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

Supervisors Mirkarimi, Peskin, Ammiano and Maxwell
BOARD OF SUPERVISORS
Section 1. The San Francisco Administrative Code is hereby amended by adding a new Chapter 30, Sections 30.1 through 30.8, to read as follows:

CHAPTER 30 – CENTRALIZATION OF WORKFORCE DEVELOPMENT

SEC. 30.1. FINDINGS.

The Board of Supervisors finds and declares the following:

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

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

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

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

(e) Currently, the Department of Economic and Workforce Development (DEWD) is responsible for workforce development functions in the City, providing policy direction and oversight for workforce development programs and services. In addition, the DEWD staffs the San Francisco Workforce Investment Board, a local board of community stakeholders required by federal law to govern implementation of, and compliance with, the Workforce Investment Act 1998 (29 U.S.C.A. 2801 et seq.), a significant source of federal funding. Therefore, the Director of the DEWD should oversee a
comprehensive City-wide workforce development strategic and funding allocation plans that coordinates all City department resources devoted to workforce development in order to more effectively meet the needs of job seekers in obtaining economic self-sufficiency, and of employers in locating and retaining a skilled workforce.

SEC. 30.2. DEFINITIONS.

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

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

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

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

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

(e) "Funding Allocation Plan" shall mean the comprehensive annual plan for the appropriation and expenditure of all local, state, and federal workforce development funds administered by the DEWD and all other City departments. The funding allocation plan shall include program and administrative budgets, service delivery structures, performance measures, and outcome goals for all workforce programs and City departments administering workforce dollars.

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

(g) "Workforce development service providers" shall mean all entities and organizations
that provide job readiness and skill training, locate jobs and place individuals in those jobs, work with
the private and non-profit sector to create and improve job opportunities, provide job retention services
and career advancement programs, or any other services related to "workforce development" funded
through, or by the City with federal, state and/or local funds.

(eh) "Workforce Investment Act of 1998 (WIA)" shall mean the federal law governing
federally-funded workforce development programs codified at 29 USCA 2801, et seq., or any successor
federal programs.

(i) "Workforce Investment San Francisco (WISF)" shall mean the local workforce
investment board required by WIA and defined at 29 USCA 2832.

SEC. 30.3. PURPOSE.

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

SEC. 30.4. POWERS AND DUTIES. (a) To the extent allowable by the City Charter, local, state,
and federal law, the Director shall:
Reorganize oversight of the City's workforce development efforts in one location within his or her department in collaboration with the Director of Human Services Agency.

Create workforce development policy and provide an overall five-year strategic plan that includes consideration of the workforce development needs of low income, monolingual speakers, youth and other unemployed or underemployed groups with barriers to employment, consistent with the Strategic Plan for Economic Development approved by the Board of Supervisors, for all employment and job training activities in San Francisco, and consistent with the Local Plan required by WIA (the "Workforce Development Strategic Plan").

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

- Developing a uniform system of data collection for use by all City departments, agencies and community based organizations to track all permanent job placements;
- Requiring City departments to ensure that contractors providing workforce development services reach performance goals;
- Collecting and managing all workforce development system data; and
- Reporting outcomes to all system stakeholders.

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

Phase 1, to be completed during Fiscal Year 2007-2008:

- Identify all federal, state, and local workforce development funds and the legal requirements for securing and retaining such funds, that are currently administered by all City
departments and agencies, and establish budget mechanisms to track such funds ("Identified Workforce Development Funds");

(5B) identify all City expenditures incurred in workforce development programs and services, and establish budget mechanisms to track such expenditures ("Identified Workforce Development Expenditures");

(C) prepare a Funding Allocation Plan for all general fund dollars designated as Identified Workforce Development Funds and as Identified Workforce Development Expenditures administered by all City departments for review and comment by the WISF by February 28, 2008, and for review and approval by the Board of Supervisors by March 31, 2008. The Board of Supervisors shall make a determination on such plan by April 30, 2008.

(D) Manage all general fund dollars, including all matching funds necessary to obtain federal and state workforce development funds.

