

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 under the Department of Economic and Workforce Development**  
6 **(DEWD), or successor department; 2) require the Director of Economic and Workforce**  
7 **Development to manage all general fund expenditures on workforce development,**  
8 **create City-wide workforce development policy, submit all grant applications to the**  
9 **state or federal government for workforce development funding on behalf of the City,**  
10 **subject to approval by the Board of Supervisors, and annually report on workforce**  
11 **development policies to the Board of Supervisors; 3) require City departments to enter**  
12 **into Memoranda of Understanding with DEWD as a condition of funding for workforce**  
13 **development dollars, 4) require the Mayor to submit the names of prospective**  
14 **appointees to the Local Work Force Investment Board to the Board of Supervisors for**  
15 **approval; 5) urge the Mayor to appoint a member of the Board of Supervisors to the**  
16 **Local Workforce Investment Board, and 6) require that the Workforce Investment Act**  
17 **Local Plan be submitted for review and comment to the Board of Supervisors, and by**  
18 **amending Administrative Code Section 83.6 to place the administration of the First**  
19 **Source Hiring Program under the DEWD.**

20 Note: Additions are single-underline italics Times New Roman;  
21 deletions are ~~strikethrough italics Times New Roman~~.  
22 Board amendment additions are double underlined.  
Board amendment deletions are ~~strikethrough normal~~.

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

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

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

2                    **SEC. 30.1. FINDINGS.**

3                    The Board of Supervisors finds and declares the following:

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

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

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

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

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

1 resources devoted to workforce development in order to more effectively meet the needs of job seekers  
2 in obtaining economic self-sufficiency, and of employers in locating and retaining a skilled workforce.

3 **SEC. 30.2. DEFINITIONS.**

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

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

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

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

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

12 (e) "Workforce Investment Act of 1998 (WIA)" shall mean the federal law governing  
13 federally-funded workforce development programs codified at 28 USCA 2801, et seq., or any successor  
14 federal programs.

15 (f) "Workforce development" shall mean any effort by any and all departments and  
16 agencies of the City and County of San Francisco, to provide job readiness, training and retention  
17 programs and services for unemployed or underemployed individuals,, to locate jobs and place  
18 individuals in those jobs, to work with the private and non-profit sector to create and improve job  
19 opportunities, employment retention and career enhancement , and to set policy and objectives in  
20 achieving the dual goals of individual economic self sufficiency and preparation of a skilled labor  
21 force. "Workforce development" shall include efforts to seek and manage funding and accountability  
22 for pre-employment, job placement, job retention, and career advancement programs.

23 (g) "Workforce development service providers" shall mean all entities and organizations  
24 that provide job readiness and skill training, locate jobs and place individuals in those jobs, work with

1 the private and non-profit sector to create and improve job opportunities, provide job retention services  
2 and career advancement programs, or any other services related to "workforce development" funded  
3 through, or by the City with federal, state and/or local funds.

4 **SEC. 30.3. PURPOSE.**

5 The purpose of this Chapter is to reorganize the City's workforce development efforts into one  
6 location within the DEWD or successor department, in order to centralize workforce development  
7 programs and services, increase the effectiveness of workforce development service delivery,  
8 coordinate workforce development funding, eliminate duplicative services, fill gaps in services, and to  
9 create a single office that oversees the City's complimentary goals of preparing unemployed and  
10 underemployed individuals to become as economically self-sufficient as possible, and assisting  
11 employers with locating and retaining skilled workers.

12 **SEC. 30.4. POWERS AND DUTIES.**

13 (a) To the extent allowable by the City Charter, state, and federal law, the Director shall:

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

16 (2) Create workforce development policy and provide an overall five-year strategic plan,  
17 consistent with the Strategic Plan for Economic Development approved by the Board of Supervisors,  
18 for all employment and job training activities in San Francisco, and consistent with the Local Plan  
19 required by WIA;

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

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

1           (B) requiring City departments to ensure that contractors providing workforce development  
2 services reach performance goals;

3           (C) collecting and managing all workforce development system data; and

4           (D) reporting outcomes to all system stakeholders.

