

## **ORGANIZATIONAL CONTEXT: ABOUT SAN FRANCISCO WORKFORCE DEVELOPMENT BOARD**

In the last ten years, the San Francisco Office of Economic and Workforce Development (SFOEWD)—the operational arm of the local workforce development board—has made significant investments in programming to advance racial equity and holistically support workers who are low-income, immigrants, limited English proficient, and lacking right-to-work authorization. Additional investment in capacity building is necessary to improve holistic outcomes for this economically vulnerable population and scale employment and training services for quality jobs in order to meet a growing need.

According to the American Community Survey<sup>1</sup>, over a third of San Franciscans are born outside of the United States. Over 43% of residents speak a language other than English at home, with 25% speaking Asian and Pacific Islander languages and 10.4% speaking Spanish. Administrative data from the San Francisco Human Services Agency—an SFOEWD partner organization—indicate that nearly 84,000 low-income clients have limited English proficiency, with the number increasing every year. Moreover, according to the Migration Policy Institute<sup>2</sup>, there are an estimated 43,000 immigrants without right-to-work authorization in San Francisco.

SFOEWD oversees the implementation of local, state, and federal funding for San Francisco’s workforce system. The SFOEWD Workforce Division sub-grants over \$30 million annually to over 70 community-based providers that are deeply embedded in their communities. This approach allows SFOEWD to ensure high quality, culturally responsive service delivery for workers who face barriers to employment or who have been historically excluded from the labor force, such as workers who are low-income, immigrants, limited English proficient, and lacking right-to-work authorization. Services for this population are housed in SFOEWD’s Industries of Opportunity portfolio, an incubator strategy for new training programs aligned with high-growth sectors, targeted occupations, and tailored services for special populations.

This barrier to economic opportunity impacts a huge portion of the local population, and SFOEWD is exploring ways to build new programs and scale existing programs to support serving a growing, high-need population. While lack of right-to-work authorization limits access to many federal and state-funded workforce programs, public-private partnerships are the ideal vehicle for implementing innovative solutions.

## **OPPORTUNITY: SCALING SOLUTIONS FOR BROADER IMPACT**

Restrictions on immigrants without right-to-work authorization preclude workers from accessing employment and state/federal workforce programming. New strategies and initiatives are necessary to meet the needs of the immigrant community and counteract the

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<sup>1</sup> U.S. Census Bureau. "Selected Characteristics of the Native and Foreign-Born Populations." *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S0501, 2022*, <https://data.census.gov/table/ACSST1Y2022.S0501?q=San Francisco County, California>. Accessed on June 27, 2024.

<sup>2</sup> Migration Policy Institute. "Profile of the Unauthorized Population: San Francisco County, CA," 2019, <https://www.migrationpolicy.org/data/unauthorized-immigrant-population/county/6075>, Accessed on June 27, 2024.

systemic side-lining of immigrant workers into survival jobs which exploit vulnerable workers. Many immigrant workers – such as day laborers and domestic workers – participate in the informal economy, which is comprised of employment that is not protected by the government or offered the same rights as formal employment arrangements. This often leads to undocumented immigrant workers experiencing exploitation. The average day laborer receives near minimum wage and only about 23 hours of work per week, and 66% of day laborers experience a pay-rated violation each week<sup>3</sup>.

In lieu of traditional employment, one pathway to economic self-sufficiency for this vulnerable population is business ownership, especially through a cooperative business model. A worker-owned cooperative is a values-driven business that prioritizes worker and community benefit. Cooperatives, which function as Limited Liability Cooperatives (LLC), insulate workers from exploitation in the workplace by integrating democratic representation into the corporate governance model, which allows workers to organize, exercise worker voice, and advocate for their working conditions, wages, and partnerships. Workers retain ownership and participate in the financial success of the business based on their labor contribution.

The pathway to higher wages, health benefits, and access to retirement is governed by the democratic process for each worker-owned collaborative. As their revenue and customer base stabilizes, the collaborative members themselves will decide what portion of profit can be devoted to the benefits of the worker-owners versus the costs associated with supporting the collective. Due to their legal status, this may be the first, or only, opportunity to access the protections and benefits offered to most ordinary workers.

Over the last four years, OEWD has piloted and then implemented the worker-owned cooperative model as an effective intervention to support low-income, limited English proficient, immigrant workers without right-to-work authorization. SFOEWD's partner agencies Mission Economic Development Agency (MEDA) and Dolores Street Community Services (DSCS) have created and implemented three distinct worker-owner cooperatives. The Promotoras Activas San Francisco (PASF) and Home Support and Companionship (HSC) cooperatives administer healthcare services to marginalized, primarily monolingual Latinx communities in San Francisco. Both PASF and HSC offer access to training, stable and viable employment, worker protections, and ownership opportunities that have historically not been offered to immigrant workers. The third cooperative, Realizing Education and Creating Hope (REACH) utilizes the same worker-owner structure to administer early educational education (ECE) services to low-income, primarily Latinx San Francisco residents. These programs remediate systemic racial and ethnic inequities by providing immigrants with in-depth training and assisting with access to higher education, professional development, and business ownership.

