

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Social Services	(2) MEETING DATE 7/7/2015	(3) CONTACT/PHONE Dawn Boulanger/805-781-1835 Reva Bear/805-781-1838	
(4) SUBJECT Request to approve a FY 2015-16 professional services contract (Clerk's File) for Workforce Innovation and Opportunity Act (WIOA) Youth Services with Henkels & McCoy, Inc. in the amount of \$594,694. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve, and direct the Chairperson to sign, a professional services contract for Workforce Innovation and Opportunity Act (WIOA) Youth employment, training and education services for Fiscal Year 2015-16 in the amount of \$594,694.			
(6) FUNDING SOURCE(S) WIOA Federal Funds	(7) CURRENT YEAR FINANCIAL IMPACT \$594,694.00	(8) ANNUAL FINANCIAL IMPACT \$594,694.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001559		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Social Services / Dawn Boulanger - 805-781-1835
Reva Bear - 805-781-1838

DATE: 7/7/2015

SUBJECT: Request to approve a FY 2015-16 professional services contract (Clerk's File) for Workforce Innovation and Opportunity Act (WIOA) Youth Services with Henkels & McCoy, Inc. in the amount of \$594,694. All Districts.

RECOMMENDATION

It is recommended that the Board approve, and direct the Chairperson to sign, a professional services contract for Workforce Innovation and Opportunity Act (WIOA) Youth employment, training and education services for Fiscal Year 2015-16 in the amount of \$594,694.

DISCUSSION

Background

On July 22, 2014, the Workforce Innovation and Opportunity Act (WIOA), the first legislative reform of the public workforce system in 15 years, was signed into law. WIOA supersedes the Workforce Investment Act (WIA) of 1998 and amends the Adult Education and Family Literacy Act of 1998, the Wagner-Peyser Act of 1933, and the Rehabilitation Act of 1973 and is designed to strengthen and improve the public workforce system and put job seekers back to work by helping workers acquire the skills employers need and help employers access the talent pool needed to compete in a global economy. The Law has four components, including sections affecting the following federally-funded programs:

- Title I "Workforce Development System" (services provided via workforce development contracts with the County (this contract), and the Department of Social Services and the California Employment Development Department via Memorandums of Understanding)
- Title II Adult Education and Literacy Programs (services provided by Cuesta College/ School Districts)
- Title III Wagner-Peyser Act labor exchange and Unemployment Insurance (services provided by California Employment Development Department)
- Title IV Rehabilitation Act programs (services provided by the CA Department of Rehabilitation)

Local elected officials and the local workforce development board will have direct administrative involvement in the Title I "Workforce development" activities (Subtitles A, B, and E) and limited cross-connect involvement with the other WIOA Titles/Subtitles and programs. Title I services focus on quality employment and training services to assist eligible individuals find meaningful employment and is administered by a local workforce board and accountable to the Governor. On May 19, 2015, Board item #34, your Board approved the application for the initial local area designation of a local workforce area and the certification and composition of a local workforce development board as one of the initial implementation steps of the WIOA program. Under WIOA, the current Workforce Investment Board (WIB) will transition to a Workforce Development Board (WDB), changing its title in addition to its composition.

The local workforce board is appointed by your Board and is comprised of representatives from private sector businesses, organized labor, community-based organizations, local government agencies, and local education agencies. The

workforce board is responsible for overseeing the operations of the job center service delivery system, including identifying job center operators, providing policy guidance, overseeing job training activities, distributing WIOA funds, and providing key policy decisions affecting the local workforce development system.

The transition from the former legislation (WIA) to the current WIOA began during the 2014-15 program year (as an initial planning period) and will continue through the 2015-16 program year (as the official transition year). The new WIOA program is to be fully in place and compliant as of July 1, 2016. Details regarding next steps in the implementation of WIOA will be forthcoming, when staff requests your Board's approval of the County's subgrant agreement with the State for receipt of program year 2015-16 WIOA funds.

On March 11, 2008, your Board designated the Department of Social Services (DSS) as the Administrative Entity and Fiscal Agent for the local workforce area. DSS receives WIA/WIOA funds directly from the State, distributes these funds to program providers, issues purchase orders and contracts, provides oversight through annual programmatic and fiscal reviews, and participates in annual State fiscal and programmatic reviews.

