

REPORT TO COUNCIL

SUBJECT

Approve NOVA Strategic Local Plan and Approve NOVA as Career Services Provider at Sunnyvale NOVA Job Center

BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA) requires local workforce development boards in a planning region (Regional Planning Unit or RPU) to engage in a regional planning process resulting in the preparation and submission of a single regional plan that describes workforce development activities and service strategies and that incorporates local plans for each of the local areas within the planning region. The Bay-Peninsula RPU includes the workforce boards located in the counties of Santa Clara, San Mateo, San Benito, and San Francisco.

The State Plan is the controlling policy document for regional and local plans. It sets the State's policy direction for these plans and serves as a conceptual map for local boards and their partners as they jointly develop the regional and local plans. The State Plan also designates required regional partners, including industry sector leaders, economic development, community colleges, adult education, and the Department of Rehabilitation. The Plan encourages the participation of other organizations including community-based organizations and nonprofits. The primary purpose of the local plans and partnerships is to facilitate access to services at the local level.

The State issued guidance for preparation of the regional and local plans with a specific framework and guidelines for required content. The local plans will be submitted concurrently with the regional plan; both the regional and local plans are due March 15, 2017.

The State also issued guidance relative to selection of career services providers at the America's Job Center of California (AJCC) locations such as the NOVA Job Center in Sunnyvale. A local board has flexibility to provide career services itself with approval of the Chief Elected Official and the Governor. NOVA intends to apply to continue to be the adult and dislocated worker provider of career services at the NOVA Job Center in Sunnyvale. Upon approval by Council, the application will be sent to the Governor for approval.

Embedded in NOVA's local plan is the structure for delivering services to job seekers. With input from partners and community stakeholders and approval by the NOVA Workforce Board, the plan designates NOVA as the service provider at the Job Center in Sunnyvale and states NOVA's intention to solicit proposals for providers of services in San Mateo County.

It is recommended that Council approve NOVA's strategic local plan and approve NOVA to be the provider of career services at the Sunnyvale NOVA Job Center.

EXISTING POLICY

Council Policy 5.1.1: Socio-Economic - Goals and Policies: Education and Training Goal 5.1F:

Provide job training and employment services, within constraints of operative Federal regulations and available Federal funding, to address the locally-determined employment and training needs of economically disadvantaged residents and others with special needs.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental, organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

NOVA Strategic Local Plan

The State WIOA Strategic Plan sets out seven policy strategies: 1) Sector strategies, 2) Regional partnerships, 3) Career pathways, 4) Earn and learn strategies, 5) Cross-system data capacity, 6) Integrated service delivery, and 7) Supportive services. Local plans are required to provide detail on how they will align with and support these seven strategies.

As part of the local plan process, NOVA revisited the ten priority strategies developed by the NOVA Workforce Board in 2013. The strategies were updated to reflect the current economy and new WIOA requirements. All core partners were able to participate in this process, thus ensuring a full description and alignment of strategies that will be the center of relationship building and staff cross-training. The proposed priority strategies were approved by the NOVA Workforce Board at its September 28, 2016 meeting and are as follows:

- Align with sector strategies
- Form strategic partnerships
- Support career pathways
- Utilize earn and learn strategies
- Serve as lead for Information and Communication Technologies (ICT) and Health Care sectors
- Explore and disseminate real-time labor market intelligence strategies
- Promote business engagement
- Reimagine youth program
- Pursue and leverage resource development and braiding
- Assist with supportive services

NOVA's ten priority strategies form the basis of the Local Plan. Additionally, the Local Plan includes an Executive Summary providing an overview of our local economy and workforce strategy, followed by sections on vision for the local area, specific service delivery strategies, America's Job Center of California (AJCC) system and partners including employer engagement, information on specific programs and partners, training activities, performance goals, and details related to administration and procurement. The full plan is attached to this report (Attachment 1).

On December 22, 2016, NOVA's Local Plan was released for public input and comment to customers, partners, stakeholders, and the broader community. The Plan is available on NOVA's website and has also been advertised in the *San Jose Mercury News* and distributed through social

media. As part of the final Local Plan, NOVA is required to include a summary of public comments received that disagree with the local plan and how the input was considered. The public comment period closed on January 12, 2017. NOVA received no comments that disagreed with the plan.

The NOVA Workforce Board approved the Plan at its meeting of January 25, 2017. Following approval by Council, the fully approved Local Plan will be submitted to the State as an attachment to the Regional Plan. Following the State's conditional approval of the Regional Plan in July, documentation of Chief Local Elected Official approval must be submitted by August 1, 2017. A Report to Council summarizing the Regional Plan and seeking Council approval will be scheduled for July 2017.

