

Memorandum



CITY OF DALLAS

DATE January 12, 2018

Members of the Economic Development & Housing Committee: Tennell Atkins, Chair,
TO Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Workforce Readiness, Placement and Retention Program Update**

On January 16, 2018, the Economic Development and Housing Committee will be briefed on the status of the Workforce Readiness, Placement and Retention pilot program.

Summary

The Office of Economic Development (OED) has met with the four (4) contractors who are participants in the Workforce Readiness, Placement and Retention Program (Program) and obtained status updates from each. Staff is proposing amendments to improve the effectiveness of and increase participation in the Program, and is also recommending issuance of an RFP to reallocate \$375,000 in Program funding foregone by one participant.

Background

On May 10, 2017, the Dallas City Council approved pilot program and funding for the Program in an amount not to exceed \$1.5 million (Public/Private Partnership Fund) to provide career pathways training for the unemployed and underemployed residents in the City of Dallas. The following entities were each awarded \$375,000:

Entity	Program
Serve West Dallas	Population Served: Out-of-School Youth <i>Area of Service: West Dallas</i> Industry: Healthcare (Patient Care Techs) Partners: El Centro Community College, Baylor University Medical Center, Anthem Strong Families, Young Life, Mercy Street
City Square	Population Served: Formerly Incarcerated <i>Area of Service: Southern Sector</i> Industry: Construction Partners: North Lake College, Construction Education Foundation, Mastek Engineering
Transformance, Inc.	Population Served: Single Parents <i>Area of Service: North of I30</i> Industry: Logistics; Partners: Mountain View College, Inspiring Tomorrow's Leaders, & Amazon
Dallas Area Habitat for Humanity	Population Served: Out-of-School Youth <i>Area of Service: South Dallas/Fair Park</i> Industry: Construction Partners: None

Program Update

In December 2017, each of the participants provided an update regarding their performance.

- One participant, Serve West Dallas, is on track to satisfy its contractual goals.
- One participant, Dallas Area Habitat for Humanity, determined that the contract would require significant changes to its business model and require it to hire additional staff at a cost that Habitat could not absorb. Habitat terminated its contract in November of 2017.
- The other two participants are not on track to comply with their contractual agreements.
- A detailed summary of the status of each of the three remaining contracts is attached as Attachment 1.

Program Issues

Staff determined that three main issues have hindered the success of the Program:

1. **ADMINISTRATIVE DELAY:** While Council approved the program funding and execution of contracts with the four grant recipients in May of 2017, the contracts were not executed until October of 2017. This delay was created due to the old staff process of sending files to the City Attorney's Office after Council approval. The new staff procedure requires that items have been submitted to the City Attorney's Office prior to placement of an item on the Council agenda, with the goal so this sort of administrative delay should not occur in the future. To address the impacts of this delay, staff recommends that the deadlines in each contract should be extended by six months.
2. **POPULATION AND BOUNDARY LIMITATIONS:** The program design limits the geographic area in which each agency may operate, and limit the populations that each program may serve. For example, Transformance, Inc. can only offer its program to single parents who live north of I-30. Married or childless persons who live north of I-30 are excluded from the program, as are all residents south of I-30. Staff recommends that the geographic boundaries of the programs be removed entirely, and that the population requirements be changed to a population preference.
3. **AWARENESS AND OUTREACH:** Low participation in the programs indicates that awareness of the availability of the programs may be limited. Staff is committed to marketing the programs to maximize participation and ensure success. We will work with other workforce agencies such as Workforce Solutions of Greater Dallas to build a stream of client referrals to the participating agencies. OED will also ramp up social media and other marketing efforts to increase awareness of the programs. Finally, staff will coordinate efforts with the Chief Resiliency Officer and the Chief of Community Services.

Next Steps

Staff proposes the following next steps:

1. **RE-ALLOCATE UNUSED FUNDING:** An RFP will be issued as soon as possible to re-allocate the \$375,000 in unused Habitat funding to a new entity. Staff anticipates that the RFP will be issued in early February and an item to approve the re-allocation of funding will come to Council in April of 2018.

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2. **CONTRACT AMENDMENTS:** Staff will bring an item to Council in February to amend the three remaining contracts to remove the geographic restrictions, to change the population requirements to a population preference, and to extend the deadlines in the contracts by 6 months.
3. **COMMITTEE FOLLOW UP:** Staff will follow up with this Committee six months after the contracts are amended to report on whether the changes have improved program effectiveness.