5           (4) Manage all general fund dollars for workforce development activities in the City,  
6 including the submission of all grant applications to the state or federal government for workforce  
7 development funds on behalf of the City, subject to approval by the Board of Supervisors. In this  
8 endeavor, the Director shall leverage all available workforce development system resources, avoid  
9 duplicate services, fill identified gaps in services, and streamline administrative and programmatic  
10 functions;

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

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

17           (7) Assume the management of the First Source Hiring Program.

18           (b) In addition, to the extent consistent with the Charter, the Director shall administer all  
19 funds that the City budget appropriates to fund the First Source Hiring Program.

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

23           (1) be chaired by the Director of the DEWD;

1 (2) include representatives from all City departments that provide Workforce Development  
2 programs and services, the Controller's Office, the Budget Analyst's Office, and from  
3 community-based organizations providing workforce development services on behalf of the  
4 City;

5 (3) develop a uniform definition of "Workforce Development", including identification of the  
6 the component programs and services integral to successful employment readiness, training and  
7 retention;

8 (4) identify the distinct groups of unemployed and underemployed individuals and develop  
9 the programs and services necessary to assist those groups in achieving the greatest economic  
10 self-sufficiency available.

11 (5) identify all City expenditures incurred in workforce development programs and services,  
12 and establish budget mechanisms to track such expenditures;

13 (6) identify all federal, state, and local workforce development funds that are currently  
14 administered by all City departments and agencies; and

15 (7) create a timeline and a plan for centralizing workforce development efforts under the  
16 DEWD, consistent with WIA and this Chapter, to be implemented in fiscal year 2008-2009.

17 **SEC. 30.5. CITY DEPARTMENT RESPONSIBILITIES.**

18 All City departments engaged in workforce development programs and services shall follow the  
19 Director's strategic direction for such activities and shall each enter into a Memorandum of  
20 Understanding with the DEWD, or successor department, explaining each department's  
21 responsibilities and setting forth measurable outcomes as a condition of receiving workforce  
22 development funding from the DEWD. Each departmental Memorandum of Understanding shall also  
23 set forth the department's workforce development budget and program plans. Finally, City  
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1 departments shall track and report back to the Director job seeker and employer services outcomes and  
2 shall respond to other reasonable requests for data from the Director.

3 **SEC. 30.6. REPORTING REQUIREMENTS.**

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

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

12 (a) Prior to making any appointments to the WISF), as set forth in the WIA, the Mayor shall  
13 submit the name of each nominee to the Board of Supervisors. Unless the Board of Supervisors  
14 disapproves a nominee within thirty days after receipt of the Notice of Appointment, the appointment  
15 shall become final.

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

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

22 **SEC. 30.8. SEVERABILITY.**

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

3 Section 2. The San Francisco Administrative Code is hereby amended by amending Section  
4 83.6 to read as follows:

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

6 (a) Establishment and Composition. A First Source Hiring Administration ("FSHA")  
7 is hereby established for the purpose set forth in Subsection (b) below. The FSHA shall  
8 consist of the following: (1) the Mayor or his/her designee from the Mayor's Office of  
9 Economic and Workforce Development; (2) the Executive Director of the Human Services  
10 Agency, or his/her designee; (3) the Director of the Mayor's Office of Community  
11 Development, or his/her designee; (4) the President of Workforce Investment San Francisco ~~the~~  
12 ~~Private Industry Council~~, or his/her designee; (5) the Chancellor of the City College of San  
13 Francisco or his/her designee; (6) other City department representatives appointed by the  
14 FSHA as necessary from time to time; and (7) other San Francisco governmental agency  
15 representatives participating in the First Source Hiring Program and invited by the FSHA.  
16 The Department of Economic and Workforce Development shall manage and provide staff for the  
17 FSHA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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8 By: JENNIFER K. WILLIAMS  
9 Deputy City Attorney