Each of the three cooperatives develops worker-owners into jobs in industries that lead to economic mobility. The REACH program focuses on the high-demand sector of early care and education (ECE), which was severely impacted during COVID-19 pandemic and has grown following the pandemic. ECE continues to face provider staffing shortages, and the industry has the potential to establish career pathway opportunities for self-sufficiency and economic mobility, especially in light of state and federal investments in the care economy sectors. While

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<sup>3</sup> Gonzalez, A. (2007). Day Labor in the Golden State. *Public Policy Institute California Economic Policy*, 3(3).

entry-level ECE jobs pay near minimum wage, the REACH program guarantees a training wage of \$28/hour. REACH's program has a clear, sector-based pathway with career ladders and targeted occupations that have entry-level access points, accelerated on-the-job training, on-ramps to a sustainable living wage, benefits, ongoing professional development, predictable work schedules, and ample opportunity for career and wage advancement.

The PASF and HSC cooperatives serve the healthcare industry, which has been identified on the national, state, and local levels as a workforce investment priority due to increasing demand for new workers, replacement of retirees, and skills development in response to new technologies, treatment options, and service delivery options. Participants of the PASF and HSC cooperatives receive training wages of \$25-\$30 per hour, while also receiving financial capability training.

The PASF, HSC, REACH programs have demonstrated success over the last four years, and community members report growing need in serving immigrant workers without right-to-work authorization. Funding from the Irvine Foundation Public Workforce Capacity Fund will allow SFOEWD to build off of the programs' existing success and grow programming to support a highly vulnerable population by building internal capacity to scale and replicate these models for the target population, building provider capacity to expand models, as well as exploring other occupations or sectors which may be a good fit for this intervention model.

#### **APPROACH: WORKER VOICE LEADS THE PROJECT**

SFOEWD needs to build capacity of existing providers to scale, identify additional providers and build capacity to replicate the program model, continue collecting quantitative and qualitative data from the population, and establish a group of subject matter experts to offer feedback on program design and implementation.

Worker voice is core to SFOEWD's approach. SFOEWD implements an equity-led and community-based procurement model, where worker input is centered from planning to design to implementation and built into the evaluation process. As an example, as the community engagement plan for its last four-year procurement cycle, SFOEWD convened two virtual meetings with over 500 participants, as well as an immigrant worker community strategy meeting to gather input from community members and service providers on the workforce needs of the immigrant community. SFOEWD distributed a multi-language community survey to gather input on existing programs and community needs. These inputs surfaced the need for worker-owned cooperatives, especially within the Latinx immigrant worker community, and SFOEWD developed program areas and partnerships in response to this need. SFOEWD needs additional support to continue to collect inputs from stakeholders to substantiate need, iterate program design, and build partnerships to grow the model.

The worker cooperative model is unique in that worker voice is integral to the success of the program. Training in the democratic model of worker ownership enables each worker-owner to participate in their cooperative's structure, design, and decisions. Because cooperatives are worker-owned organizations, these entities are managed by democratic ownership principles where the cooperative votes on policies, procedures, and sustainable development models. Each member has one vote, and contributes to how programming is shaped, modified, and implemented. Program participants will not just inform programming,

they will democratically determine everything from wages to working conditions while communicating their needs to their host community organization. SFOEWD will continue to solicit feedback from the worker cooperatives for the design and implementation of the funding model.

After program design, SFOEWD continues to collect quantitative and qualitative program data from staff, participants, employers, and via survey in order to meaningfully evaluate programs and make mid-point adjustments. SFOEWD also provides 1:1 technical assistance to providers to ensure program success, and convenes providers regularly in several small, medium, and large communities of practice based on program area. Additionally, SFOEWD monitors all programs annually, which includes technical assessment of accessibility and performance, as well as client interviews to gather feedback from clients on their user experience. These methods have produced data which validate the worker-cooperative model and the three funded programs while establishing increased need. As part of its capacity building efforts related to this project, SFOEWD intends to continue these activities for a larger caseload and/or portfolio, and the SFOEWD team will convene quarterly gatherings for the community organizations to share their successes and challenges, participate in resource sharing and staff development, and plan sustainability strategies for the initiative.

SFOEWD also supports programs in building research and evaluation capacity. The three cooperatives developed a Spanish-English bilingual pre-program survey to gauge participants' income, soft skills, occupational skills, and housing and food security. As the program continues, quantitative data, such as income and # hours worked, are recorded by the cooperative's accounting system(s), and thereby compared to the self-reported, pre-cooperative figures. SFOEWD uses this information to build success stories and narratives for program evaluation.