Alternatives

If no action is taken, the participating agencies will continue to experience low participation and may not achieve their contractual goals.

Alternatively, the forfeited \$375,000 could be held until completion of the Economic Development Strategic Plan is complete. The strategy may identify other recommendations to address workforce development, and the funds could be deployed to address those new recommendations.

Fiscal Impact

No additional fiscal impact as the funds have already been allocated for the Program during FY 2016-17.

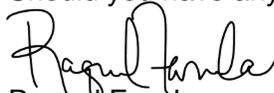
Departments/Committee Coordination

OED will work with other workforce agencies as well as the Chiefs of Resiliency and Community Services to increase awareness and participation in the Program.

Staff Recommendation

Staff recommends that the Economic Development and Housing Committee approve the issuance of an RFP to re-allocate the forfeited funds, and approve the proposed amendments to the three existing contracts.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela

Chief of Economic Development & Neighborhood Services

Attachment

c:	T.C. Broadnax, City Manager	Jo M. (Jody) Puckett, Assistant City Manager (Interim)
	Larry Casto, City Attorney	Jon Fortune, Assistant City Manager
	Craig D. Kinton, City Auditor	Joey Zapata, Assistant City Manager
	Billierae Johnson, City Secretary (Interim)	M. Elizabeth Reich, Chief Financial Officer
	Daniel F. Solis, Administrative Judge	Nadia Chandler Hardy, Chief of Community Services
	Kimberly Bizzor Tolbert, Chief of Staff to the City Manager	Theresa O'Donnell, Chief of Resilience
	Majed A. Al-Ghafry, Assistant City Manager	Directors and Assistant Directors

Attachment 1

Status Updates

Serve West Dallas (Program name: Step Forward)

Contractual Requirement	Performance as of December 2017
<ul style="list-style-type: none"> • Serve total of 60 individuals (minimum of 75% must be trained, placed, and retained by the end of the contract period) • Enroll 15 Fellows every 3 months into Patient Care Training program (Schedule established) – Total 4 Cohorts • Baylor University Medical Center (BUMC) will hire 40 Fellows after they successfully complete the program • 20 individuals will be hired by another Healthcare sector employer (partnership agreement is currently being established with Parkland Hospital) • Provide Case Management to 100% of individuals of each cohort during training and post-employment (6–12 months) 	<ul style="list-style-type: none"> • To date, Serve West Dallas has achieved 48.3% of its contractual goal by serving 29 of the required 60 individuals as stated in the contract. • 18 of the 29 participants in the 2 cohorts have completed patient care technician training at El Centro Community College with the remaining 11 participants currently enrolled in the program. • 2 of the 4 required cohorts have occurred (50% of the contract requirement). • 10 of the required 40 individuals have been hired at BUMC (25% of the contract requirement). • Serve West Dallas is in the process of negotiating partnership agreement with Parkland Hospital which should be finalized in the next 90 days. • Overall, Serve West Dallas is on target to meet its obligation.

City Square (Program name: WorkPaths Build4Success)

Contractual Requirement	Performance as of December 2017
<ul style="list-style-type: none"> • Serve a total of 90 individuals (a minimum of 75% (68) must be trained, placed, and retained) • 45 participants per year will be enrolled in the program • 45 participants per year will receive supportive services • Provide 100% Case management retention services 	<ul style="list-style-type: none"> • To date, City Square has served 13 of the required 90 participants or 14.4% of its goal. • Thirteen (13) of the six (6) participants have completed the training program with the remaining seven (7) currently enrolled in the training program. • All six (6) of the individuals who have completed the training program have also attained a credential in the construction industry. • Additionally, 5 of the 6 six graduates from the program are employed in the industry as electrical apprentices. • At this time, City Square is not on target to meet its goals. The grantee plans to improve its outreach under the program to increase its

	<p>participation rate going forward which shall include an improved marketing strategy.</p> <ul style="list-style-type: none"> • City Square agrees that the boundary restrictions and the lack of unified marketing platform have hindered their performance as its relates to the program.
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Transformance (CLASP – Career Ladder Advancing Single Parents)