WIA and WIOA Title I services include the provision of youth employment, training, and education programs in local workforce areas. A WIA Youth services contract with Henkels & McCoy, Inc. (H&M) was first awarded by your Board on February 4, 2014, Board Item #10, as a six-month contract in the amount of \$123,663 awarded through a Request for Proposal (RFP). That FY 2013-14 contract was funded through FY 2012-13 WIA Youth carryover funds and focused on WIA services to eligible out-of-school youth in north San Luis Obispo County. On July 22, 2014, Board Item #17, your Board approved the FY 2014-15 contract with H&M in the amount of \$123,663. That original contract amount was funded with DSS Realignment Trust funds rather than WIA Title I Youth funding to ensure the comprehensive WIA Youth services provider contract was not impacted. The scope of services of that contract was limited to continuing services to the youth enrolled in FY 2013-14, as WIA requires one year of follow-up services be provided to all WIA enrolled youth. On March 17, 2015, Board Item #11, your Board approved an amendment to the FY 2014-15 contract with H&M which increased the original contract by adding \$96,700 in FY 2013-14 WIA Youth carryover funds for a total contract amount of \$220,363. The amendment to the FY 2014-15 WIA Youth services contract with H&M expanded the scope of services to include two new projects. One project provided services to In-School youth through a partnership with local area high schools. The second project involved transitional planning for FY 2015-16, due to San Luis Obispo County having a change in WIA/WIOA Youth services providers. The goal with this project was to support a seamless transition between service providers and ensure continuity of services for enrolled youth.

WIOA Youth Services Procurement and Contract Award

In compliance with County and WIOA regulations, the County issued a Request for Proposal (RFP) in October 2014 for FY 2015-16 youth services, with a second and third year option to renew. The RFP was seeking a WIOA Youth Services provider for the provision of WIOA Youth employment, training and education programs county-wide. One proposal was received in response to the RFP, from Henkels & McCoy, Inc. As there was only one response received, a Selection Committee evaluation was not necessary. The proposal was, however, reviewed in accordance with the evaluation criteria detailed in the RFP and found to address all areas of requested service provision as outlined in the RFP. The Workforce Investment Board Executive Committee approved the Henkels & McCoy WIOA Youth Services proposal on January 14, 2015, directing the Administrative Entity/DSS to commence contract negotiations.

Program Year 2015-2016 Services

WIOA Youth services are provided through a comprehensive youth development system that links local community, youth and education stakeholders. Specific types of services include: tutoring, study skills training, instruction leading to completion of secondary school, alternative school services, mentoring, paid and unpaid work experience, occupational skills training and appropriate supportive services (i.e., clothing assistance and transportation). H&M will expand beyond Paso Robles (715 24th St., Suite K) to open locations in San Luis Obispo (4251 S. Higuera St., #105) and Arroyo Grande (145 S. Halcyon Rd.). Additionally, H&M youth staff will provide services in coordination with community-based agencies and schools throughout the county. The facilities will have the necessary technology to deliver youth training for in-demand occupations, a place for enrichment and growth, be youth friendly, and easily accessible. H&M will make a focused effort to market youth program services to county community based organizations, academic institutions, State and county organizations, non-government organizations and businesses in the community. H&M will be growing their staff team and investing in staff training and development to ensure staff is prepared to deliver programs that meet the standards under WIOA as well as local mandates.

WIOA focuses youth program services to out-of-school youth, requiring that by program year 2016-17 a minimum of 75% of funding goes towards serving this population. Income eligibility is eliminated for most out-of-school youth under WIOA and the age range for eligible youth is raised to from 21 to 24 years old for out-of-school youth. At least 20% of WIOA Youth funds are required to go to work experience learning opportunities. WIOA places emphasis on career pathways for youth, dropout recovery, and education and training that lead to attainment of a high school diploma *and* a recognized postsecondary credential. Performance outcomes for WIOA Youth services are linked to in-demand occupations in high-growth sectors. Financial literacy education and entrepreneurial skills training activities are new service areas included as WIOA Youth program eligible activities. Through WIOA Youth programs, youth with disabilities receive extensive pre-employment transition services to obtain and retain competitive integrated employment.

WIOA requires that all local youth programs provide, either directly by the WIOA service provider or through partnering with other youth-serving agencies, the 14 elements below:

1. Tutoring, study skills training, instruction, and evidenced-based dropout prevention and recovery strategies leading to completion of requirements of secondary school, recognized equivalent, or for recognized postsecondary credential;
2. Alternative secondary school services or dropout recovery services;
3. Paid and unpaid work experiences, including summer and year-round employment opportunities, pre-apprenticeship programs, internships, job shadowing and on-the-job training opportunities;
4. Occupational skill training, with potential priority given to programs leading to recognized postsecondary credentials aligned with in-demand industry sectors/occupations;
5. Education offered concurrently and in the same context as workforce preparation activities and training for specific occupation or occupational cluster;
6. Leadership development activities, which may include community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors, as appropriate;
7. Supportive services;
8. Adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months;
9. Follow-up services for not less than 12 months after the completion of participation, as appropriate;
10. Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate;
11. Financial literacy education;
12. Entrepreneurial skills training;
13. Services that provide labor market and employment information about in-demand industry sectors and occupations available;
14. Activities that help youth prepare for and transition to postsecondary education/training.

