



DATE: May 17, 2021

TO: Chair Matt Haney  
Budget & Appropriations Committee  
Board of Supervisors  
City & County of San Francisco

FROM: Lisa Pagan, Director Policy & Planning

RE: OEWD response to Follow Up Questions to the 3.10.21 Committee Hearing - File 210196  
[Hearing - Office of Economic and Workforce Development's Budget – Fys 2021-2022 and 2022  
2023]

Dear Chair Haney and Members of the Budget & Appropriations Committee:

The Office of Economic and Workforce Development (OEWD) received a list of questions from the Budget and Appropriations Committee following our workforce services focused budget presentation and hearing on March 10, 2021. Please find our responses to the questions received below.

1. Advocates have challenges with the Coordinated Entry system regarding equity in permanent housing placements. Are there alternatives to expand workforce options for vulnerable populations like homeless job seekers? What about having housing specialists at Neighborhood Job Centers?

OEWD and our workforce development partner agencies believe that the Coordinated Entry System is a door to workforce development resources, particularly for many vulnerable residents exiting homelessness, but it is certainly not the only door to workforce services. OEWD, HSA, and HSH are working through a state-funded pilot project to more closely align the homelessness and supportive housing system with the workforce development system, including identifying opportunities to increase capacity for workforce specialists at Neighborhood Job Centers to refer job seekers to the supportive housing system, and to increase housing providers capacity to refer clients to the workforce system.

2. Do you have any specific goals for Workforce Opportunities as we recover from COVID in terms of number of people served, and new or expanded programs?

Our Building Back Stronger RFP includes community feedback from an entire year of community listening sessions and incorporates recommendations from the Economic Recovery Task Force and convenings with business, labor, education, and city agency representatives. Our goals are to advance an equitable economic recovery and to align our workforce investments to close the most persistent employment, income and

wealth gaps identified by the Dream Keeper Initiative as well as our Principles of Employment Equity.

How many people do you anticipate serving with Workforce Development Opportunities in FY21-22 and 22-23? How does that compare to previous years?

In Fiscal Year 2019-20 we served 4,692 participants through our Job Centers, Sector Training, Subsidized Employment, Job Readiness, and On Ramp Programs.

During FY 2020-21, in which the impacts of COVID-19 severely restricted the ability of our service providers to deliver these same programs remotely, we expect that the number of participants served by these programs decreased, the overall number of residents served by the Workforce System dramatically increased due to the need to support a record number of unemployed San Franciscans. Over 20,000 individuals received economic relief through OEWD service providers and staff, in addition to more than 10,000 calls that we received on our Workforce Hotline during the fiscal year.

We envision that with our Building Back Stronger RFP, and its expanded array of workforce development programs aligned with our economic recovery, we will be able to provide hands-on employment services to at least 10,000 San Franciscans, which we plan to continue in FY 2022-23.

3. How does your proposed Budget address the recommendations in the Economic Recovery Taskforce related to Job Connections?

The Job Connection policy recommendations from the Economic Recovery Task Force included four recommendations that were specific to the OEWD's Workforce Department--

1. Centralize the City's workforce development programs
2. Provide culturally competent, accessible job training with career connections for marginalized and laid-off workers, particularly ACHE sector workers
3. Strengthen implementation of the First Source Hiring policy
4. Expand subsidized employment and hiring program – JobsNOW! and arts-specific

Our budget addresses the ERTF's recommendation to increase coordination of the City's workforce development programs by increasing the volume of inter-departmental work orders that support OEWD-delivered workforce programming on behalf of partner agencies. In addition, our budget includes increased funding to support OEWD's role in reporting program outcomes on behalf of all 22 workforce-funding departments.



Our \$28.1 million Workforce Development RFP, “Building Back Stronger,” incorporates the ERTF’s recommendation to increase the cultural competency and accessibility of our job training programs based on a full-year of community listening sessions. Our support for marginalized and laid-off workers, particularly in the Arts, Culture, Hospitality, and Entertainment industries, benefits from deep and meaningful engagement with those workers as well as employers, labor unions, and educational institutions.

In FY 2019-20, the Mayor and Board of Supervisors funded increased capacity to implement the First Source Hiring Program. As a result, we more than double the annual average of First Source Hiring placements in just 9 months prior to the City’s March 2020 Shelter-In-Place order. First Source Hiring entry level positions, referrals, and placements have slowed during the pandemic, but we have strengthened implementation of the First Source Hiring Program by streamlining the First Source process, expanding the pool of qualified First Source candidates, and engaging even more employers—including the City’s largest First Source-obligated companies—to participate in First Source Hiring. Our budget includes staffing and programmatic investment intended to expand these enhancements.

