require the Mayor to submit the names of prospective appointees to the Local Work Force Investment Board to the Board of Supervisors for approval or to appoint two members of the Board of Supervisors to the Local Workforce Investment Board; 5) create a community advisory committee to the Local Workforce Investment Board; and, 6) require that the Workforce Investment Act Local Plan be submitted for review and comment to the Board of Supervisors, and by amending Administrative Code Section 83.6 to place the administration of the First Source Hiring Program under the DEWD.

August 14, 2007 Board of Supervisors — SUBSTITUTED

November 13, 2007 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

November 20, 2007 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

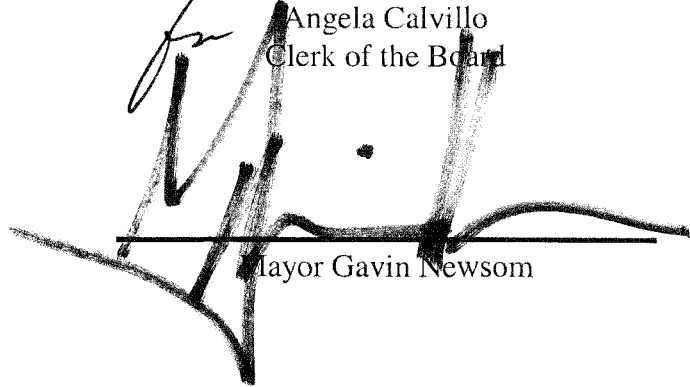
File No. 071056

I hereby certify that the foregoing Ordinance was FINALLY PASSED on November 20, 2007 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

11-26-07
Date Approved



Mayor Gavin Newsom