## **PROJECT TEAM**

SFOEWD Industries of Opportunity Program Manager, Jennifer Salerno, will be responsible for coordinating the project for SFOEWD and working closely with key stakeholders and community-based partners, such as MEDA, DSCS, and the Democracy at Work Institute. Ms. Salerno will provide technical assistance to build capacity of new and existing community-based partners, as well as conduct data collection and performance evaluation. Ms. Salerno will convene quarterly meetings with community partners focused on project management and oversight. This project will also coincide with planning for the next four-year procurement, and Ms. Salerno will lead community outreach to the priority population for planning purposes.

Community partners such as MEDA and DSCS currently deliver direct services including recruitment, enrollment, support services, case management, career navigation and retention, and as such are valuable thought partners for building capacity and scale in services for this special population. Partners will serve as the subject matter experts for the project, and work collectively for ongoing oversight, resource development, and sustainability planning.

Partners are located in the San Francisco Mission District, which has a poverty rate higher than the City average and where the unemployment rate for Latinx residents is higher than for White residents of the same district. The Mission District is an epicenter for Latinx residents, small businesses, advocacy and service organizations, artists and activists, and historically marginalized communities.

MEDA is a Latinx-led nonprofit organization that invests in underserved Latinx families through direct services, community development initiatives and policy advocacy. Their work is collaborative, being part of a trusted infrastructure of culturally responsive service providers in the welcoming immigrant neighborhood of San Francisco's Mission District. They leverage the community's inherent strengths to collectively build Latinx prosperity, community ownership and civic power. This program has been, and will continue to be supported by, Jose Mariscal, Associate Director of Workforce Development; Dairo Romero, Community Initiatives Manager; and Ernesto Martinez, Vice President of Asset Building Programs.

DSCS has been Mission District community non-profit organization that has served Latinx immigrant families since 1982. DSCS administers education, and free or low-cost services to immigrants such as legal services for immigrants facing deportation, shelter for refugees, and collaboratives to advance immigrants' community power and opportunity, while advocating for dignified work and fair wages for all. This project has been, and will continue to be, supported by Cooperative Developer Manager Emiliano Bourgois-Chacon as well as Sanika Mahajan, Director of Community Engagement and Organizing.

The Democracy at Work Institute (DAWI), a cooperative development specialist, provided start-up guidance and will continue to provide ongoing coaching, mentoring and training to the three cooperatives' members. DAWI wrote that "the cooperative model has proven to be an effective tool for creating and maintaining sustainable, dignified jobs; generating wealth; improving the quality of life of workers; and promoting community and local economic development." SFOEWD intends to continue drawing from DAWI's subject matter expertise for support.

## **PROGRESS AND LEARNING**

The cooperative model is predicated on helping vulnerable workers develop skills and increase earning potential, assets, and household income. The three cooperatives outlined in this proposal, supported by community-based organizations that have the ability to leverage their initial funding, deliver an effective strategy for community members who have historically been left out of the formal economy and traditional labor market to become worker-owners, and have access to economic stability. Through the partnership, information on the development, worker-owner experiences, growth, challenges, and lessons learned will be gathered to assess the effectiveness of strategies being implemented and modified as needed.

Since their inception, PASF, HSC, and REACH have trained 90 participants. Funding from the Irvine Foundation will allow SFOEWD to scale and sustain the activities across existing and new providers. SFOEWD aims to build its internal capacity and support an external funding strategy in order to enroll an additional 125 new program participants by the end of Year 2. SFOEWD also intends to identify if there are other occupations or sectors which demonstrate good fit for the population and are aligned with the City's sector strategy.

Scaling Solutions for San Francisco Immigrants  
San Francisco Office of Economic & Workforce Development

**Appendix A: Budget Template**

**Proposal Budget For:** San Francisco Office of Economic and Workforce Development

Expense Category	Amount Requested
<b>Direct Expenses</b>	
Salaries:	
Sector Programs Manager (.25% FTE x 2 years)	\$89,089.00
Industries of Opportunity Manager (50% FTE x 2 years)	\$134,602.00
Benefits: (40% of salaries)	\$89,476.40
Other Direct Expenses:	\$0
Facilities cost for project (venue, furniture, internet, etc.)	\$0
Meeting expenses (\$5,000 per quarterly meeting)	\$40,000.00
Publications and Conference/Training Registration Fees	\$10,000.00
Travel (airfare, ground transportation, lodging, meals/incidentals)	\$2,000.00
<b>Subtotal</b>	\$365,167.40
Indirect costs	\$41,516.74
Consultant Fees	
Partner Organization Expenses	\$90,000.00
<b>Total</b>	\$496,684.14