NOVA as Career Services Provider

Per State guidance, local boards have the flexibility to provide adult and dislocated worker career services at AJCC locations themselves, as recommended in the Local Plan, with the agreement of the Chief Elected Official and the Governor. NOVA will apply to the State for NOVA to continue to be the provider of services at its Sunnyvale location, primarily serving northern Santa Clara County. NOVA will be soliciting proposals for providers of services in San Mateo County through a competitive Request for Proposals process. Council approval of contracts recommended for funding through this process will be sought in late May or early June 2017.

There are several factors that guided NOVA's decision to apply to be the provider of adult and dislocated worker career services for the Sunnyvale location:

- 1) **Demonstrated Experience:** NOVA has over thirty years of demonstrated experience and expertise directly providing award-winning adult and dislocated worker career services at the NOVA Job Center in Sunnyvale to Silicon Valley's residents and employers.
- 2) **Effectiveness and Accountability:** NOVA has consistently met and exceeded its performance goals and measures in delivering quality career services to adults and dislocated workers and has consistently received high scores in all of its customer satisfaction surveys.
- 3) **Efficiencies:** NOVA utilizes a service delivery model that enables NOVA to serve more customers. This past year, the NOVA Job Center in Sunnyvale served 4,345 customers, with 41,707 visits for 54,984 career services. The result is that NOVA's cost per customer is significantly lower than other workforce areas. For example, last year NOVA's cost per enrolled adult customer was \$1,065, compared to three neighboring workforce areas that are 54% higher, 135% higher and 166% higher, respectively.
- 4) **Administrative and Fiscal Oversight:** The City of Sunnyvale serves as the Chief Elected Official for the NOVA consortium and the administrative and fiscal agent for NOVA. The NOVA Workforce Board serves as the governing board for NOVA performing all necessary oversight, monitoring and evaluation of NOVA's services as defined under WIOA and through a written agreement between the City of Sunnyvale and NOVA Workforce Board. This administrative structure ensures a high degree of oversight and internal checks and balances.
- 5) **City of Sunnyvale (Chief Elected Official) Policy:** The NOVA Job Center is staffed by City of Sunnyvale employees. The Sunnyvale City Council Policy 7.3.6 establishes guidelines for considering alternative methods of service delivery and defines superior service value as better service at lower cost, better service at equal cost, or equal service at lower cost. Given NOVA's superior services at a significant lower cost than comparable entities, the prudent decision is for NOVA to continue to directly provide adult and dislocated worker career services at the NOVA Job Center in Sunnyvale versus seeking alternative providers.

Part of NOVA's application to the Governor to provide services directly includes a justification for how program participants will be better served under this arrangement. In this region, it would be difficult to find another administrative entity like NOVA with the track record of performance in winning competitive funding, collaborating with partners and stakeholders, delivering quality services, and exercising prudent contract management that NOVA has demonstrated over many years. In addition, in the high cost environment of Silicon Valley, with low unemployment and poverty resulting in low WIOA formula funding allocations, the pool of potential bidders would be relatively small. The last round of procurement in San Mateo County resulted in only three bids, two from out of the area. Also, multi-purpose community-based organizations often have difficulty meeting the complex requirements stipulated under WIOA for documenting eligibility, services, and expenditures. Finally, out-of-area organizations have a steep learning curve when it comes to the local economy and the high cost of space and staff. The lack of familiarity with the unique Silicon Valley economy, which requires adapting to rapid and continuous churn, would entail a long ramp-up time and constitute a high barrier to performance.

NOVA is well known for providing innovative, effective and efficient career services in this community and is qualified to provide career services as it has for over thirty years. Customers have consistently rated NOVA as an exemplary program. This past year, through the NOVA Job Center customer satisfaction survey that is distributed twice a year to all of its customers, 95% of respondents were satisfied with the level of customer service, 93% were satisfied with the quality/helpfulness of the career advising; and 96% were satisfied with the overall quality of offerings at the Job Center.

FISCAL IMPACT

The source of funds for the services is WIOA funds. Since funds are obligated to programs only based upon appropriations dedicated to NOVA, sufficient WIOA funds currently exist to cover all anticipated obligations of day-to-day program operations.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Approve the NOVA Strategic Local Plan and approve NOVA to be the adult and dislocated worker career services provider at the Sunnyvale NOVA Job Center.

Prepared by: Jeanette Langdell, Employment Training Manager
Reviewed by: Kris Stadelman, Director, NOVA Workforce Services
Reviewed by: Walter C. Rossmann, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. NOVA Local Plan
2. NOVA Career Services Application