

ITEM III.A. – ACTION / PUBLIC HEARING

CONDITIONAL FUNDING CONSIDERATIONS FOR PY 2021/2022

RECOMMENDATION:

That the Organizational Effectiveness (OE) Committee approve the following recommendations regarding conditional funding for all Workforce Innovation and Opportunity Act (WIOA) funded Career Service Providers (CSP) under the three formula funding streams (WIOA Adult, Dislocated Worker, and Youth):

1. Waive the PY2021/2022 Conditional Funding provision of withholding up to 25% of WIOA funding allocations for failure to meet 100% of contract performance goals by June 30, 2022; and
2. Direct Alameda County Workforce Development Board (ACWDB) staff to require CSPs not meeting contract performance goals to develop and implement Corrective Action Plans (CAP) that outline recruitment and service delivery strategies to ensure attainment of contract performance goals in future program years; and
3. Authorize ACWDB staff to engage CSPs in more in-depth negotiations for PY 2022/2023 to ensure target goals are attainable – especially in the current labor market climate; and
4. Allow ACWDB staff to implement continuation of the Contract Renewal Criteria for PY 2022/2023 including the Conditional Funding action of withholding up to 25% of WIOA annual funding in reserve for failure to meet contract performance goals by the prescribed deadline.

BACKGROUND:

At the November 17, 2021, Systems and Strategies (S&S) Committee meeting, a question was posed about the status of Alameda County Workforce Development Board's (ACWDB) intentions regarding enforcement of the Conditional Funding criteria as established in Career Service Provider (CSP) contracts for PY 2021/2022.

ACWDB staff have been actively evaluating aspects of the local workforce system in order to determine the appropriate application of the Conditional Funding criteria in PY2021/2022, including:

1. Contract Performance attainments through PY 21/22 Quarter 3
2. The current status of the pandemic – and the impact on the local labor market
3. Engagement levels or participation rates of the local workforce – and neighboring areas, (whether unemployed individuals are seeking re-employment, career services and training opportunities through WIOA)
4. Outreach and recruitment efforts of the CSPs

JUSTIFICATIONS FOR STAFF RECOMMENDATIONS:

Staff has developed this recommendation based on a number of factors:

1. Contract Performance Attainments for PY 2021/2022 through Quarter 3

Third quarter contract performance attainments corroborate anecdotal data being reported through varied resources indicating that Local Boards across the state – and within our Regional Planning Unit (RPU) have all experienced challenges with recruitment and enrollment of participants into their WIOA-funded programs – especially from the Dislocated Worker population.

ACWDB staff did notice an uptick in participant enrollments from quarter 2 to quarter 3:

Measure	Quarter 2	Quarter 3
WIOA Adult Enrollments	59.6%	88.8%
Dislocated Worker Enrollments	33.7%	73.3%
In-School Youth Enrollments	68.0%	93.9%
Out-of-School Youth Enrollments	18.6%	36.8%

While attainments remain down – and far below attainments for quarter 3 of the prior program year (PY20/21: Adults-108.1%; Dislocated Workers-99.0%; In-School Youth-100.0%; and Out-of-School Youth-96.6%); the uptick represents the energy that CSPs have exerted toward their recruitment efforts.

2. Impacts of The Great Resignation on the Local Workforce and Labor Market

The Great Resignation has been referenced in various published articles [Harvard Business Review (hbr.org); CNBC.com; Marketplace.org] and is loosely defined on Wikipedia as “an ongoing economic trend in which employees have voluntarily resigned from their jobs en masse, beginning in early 2021, primarily in the United States.”

The Great Resignation has also been referenced in the following articles:

- a. [The Great Resignation; Business Insider, Ben Winck, April 5, 2022](#)
- b. [Pew Research Center, Kim Parker, Juliana Menasce Horowitz, March 9, 2022](#)

The Great Resignation has resulted in near-record-high job openings with available and willing workers in short supply – even as employers attempt to attract workers through booming wage growth.

When job seekers are able to obtain employment and earn living wages, they are less likely to seek career services – or take time for vocational skills training.

3. First Year of the Procurement Cycle and a New System Design

PY 2021/2022 brought forth a new procurement cycle, new service providers and a new design for the local workforce system.

The Career Services Collaborative (CSC) lead has engaged and attempted to coordinate WIOA service delivery with at least six providers that are new to our WIOA system.

Through WIOA Youth funding, ACWDB has contracted with a new In-School Youth Service Provider – and modified the structure of funding to the In-School and Out-of-School Youth categories.

4. Dislocated Worker Recruitment through EDD Workshops

In prior years, CSPs would recruit and receive referrals from EDD's Reemployment and Eligibility Assessment (REA) workshops. These workshops were mandatory for job seekers receiving Unemployment Insurance (UI) benefits. While it is unclear as to whether EDD continues to require UI recipients to attend REA meetings, ACWDB CSPs have indicated that these referrals have greatly diminished.

5. Job Seeker Engagement/Labor Force Participation Rate

Referencing the Reports section of the OE Committee packet, ACWDB's Services to Unemployed report (Item VI.B.1., pages 10 and 11) indicates that participation rates have increased for PY 2021/2022 (over the numbers reported in PY 2020/2021 Quarter 3). However, enrollments across both the Adult and Dislocated Worker funding streams remains low. The participation rates for unemployed individuals in ACWDB's Local Area indicates that of the 24,300 unemployed individuals, approximately 9,600 have either registered in EDD's CalJOBS system or used that system for job search or universal career service activities. However, these individuals appear to have not followed through with enrollment into WIOA-funded career services – even though they are made aware of such services through interaction within the CalJOBS system.

6. Brick and Mortar Locations Closed Due to Pandemic

Most of ACWDB's CSPs have experienced some level of closure throughout the duration of the COVID-19 pandemic. Being closed to the public has greatly reduced visibility of the CSPs within the ACWDB workforce system.

For additional information, please contact Michele G. Garcia, MIS Administrator. You can reach Michele at (510) 259-3802 or through email at mggarcia@acgov.org.