Contractual Requirement	Performance as of December 2017
<ul style="list-style-type: none"> • Serve a total of 100 individuals (a minimum of 75% must be trained, placed, and retained in employment a minimum of 6 months) • Recruit and enroll 25 students in each Cohort with a maximum of 4 Cohorts. • Recruit and enroll 25 students in Logistics Certification training with Mountain View College for each Cohort. • Place a minimum of 75 individuals in positions available at Amazon and other Warehouse Employers • Provide 100 % Case Management to program participants 	<ul style="list-style-type: none"> • Transformance has served 15 of the required 100 individuals under the program (15% of its goal). • 2 of the 4 cohorts have been held (50% of its goal). • The participation in the two (2) cohorts that were held had 15 participants, which was below the required 50 participants associated with the cohorts 1 and 2 combined (42% of its goal). • Transformance is not on track to meet its contractual obligation. Going forward, the grantee plans to meet its targets by strengthening its community partnerships to improve its performance. • Transformance also supports the recommended program modifications to improve their performance and overall effectiveness of the workforce development program.

Workforce Readiness, Placement, and Retention Program

Courtney D. Pogue
Director
Office of Economic
Development



City of Dallas

Presentation Overview

- Background/History
- Program Updates
- Issues
- Proposed Program Changes
- Next Steps

Background/History

- What is the Workforce Readiness, Placement and Retention Program?
 - On May 10, 2017, the Dallas City Council approved the Workforce Readiness, Placement and Retention Program.
 - The program was developed in response to a skills gap report funded by JPMorgan Chase and presented to the City on March 2, 2016.
 - The purpose of the program is provide career pathways for the unemployed and underemployed residents in the City of Dallas.
 - The total program funding is \$1.5MM.

Background/History

Entity	Population Served	Area of Service	Industry	Funding Amount Approved
Transformance, Inc.	Single Parents	North of I30	Logistics	\$375,000
Serve West Dallas	Out of School Youth	West Dallas	Healthcare	\$375,000
City Square	Formerly Incarcerated	Southern Dallas	Construction	\$375,000
Dallas Area Habitat for Humanity	Out of School Youth	South Dallas/Fair Park	Construction	\$375,000



Program Update: Transformance, Inc.

Contract Requirement	Status Update as of December 2017
Serve 100 individuals	15 individuals served (15%)
Hold 4 cohorts with 25 students in each cohort	2 of the 4 cohorts have been held (50%) 15 students in 2 cohorts (30%)
Enroll 25 students in Logistics Certification at Mountain View	10 of 25 students enrolled (40%)
75 individuals in positions with Amazon and other warehouses	0 of 75 have been placed (0%)

Transformance, Inc. is not on track to meet its contractual obligations.

Program Update: Serve West Dallas

Contract Requirement	Status Update as of December 2017
Serve 60 individuals	29 individuals have been served (48.33%)
Enroll 15 fellows every 3 months for 4 cohorts for Patient Care Tech Training	2 of the 4 cohorts have been held (50%) 29 participants in 2 cohorts (97%)
Baylor University Medical Center will hire 40 fellows	10 of 40 have been hired (25%)
Partnership Agreement with Parkland Hospital	Agreement is being negotiated

Serve West Dallas is on track to meet its contractual obligation

Program Update: City Square

Contract Requirement	Status Update as of December 2017
Serve 90 individuals	13 individuals served (14.4%)
68 placed in the construction industry	5 of 68 have been placed in the construction industry (7.3%)

City Square is not on track to meet its contractual obligations.

Program Update: Habitat for Humanity

Under new leadership, the contract was evaluated and Habitat determined that the contract would require significant changes to their business model and require them to hire additional staff at a cost that Habitat cannot absorb.

Habitat will not move forward with the program.

Issues

- Geographic and population restrictions
 - Each program is limited to a specific geography, and can only serve a specific population within that geography
- Late start of the program
 - Council approval was in May of 2017, but contracts were not executed until Fall of 2017. Staff procedures have been amended to ensure that contract drafting requests are submitted to CAO prior to council approval, which should prevent this issue in the future.
- Lack of awareness of the program
 - Low participation in the programs indicates that awareness of the availability of the programs may be limited.

Proposed Program Changes

- Eliminate geographic restrictions.
- Convert population requirements to population preferences.
- Extend all contract deadlines by six months.
- Market the programs to drive awareness, and coordinate with other City efforts and other workforce entities to increase referrals to the programs.
- Issue an RFP to re-allocate the \$375,000 that was foregone by Habitat.

Next Steps

1. An RFP will be issued by February to re-allocate available funding to a new agency.
2. Staff will bring an item to Council in February to amend the three existing contracts to remove the geographic boundaries, change the population requirements to a preference, and extend the deadlines six months.

Workforce Readiness, Placement, and Retention Program

Courtney D. Pogue,
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