OEWD is proud to partner with the Human Services Agency to support HSA's JobsNOW! program, and our budget includes funding to support OEWD capacity to refer job seekers to JobsNOW! for enrollment and employers—particularly First Source-covered employers—to HSA to apply for JobsNOW! payroll grants.

4. The Citywide Workforce Development Plan 2017-2022, has nineteen vulnerable populations identified as priorities. How does your proposed budget address those populations, and is the priority still the order in which they were listed when the Plan was adopted?

The City’s Workforce Development Plan 2017-2022 list priorities for all departments that are part of the Workforce Alignment efforts. Some of these target populations apply to multiple departments and others are the focus of a specific city department (e.g. 200% FPL represents the poverty line measure used by the Human Services Agency). In preparation for the release of our Building Back Stronger RFP, OEWD developed Principles of Employment Equity which highlight our current priority populations. The full list can be viewed here: <https://oewd.org/file/17972>

5. How does your budget incorporate Re-Training, especially for those who have been laid off or are now under-employed in the restaurant and hospitality industries, and especially non-English speakers?

The Hospitality industry had been adversely impacted by the recent pandemic, displacing a high volume of workers from the restaurant and hotel industries. To address the workforce needs of these displaced workers, through our most recent



procurement (RFP 122), OEWD is looking to invest in Hospitality Displacement Coordinator(s) to work in alignment with our labor partners (i.e. GGRA, Local 2 and Hotel Council) to provide culturally competent employment services to all displaced workers, including non-English speakers. Through an individualized employment services approach, workforce staff will work with dislocated workers to identify training and/or employment opportunities to address an individual's unique needs.

CityBuild worked with the San Francisco Labor Council to support Moscone Workers impacted by the pandemic shutdowns through EDD Covid Special Training grant. To date, they have served nearly 400 convention and tradeshow workers through supportive services and retraining for construction certifications. CityBuild will continue to work the SF Labor Council to provide additional certifications and retraining.

In addition, we are looking to increase the numbers served through our Job Centers. Our Neighborhood Job Centers are anticipated to increase and potentially include Satellite Offices in additional neighborhoods of need. We are also looking to expand our Young Adult Job Centers and Specialized Population Job Centers to further meet the needs of unemployed and underemployed individuals.

6. What demand have you seen for the Rapid Response Orientation during COVID, and how do you plan to expand that service in this proposed budget? (Rapid Response orientations are free orientations to provide people facing career transitions due to layoff with detailed info on workforce services)

We conducted 65 Rapid Response Orientations in the year following the City's first Shelter In Place order, compared to only a handful in the entire year prior. More than 2,000 participants joined these sessions to receive support to apply for unemployment, access other types of benefits, look for alternative employment, and ask other questions related to joblessness. We are seeing a decline in participation at our Rapid Response sessions as the economy continues to safely re-open, but we will continue these important convenings and services without need for additional support in our proposed budget.

7. Do you have any further information on the most recent unemployment numbers, by race and/or neighborhood, or by sector?

The ACS is the most robust survey available containing data on demographics, employment, and unemployment. However, since the ACS is a national survey, and does not survey enough San Franciscans to be able to produce fully reliable neighborhood-level data that can bridge all three. OEWD is using ACS raw data to calculate neighborhood level information. The latest available breakdown of ACS data by neighborhood was published by OEWD [here](#) and contains 2019 data.



Additionally OEWD, follows unemployment trends by race as outlined in the below table which was included in our slide presentation at the Budget & Appropriation Committee on 3/10/21:

	2015	2016	2017	2018	2019
<b>TOTAL POPULATION</b>	<b>840,763</b>	<b>850,282</b>	<b>864,263</b>	<b>870,044</b>	<b>874,961</b>
Unemployment - Citywide	6.8%	6.2%	5.4%	4.7%	4.2%
<b>By Race/Ethnicity</b>					
American Indian/Alaskan Native	15.0%	14.1%	10.0%	11.9%	10.7%
Asian	7.4%	6.5%	5.7%	4.9%	4.2%
Black/African American	17.9%	16.1%	14.6%	12.5%	10.0%
Native Hawaiian/Pacific Islander	13.1%	15.2%	10.9%	8.8%	7.4%
Other/Two or More Races	8.1%	7.9%	6.3%	5.1%	4.8%
White	4.8%	4.5%	4.1%	3.6%	3.3%
Latino (of Any Race)	7.6%	7.3%	5.9%	4.9%	4.9%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates

- **New Unemployment Claims data from California EDD show that since February 2020, Black and Asian SF residents claim unemployment at rates 3-6% higher than their share of the population**
  - White San Franciscans are unemployed at almost 10% lower rates than their share of the population, accounting for 35% of new UI claims although they make up 45% of the City's population
  - Latinx San Franciscans are claiming unemployment at rates slightly lower than their share of the population

<u>New SF UI Claims by Race/Ethnicity</u>	<u>New UI Claims</u>	<u>2019 Population</u>	<u>% New UI Claims</u>	<u>% of 2019 Population</u>	<u>Difference</u>
White	103,975	398,662	35.3%	45.2%	-9.9%
Asian	120,913	311,434	41.1%	35.3%	5.8%
Latinx	43,171	134,309	14.7%	15.2%	-0.6%
Black	24,719	48,225	8.4%	5.5%	2.9%
Native American/Alaskan	1,472	3,568	0.5%	0.4%	0.1%
<b>Grand Total</b>	<b>294,250</b>	<b>881,549</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

The below table outlines changes to employment by industry:



**Change in Area Employment Since February 2020 by Industry  
SF Metro District (SF + San Mateo Counties)**

Industry	February 2020	February 2021	Change Since Feb	% Change Since Feb
<b>Professional &amp; Business Services</b>	<b>208,200</b>	<b>196,700</b>	<b>-11,500</b>	<b>-5.5%</b>
<b>Trade, Transportation &amp; Utilities</b>	<b>152,800</b>	<b>128,200</b>	<b>-24,600</b>	<b>-16.1%</b>
<b>Retail Trade</b>	76,800	68,500	-8,300	-10.8%
<b>Leisure &amp; Hospitality</b>	<b>147,000</b>	<b>66,600</b>	<b>-80,400</b>	<b>-54.7%</b>
Hotels and Other Accommodation	26,400	9,000	-17,400	-65.9%
Restaurants	81,500	40,700	-40,800	-50.1%
Arts, Entertainment & Recreation	21,400	10,200	-11,200	-52.3%
<b>Educational &amp; Health Services</b>	<b>151,200</b>	<b>139,200</b>	<b>-12,000</b>	<b>-7.9%</b>
<b>Technology</b>	<b>156,000</b>	<b>157,200</b>	<b>1,200</b>	<b>0.8%</b>
<b>Financial Activities</b>	<b>86,100</b>	<b>81,200</b>	<b>-4,900</b>	<b>-5.7%</b>
<b>Construction</b>	<b>46,400</b>	<b>40,700</b>	<b>-5,700</b>	<b>-12.3%</b>
<b>Manufacturing</b>	<b>38,600</b>	<b>36,200</b>	<b>-2,400</b>	<b>-6.2%</b>
<b>Government</b>	<b>132,100</b>	<b>124,000</b>	<b>-8,100</b>	<b>-6.1%</b>
<b>Nonprofits &amp; Personal Services</b>	<b>74,200</b>	<b>63,700</b>	<b>-10,500</b>	<b>-14.2%</b>
Personal & Laundry Services	15,600	8,400	-7,200	-46.2%
Nonprofits	20,300	17,300	-3,000	-14.8%
<b>Total</b>	<b>1,192,600</b>	<b>1,033,700</b>	<b>-158,900</b>	<b>-13.3%</b>

Source: [California EDD](#), [US Current Employment Statistics](#)

An overview of changes in unemployment data is summarized below:

**Unemployment Data**

***This time last year (February 2020):***

- Unemployment was 1.9%
- We were averaging 25,000+ new jobs per year
- San Francisco’s metropolitan statistical area had just been named the best performing large city by the Milken Institute
- Most industries were growing faster than the national average
  - Those not growing faster were manufacturing, retail trade, wholesale trade and other services
- San Francisco and Austin were the fastest growing large cities in the country through the 2010’s – this was a major reversal for San Francisco who had not sustained a decade of even 1% annual job growth since the 1980’s

***February 2021:***

- The unemployment rate decreased to 5.7% in February 2021 from a 12.6% high in April and May 2020.
  - Though it sits at 5.7%, San Francisco’s unemployment rate would be 13.8% when combining the 1,700 unemployed and the 50,600 San Franciscans who have left the Labor Force in 2020



- The Leisure & Hospitality and Personal Services sectors remain depressed despite recent employment gains, as the sector is still down 1 in 2 pre-COVID sector jobs
- 271,800 people left the Bay Area labor force since the beginning of 2020, around the population of Stockton

8. Your slide lists \$3.2M for COVID-Response Resource Hubs for 6,000 Mission/BVHP/Excelsior residents. Why is District 6 not included?

Our budget presentation scheduled on 3/10/21 was focused on OEWD's workforce division services. Funds for the D6 Hub are being managed by and implemented through OEWD's Invest In Neighborhoods division within that division's services budget.