(2) Phase 2, to be completed during Fiscal Year 2008-2009:

(A) continue to identify all federal, state, and local workforce development funds and the legal requirements for securing and retaining such funds, that are currently administered by all City departments and agencies, and establish budget mechanisms to track such funds ("Identified Workforce Development Funds");

(B) continue to identify all City expenditures incurred in workforce development programs and services, and establish budget mechanisms to track such expenditures ("Identified Workforce Development Expenditures");

(C) prepare a Funding Allocation Plan for all federal, state and general fund dollars designated as Identified Workforce Development Funds and as Identified Workforce Development Expenditures administered by all City departments for review and comment by the WISF by December 1, 2008, and for review and approval by the Board of Supervisors by
January 1, 2009. The Board of Supervisors shall make a determination on such plan by February 28, 2009.

(D) continue to manage all general fund dollars, including all matching funds necessary to obtain federal and state workforce development funds.

(E) create a timeline and a plan for further centralizing centralization of workforce development efforts under the DEWD in order to maximize efficiency and effectiveness consistent with the Workforce Development Strategic Plan, WIA, and this Chapter. This plan shall be approved by the Board of Supervisors, and shall be implemented beginning in fiscal year 2008-2009-2010.

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

(6f) Work closely with the San Francisco Workforce Investment Board (“WISE”) to coordinate and streamline workforce development services for job seekers and employers in the City, consistent with the WIA and this Chapter.

(7g) Assume the management of the First Source Hiring Program. (b) In addition, to the extent consistent with the Charter, the Director shall administer all funds that the City budget appropriates to fund the First Source Hiring Program.

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

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

(2) include representatives from all City departments that provide workforce development programs and services, the Controller’s Office, the Budget Analyst’s Office,
[business?] and from community-based organizations providing workforce development services on behalf of the City;

3 (3) identify the component programs and services integral to successful employment readiness, training and retention;

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

SEC. 30.5. CITY DEPARTMENT RESPONSIBILITIES. Subject to the City Charter, local, state and federal law:

(a) All City departments engaged in workforce development programs and services shall (1) provide information regarding all federal, state and local Workforce Development funds to the Director within 30 days of the effective date of this ordinance, (2) follow the Director's strategic direction for such activities and (3) not implement any new workforce development efforts without the approval of the Director.

(b) In Phase 1, as described in Section 30.4(d)(1), the department head of each department that administers workforce development funds shall enter into a Memorandum of Understanding with the DEWD, or successor department, explaining each department's responsibilities and setting forth measurable outcomes as a condition of administering and/or receiving any local, including all general fund, workforce development funding from the DEWD. Each departmental Memorandum of Understanding shall also set forth the department's workforce development budget and program plans. Finally, City departments shall track and report back to the Director job seeker and employer services outcomes and shall respond to other reasonable requests for data from the Director.

(c) In Phase 2, as described in Section 30.4(d)(2), the department head of each department that administers workforce development funds shall, enter into a Memorandum of
Understanding with the DEWD, or successor department, explaining each department’s responsibilities and setting forth measurable outcomes as a condition of administering and/or receiving any federal, state and local, including all general fund, workforce development funding from the DEWD. Each departmental Memorandum of Understanding shall also set forth the department’s workforce development budget and program plans. Finally, City departments shall track and report back to the Director job seeker and employer services outcomes and shall respond to other reasonable requests for data from the Director.

(d) Beginning in Fiscal Year 2008-2009, the department head of each department that administers workforce development funds shall administer the Identified Workforce Development Funds and Identified Workforce Development Expenditures in accordance with the annual Approved Funding Allocation Plan.

(e) Beginning in Fiscal Year 2009-2010, the department head of each department that administers workforce development funds shall comply with the timeline and a plan for centralizing workforce development efforts under the DEWD prepared by the Director as required in Section 30.4(d)(2) and approved by the Board of Supervisors.

SEC. 30.6. REPORTING REQUIREMENTS.

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

SEC. 30.7. LOCAL WORKFORCE INVESTMENT BOARD.
(a) Prior to making any appointments to the WISF, as set forth in the WIA, the Mayor shall submit the name of each nominee to the Board of Supervisors. Unless the Board of Supervisors disapproves a nominee within thirty days after receipt of the Notice of Appointment, the appointment shall become final. The Mayor need not submit WISF nominees to Board of Supervisors for approval, if the Mayor appoints two (2) members of the Board of Supervisors to the WISF.