Access to these program elements will vary by youth need, as determined by individual service strategies devised between the youth and his/her case manager, and by assessment of skills and service needs.

Program Delivery for In-School Youth (ISY):

The program delivery strategies for ISY include a continuum of opportunities that connect local youth, (ages 17+ and with senior status at enrollment) to their school, community, and work. Services for ISY will be part of a joint commitment by the school, community, and employers. Services and supports to ISY are offered during school hours, after-school hours, and during the summer, as well as during the regular school day/year. In serving in-school youth, H&M staff will focus on youth at risk of dropping out of school and implement dropout prevention services/interventions. H&M will continue implementing their Intensive Work Readiness program model and work in collaboration with County high schools to aid WIOA eligible youth to graduate. Using H&M's Active Case Management model with tutoring support, blending e-learning, stackable Industry Recognized Credentials, and paid work-experience, youth will have the foundation to become independent, positive members of their community. Advocating for college, linking them to employers, helping them become job ready and giving them the skills that allow entry into County demand occupations. WIOA significantly limits funding to in-school youth as indicated above regarding the 75% expenditure of funds on out-of-school youth services. This is a significant shift from the former WIA legislation and programming which required 30% of funds go towards out-of-school youth services. Therefore, creative and collaborative approaches to serving this population will be necessary to best utilize WIOA resources to effectively meet the needs of eligible in-school youth. H&M has initiated these collaborations through services implemented via their current 2014-15 program year WIA Youth contract.

Program Delivery for Out-of-School Youth (OSY):

Program delivery for OSY is an emphasis of WIOA funding, with a minimum requirement of 75% of funds spent serving this population in program year 2016-17. To support this transition, a minimum expenditure of 65% of funds is planned for OSY services in the 2015-16 program year contract with H&M. Strategies to serve OSY will include a continuum of opportunities that take into account the needs of youth who are no longer attending school and who have not completed their diploma or GED. This includes but is not limited to:

- Flexible scheduling of activities
- Site-based and group-based services
- The use of innovative and developmentally appropriate instructional approaches to deliver educational activities such as GED, credit recovery and alternative education environments to complete a secondary school degree, and
- Opportunities for occupational skills development that lead to an industry recognized certificate or license.

Exit and Follow-Up Services:

Youth participants exit the WIOA system when they have successfully satisfied program goals, or when a period of 90 days has elapsed during which no federally reported services were provided. Enrolled youth are to receive a maximum of 12 months of service. All youth must also be provided with at least 12 months of documented follow-up services to assist youth in sustaining a successful transition from the program.

OTHER AGENCY INVOLVEMENT/IMPACT

This contract was developed in partnership with the local workforce board. County Counsel has reviewed and approved the contract as to legal form and effect.

FINANCIAL CONSIDERATIONS

WIA/WIOA program funds are 100% federally funded (distributed to states for allocation to counties) and are distributed to the County via a grant. The annual WIOA Formula Grant estimate is included in the Department of Social Services adopted budget for Fiscal Year (FY) 2015-16 and will require no county match. These funds will be used to support WIOA direct service programs and administrative and fiscal costs. The total contract amount for the WIOA Youth Services contract with Henkels & McCoy is \$594,694 as outlined in the table below:

Funding Source	Contract FY 14/15	Contract FY 15/16	Sharing Ratios			
			Federal	State	Co	Other
WIA/WIOA Youth	\$ 96,700	\$ 594,694	100%	0%	0%	0%
DSS Realignment Trust	\$ 123,663*	\$ 0	0%	0%	0%	100%

* As stated earlier, and included in the item to your Board on July 22, 2014, Board Item #17, the FY 2014-15 original contract was funded with DSS Realignment Trust funds (not WIA) to support continued access of enrolled youth to the full array of WIA services.

RESULTS

Program Year 2014-15 Performance to date

This is the second year that H&M has provided WIA Youth services in San Luis Obispo County. H&M's contract with the County encompassed WIA Youth services to eligible in-school youth and out-of-school youth. H&M has provided the youth program services through their office location in Paso Robles and through partnerships with local high schools.

H&M continued to meet the contract requirements for community outreach and recruitment. Outreach included dissemination of H&M GreenSmart WIA Youth employment, training and education program information targeted towards youth recruitment. Additionally, H&M conducted successful outreach to establish working partnerships with local high

schools and youth serving agencies. H&M continued to meet contract outcomes of collecting and analyzing WIA youth program data including quarterly reporting to the workforce board and data entry into the State CalJOBS reporting and case management system as required.

H&M's FY 2014-15 service delivery data as of third quarter, ending March 31, 2015 includes the following:

Contract Service Delivery Data (as of 3 rd quarter – ending 3/31/15)	
WIA Out-of-School Youth Program (*limited scope contract for continued service provision to PY 13-14 enrolled WIA Youth)	
Total Youth Enrolled in PY 13-14	34 (contract goal = 33)
Total Youth Assessed for Eligibility in PY 13-14	133
Total Youth Continuing in PY 14-15 Services	34
Industry Recognized Credentials Earned	38 (26 youth have earned at least 1 credential)
Job Placements	16
Youth enrolled in or completed post-secondary education/training programs	6
Work Experience (paid and unpaid)	11
WIA In-School Youth Program (*limited term contract (February – June 2015) funded via PY 13-14 WIA carryover funds)	
Total Youth Enrolled	17 (contract goal = 24*) <i>*note- enrollments continuing through fourth quarter</i>
Total Youth Assessed for Eligibility	35
Industry Recognized Credentials Earned	14
High School Diplomas Earned	7
Job Placements	1
Work Experience (paid and unpaid)	5

State mandated WIA Youth program performance measures for San Luis Obispo County for program year 2014-15 are:

	Placement in Education or Employment	Attainment of Degree or Certificate	In-Program Skills Gain
State Mandated Goals	65%	64%	55%
<i>80% requirement (of the State mandated goals) to achieve successful performance</i>	52%	51%	44%
3 rd Quarter Performance	82%	83%	84%
% of Goal Achieved	126%	130%	153%

Program Year 2015-16 Performance Goals

Henkels & McCoy will meet the following WIOA, State and County performance outcomes:

Out-of-School Youth (OSY)

Contractor, in collaboration with partner agencies, will provide WIOA services to a minimum of one hundred (100) WIOA enrolled Out-of-School youth serving North, Central and South County Regions.

In-School Youth (ISY)

Contractor, in collaboration with partner agencies, will provide WIOA services to a minimum of thirty-eight (38) WIOA enrolled In-School Youth. Program Services will primarily support North County (Liberty & Del Rio High Schools).

WIOA Performance Measures (ISY and OSY)

- 1) Contractor will provide services that result in a minimum of 67.1% of the total youth served being placed in employment or education in the first quarter after the exit quarter. (This includes employment, military, post-secondary education and/or advanced training/occupational skills training).
- 2) Contractor will provide services that result in a minimum of 68.7% of youth attaining a diploma, GED, or certificate by the end of the third quarter after the exit quarter.
- 3) Contractor shall provide services that result in a minimum of 78.7% of youth participants increasing one or more educational functioning levels.

Program Year 2016-17 WIOA Performance

Henkels & McCoy will begin to implement in the 2015-16 program year, service strategies and measures which support the achievement of the six primary performance indicators established under WIOA for youth which take effect July 01, 2016. These indicators are:

- 1) Achieving employment or involved in education/training activities or unsubsidized employment during the second quarter after exit from program.
- 2) Achieving employment or involved in education/training activities or unsubsidized employment during fourth quarter after exit from program.
- 3) Median earnings of participants in unsubsidized employment during second full calendar quarter after exit from program.
- 4) Attainment of recognized postsecondary credential (including registered apprenticeship), a secondary school diploma, or its recognized equivalent either during program or within 1 year after program exit.
- 5) Participation during a program year in education/training programs leading to: recognized postsecondary credential or employment and are achieving measurable skill gains toward such a credential or employment.
- 6) Indicator for services to employers (Prior to the second full program year after date of bill enactment, Secretary and representatives shall establish one or more primary indicators of effectiveness of core programs in serving employers).

If this contract is approved, H&M will be the primary operator of WIOA Youth employment, training and education service delivery system in our county. Youth workforce development services offer key components for improving performance in essential employment and educational skills for local job seekers and employers. By offering this level of support, it is anticipated that the local workforce will be strengthened and those working will have employment opportunities that support self-sufficiency. These outcomes support the Department and County goal of a strong and viable economy.

ATTACHMENTS

1. Clerk's File Statement