The D6 HUB was funded through add-back dollars in the amount of \$185,000 to support a hub in the Tenderloin. These funds are being processed as a grant amendment facilitated by Invest In Neighborhoods, to support the operational costs, marketing and ambassadors of the D6 HUB, through TLCBD in partnership with Glide and Downtown Streets.

D6 HUB activities are located in front of 330 Ellis Street in front of Glide, facilitated by a street closure. The street closure provides allows residents to safely access services, in one location, provided by various non-profit partners: including food, COVID testing, and wrap around services through resource fairs. The scope of work was informed by a series of community informed meetings in coordination with D6 staff and it includes support for the following activities:

- Resource coordination, supplies and marketing
- Ambassador outreach for accessing resources provided at for 330 Ellis Street in front of Glide (play street program)

D6 HUB Activities to the Neighborhood Include

- Resource fairs include: Women wellness fair (1x week), glide library (Thurs 1-4pm), legal clinic (once a week) and in the past hosted lavamae
- Currently activated to distribute weekly food distribution, COVID testing, providers link to employment and general needs

9. One of the recommendations coming out of the BLA from last year's hearing on Workforce Opportunities for people experiencing homelessness was that "OEWD report back to the Board of Supervisors on the costs associated with de-duplication of participant data within and across departments and establishing a standardized approach to collecting participant data for all priority populations, including the homeless, across all participating departments." Was the Department able to assess this?



In response to the Performance Audit of the City's Workforce Development and Pre-Apprenticeship Programs which was published on August 30, 2020, OEWD prepared a Data Plan (see attached) which was submitted to the Board of Supervisors in January 2021. The Plan includes an analysis pertaining to staffing resources and other financial investments needed for the deduplication of client records been on pages 1-4.

In preparation for this work, OEWD included in its current Building Back Stronger RFP, a request for proposal for consulting services from an independent evaluator who would help with probabilistic data matching of approximately 40,000 client records for one fiscal year from the approximately 20 departments that provide workforce services. In addition to data matching, the consultant will help develop the protocols and procedures that would allow this scope of work to be done internally in the future (this would include data sharing agreements among participating departments).

10. For your sources of revenue, we can see that the funds from 'Inter-Governmental Rev-Federal' have increased by \$1M in the FY21-22 proposed budget from the original budget (going from 4.6M to 5.7M) - what is the cause of this? Is it related to FEMA reimbursement? (looks to be a one-off as goes back down to 4.4M in 22-23)

This is primarily due to the reflection of two one-time competitive Federal grants: (1) Department of Labor (DOL) H1B One Workforce Grant that will support TechSF programming and (2) Economic Development Administration (EDA) Small Business COVID-19 Recovery Program.

11. It looks like your proposal cuts 1M from 'Invest in Neighborhoods' and that 1.4M from 'Workforce Development'\*\* - can you tell us which programs will be directly affected by these cuts? Are these cuts in-line with the goals and priorities of the Office?

The proposed cuts from Invest In Neighborhoods include reductions in the SF Shines Storefront Improvement Program and the Citywide Public Space Initiative. For Workforce Development, it includes reductions in CityBuild, Job Readiness Services and Hospitality. These reductions were proposed through a combination of criteria that included minimizing service impacts, increased alignment of services, short-term pivot of programming due to COVID-19 and feedback from stakeholders and the community.

12. Economic Development' is also being cut by 3M dollars (from 23M to 20M) in 21-22 and will be 19M in 22-23 - where will these cuts occur and how is this contributing to the goals of the Office? Was 35M in 2019-20 for reference

The reductions are primarily due to the following:

(1.1M) - reduction in Invest In Neighborhoods programs





(1.5M) - reduction due to one-time BOS addbacks  
(250k) - reassignment of a continuing addback to Workforce Development (Latinx Crisis Response) (NOTE: This shows as a reduction in Economic Development but an increase in Workforce Development)  
(600K) - reduction Business Development programs  
(185k) – reduction due to expiration of one-time EDA grant  
700K – increase due to one-time EDA grant

13. In addition, ‘Workforce development’ is being cut by 1M (less significant as from 50M to 49M) - what is being cut here? (For reference in 2019-20 it was 30M, so up significantly since then)

The reductions are primarily due to the following:

(1.4M) – reduction in Workforce Development programs  
(2M) – reduction due to one-time BOS addbacks  
(500K) - reduction in CityDrive program. This was a one-time pilot program supported through funding from the SFMTA. Continuation of the program is pending ongoing discussions with SFMTA.  
(430k) – decrease due to one-time CWDB State grant  
250K - increase from the reassignment of an aforementioned continuing addback  
2.5M - increase in Opportunities For All –Youth/Young Adult/Workforce Development program  
500K - increase due to one-time DOL grant