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

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

(d) (1) A seven (7) member committee ("Committee") shall be convened to serve in an advisory capacity to the WISF. This committee shall include members representing workforce development service providers and other community-based organizations serving low-income San Francisco residents and those with barriers to employment. The Committee shall advise the WISF on workforce system priorities, client needs and services.

(2) The Board of Supervisors shall appoint four (4) members to the Committee. The Transitional Youth Task Force shall appoint one (1) member to the Committee; the Local Homeless Coordinating Board shall appoint one (1) member to the Committee; the San Francisco Safe Communities Re-Entry Council shall appoint one (1) member to the Committee. All Committee members must be staff and/or Board members of 501c3 organizations.

(3) All Committee members will be appointed to serve for a two year term, and all Committee members and/or the organizations they represent will serve for no more than two (2) consecutive terms. The terms are to be staggered. Therefore, at the first meeting of the
Committee, the members will draw lots to determine which three (3) members will serve for one (1) year.

(4) The Chair of the Committee and/or the organization he/she represents may not receive any funds for workforce development efforts from any department or agency of the City and County of San Francisco during his/her term of appointment as Chair, nor for a minimum of two years following the conclusion of his/her Committee service. The Committee will annually nominate a Committee Chair (from among its membership), to be appointed by the WISF.

SEC. 30.8. SEVERABILITY.

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

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

SEC. 83.6. FIRST SOURCE HIRING ADMINISTRATION.

(a) Establishment and Composition. A First Source Hiring Administration ("FSHA") is hereby established for the purpose set forth in Subsection (b) below. The FSHA shall consist of the following: (1) the Mayor or his/her designee from the Mayor’s Office of Economic and Workforce Development; (2) the Executive Director of the Human Services Agency, or his/her designee; (3) the Director of the Mayor’s Office of Community Development, or his/her designee; (4) the President Chair of Workforce Investment San Francisco the Private Industry Council, or his/her designee; (5) the Chancellor of the City College of San Francisco or his/her designee; (6) other City department representatives appointed by the FSHA as necessary from time to time; and (7) other San Francisco Supervisors Mirkarimi, Peskin, Ammiano and Maxwell
governmental agency representatives participating in the First Source Hiring Program and
invited by the FSHA.

The Department of Economic and Workforce Development shall manage and provide staff for the
FSHA.

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

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

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

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

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

(5) Developing written regulations to implement first source hiring;
(6) Entering into cooperative agreements with other San Francisco governmental agencies, including, but not limited to, the Housing Authority, the Redevelopment Agency, the In-Home Supportive Services Public Authority, and the Parking Authority, consistent with the laws governing such agencies and consistent with the purpose of this Chapter;

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

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

(9) Submitting all approved first source hiring implementation and monitoring plans ("approved plan") to the Workforce Development Advisory Committee for review;
(10) Developing effective outreach, education, support services for, and recognition of, employers.

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

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

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

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

By: JENNIFER K. WILLIAMS
Deputy City Attorney
Ordinance amending the San Francisco Administrative Code by adding a new Chapter 30, Sections 30.1 through 30.8, to: 1) centralize the City's workforce development policy and oversight under the Department of Economic and Workforce Development (DEWD), or successor department; 2) require the Director of Economic and Workforce Development to manage all general fund expenditures on workforce development, create City-wide workforce development policy, develop a Funding Allocation Plan for workforce development funds and annually report on workforce development policies to the Board of Supervisors; 3) require City departments to enter into Memoranda of Understanding with DEWD as a condition of administering workforce development dollars; 4) require the Mayor to submit the names of prospective appointees to the Local Work Force Investment Board to the Board of Supervisors for approval or to appoint two members of the Board of Supervisors to the Local Workforce Investment Board; 5) create a community advisory committee to the Local Workforce Investment Board; and, 6) require that the Workforce Investment Act Local Plan be submitted for review and comment to the Board of Supervisors, and by amending Administrative Code Section 83.6 to place the administration of the First Source Hiring Program under the DEWD.

August 14, 2007 Board of Supervisors — SUBSTITUTED

November 13, 2007 Board of Supervisors — PASSED ON FIRST READING
Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

November 20, 2007 Board of Supervisors — FINALLY PASSED
Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
I hereby certify that the foregoing Ordinance was FINALLY PASSED on November 20, 2007 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom