

**WORKFORCE INVESTMENT SAN FRANCISCO**

**Local Workforce Investment Board for the City and County of San Francisco**

Minutes of The

May 19, 2023

Meeting of the

Workforce Investment San Francisco (WISF) Board Executive Committee

Office of Economic and Workforce Development

Meeting conducted in hybrid format on Zoom and in-person at

One South Van Ness, Fifth Floor, Room 5080

San Francisco, CA 94103

<b>WISF Executive Committee Members Present</b>	Jeanine Cotter, Luminalt Tony Delorio, Local Union No. 665 Vikrum Aiyer, ACLU
<b>WISF Members Absent</b>	Jorge Tapia, EDD Sam Rodriguez, Rodriguez Strategic Partners, LLC – Joined by Zoom
<b>Ohlone Land Acknowledgement, Announcements, &amp; Housekeeping</b> <i>(Discussion Item)</i>	Secretary Iris Rollins (OEWD) opened the meeting by reciting the Ohlone Land Acknowledgement and the meeting guidelines. Jeanine Cotter, Acting Chair, called the meeting to order at 9:03 A.M.
<b>Roll Call</b> <i>(Discussion Item)</i>	Acting Chair Cotter acknowledged the appointment of Tony Delorio and Virkum Aiyer. Iris Rollins, WISF Secretary, took attendance, and noted that Member Delorio would be tardy; therefore, quorum was not achieved.
<b>Chair's Welcome</b> <i>(Discussion Item)</i>	Acting Chair Cotter welcomed the members and the general public and asked Joshua Arce, Director of Workforce at Office of Economic and Workforce Development (OEWD), to introduce himself and his team. Director Arce introduced Deputy Director Janan Howell; Director of Workforce Strategy Chad Houston; Jen Hand, Workforce Alignment Manager; Glenn Eagleson, Workforce Policy Manager; and Secretary Iris Rollins. Director Arce called attention to the team's hard work.
<b>Adoption of Agenda</b> <i>(Action Item)</i>	Acting Chair Cotter acknowledged this item and noted that the board would return to these items when quorum was reached.

**Approval of Minutes  
from February  
17,2023**  
*(Action Item)*

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**Workforce Director's Report**  
*(Discussion Item)*

Acting Chair Cotter introduced Director Arce to provide updates to the Executive Committee. Director Arce shared that business leaders, labor leaders, and community leaders have joined forces to integrate workforce development with economic recovery efforts.

In March, San Francisco's unemployment rate stood at 3.0%, with 17,200 individuals unemployed. Prior to the pandemic, the unemployment rate was at or around 2%, with occasional fluctuations during the peak of the COVID-19 crisis.

Director Arce highlighted changes in employment indicators, noting that despite several layoffs in the tech industry, there are still 23,000 available tech jobs compared to December 2019. The demand for hotels and restaurants has also shown signs of recovery, narrowing the gap in the leisure and hospitality sector. The construction industry experienced a decline, possibly due to rainy weather, while job losses were observed in tenant improvement work. Retail trade also faced challenges, but these issues are being addressed as part of the Mayor's economic recovery plan. Director Arce shared budget details on mandatory two-year reductions to the OEWD budget. The budget is being finalized, and discussions are underway before its publication on June 1st. General Fund investments will be impacted, but not federal, state, and other sources.

OEWD hosted a successful job fair, with participation from the Hotel Council and new board members joining next month. More than 80 employers and over 1,000 job seekers participated, and many individuals secured on-the-spot interviews and jobs at local hotels. Director Arce highlighted a noteworthy partnership involving Olga Miranda, the head of the Janitors Union, SEIU Local 87. With 3,500 unemployed members in her union, a collaboration was established with Bauer's shuttle service to provide transportation from the union hall to hotels. This initiative allowed janitors who were out of work to apply for positions in the hotels, and they were warmly welcomed by the hotel employers. As a result, many of the janitors who attended the event without a job walked out with employment offers from local hotels. This successful effort demonstrates the positive impact that the workforce board can have in connecting job seekers with employers and facilitating job placements.

The City launched the Committee on City Workforce Alignment on April 25th. The Committee is responsible for creating an annual document that summarizes information about workforce programs from 24 different departments. In Fiscal Year 2020-2021, a total of \$143 million was spent citywide on workforce programs. The Committee comprises 10 departments and six public representatives, including representatives from community organizations and labor unions. The goal is to analyze and present data on program participation, completion, placement, average wages, and demographic information, highlighting success in achieving employment equity goals.

During the discussion, a member of the public named Nelson Chick raised a question in the Zoom chat regarding the absence of the Port of San Francisco among the listed San Francisco agencies. Through the Chair, Director Arce explained that the graph displayed during the presentation indicated that the Port did not participate in the summary and had made a smaller contribution to workforce development programs compared to other agencies.

Acting Chair Cotter expressed gratitude to Director Arce for his response and encouraged the members of the Executive Committee to engage in discussion.

Member Rodriguez commented on two points. Firstly, Member Rodriguez expressed his familiarity with and appreciation for Olga Miranda. Second, he commended the budget and asked if the department had identified personnel savings in preparation for the upcoming years, including whether any unfilled positions were being eliminated and whether the department intended to leverage funds to support staff positions.

Director Arce assured Member Rodriguez that OEWD does not anticipate reducing staff at its office. Regarding funding sources, Director Arce explained that most of the personnel at OEWD have their work funded through various federal, state, and local sources, and staff reflect these funding sources on their timesheets. Member Rodriguez expressed appreciation for the work of Director Arce and the entire staff, understanding the challenges of staffing swings in the past and commending their efforts in alignment with the Mayor's goals. Member Rodriguez indicated that he had no further questions.

Member Aiyer expressed gratitude to Member Rodriguez and posed a question to Director Arce. Member Aiyer acknowledged the tracking of performance on key indicators, such as the overall unemployment rate, but wondered if there should be a focus on targeted rates of improvement in specific industries that have been heavily impacted, such as mining, lodging, manufacturing, and trade. He suggested that the committee should consider measuring progress in these industries more granularly, even if it doesn't affect the overall unemployment rate. He emphasized the importance of ensuring that these hard-hit sectors are specifically accounted for in the data and efforts to support their recovery.

Director Arce acknowledged the importance of obtaining more granular data on unemployment, including data on neighborhood, race, gender, age, and disability. Currently, such data is only available once a year from the US Census Bureau's American Community Survey, which is sample-based and may have limitations in predicting unemployment rates for specific communities. Additionally, the geographic coverage of the California Employment Development Department unemployment data includes San

Francisco and San Mateo County, which makes it challenging to determine the specific impact in each location. Director Arce mentioned the collaboration with NOVAworks, the workforce board for San Mateo and Santa Clara, to communicate and assess the effectiveness of joint efforts. Director Arce then invited Deputy Director Howell and Director Houston to provide additional context.

Director Houston explained that the data is used to align procurement efforts and funding strategies, identifying areas where there may be deficits or opportunities for progress. Investments are then made based on this analysis. The team is currently examining data on unemployment rates by race in San Francisco over a five-year period to better understand the impact of their investments. Director Houston gave an example of investing in District 11, where the unemployment rate was higher compared to other parts of the city, and OEWD implementing a job center and resource hubs in the Excelsior neighborhood due to this analysis. The team continuously evaluates the data, explores different ways to interpret and present it, and assesses the alignment between investments and their impact over time.

Deputy Director Howell added to the discussion by mentioning recent procurement efforts to support the hospitality industry. OEWD has received feedback from partners in the Golden Gate Restaurant Association and the Hotel Council about the industry's needs. As a result, OEWD will be funding and collaborating with hospitality training providers. Additionally, OEWD is proactively procuring for "industries of opportunity," focusing on occupations or sectors in demand and aligning with the interests of job seekers and the community. These opportunities extend beyond the major sectors of technology, hospitality, construction, and healthcare. The aim is to address industry needs while also considering equity and partnering with providers who serve diverse job seekers.

Director Houston emphasized that OEWD's approach is not always program-specific. He provided the example of OEWD organizing a hospitality and small business job fair at the Port. Despite the industry being heavily affected by the pandemic, OEWD observed that from March 2022 to March 2023, the hospitality sector experienced the highest year-over-year growth at nearly 12%. Recognizing this growth and the industry's need for hiring, they decided to connect job seekers, including those who had been previously laid off from the hospitality industry, with available hospitality jobs through the job fair. This example illustrates their strategy of identifying opportunities and making investments in different areas aligned with the current needs and growth of specific industries.

Acting Chair Cotter expressed appreciation for the discussion and noted that there has been a decline in construction activity, specifically in religious, civic, professional, and construction grants over the last three months. Acting Chair Cotter mentioned factors such as rising interest rates, difficulty in obtaining credit, and adverse weather conditions in the first quarter that

could contribute to the decline in construction. Acting Chair Cotter then asked if there was any information on whether the permits submitted to San Francisco Department of Building Inspection (SFDBI) or planning permits have significantly dropped, as this could provide an indication of potential continued contraction or growth in the construction sector.

Director Arce acknowledged that OEWD didn't have immediate access to information regarding SFDBI permits or planning permits, and he indicated that OEWD could check on that data and provide an update if possible.

Acting Chair Cotter requested additional information on data variations in construction industry segments. Director Arce acknowledged the discussion and shared publicly posted California Employment Development Department unemployment data.

Additionally, the conversation briefly touched on the unemployment numbers. Member Delorio mentioned a previous rate of 3.0% unemployment rate, and Director Arce provided the current rates, stating that it is 2.7% for San Francisco County and 2.5% for San Mateo County as of data released early that morning.

Acting Chair Cotter asked Director Arce if one of the KPIs for the Workforce Division is cost per placement. Director Arce responded affirmatively that evaluating the cost per placement is one of OEWD's key performance indicators (KPIs). OEWD recognizes that individuals with significant barriers to employment often require more resources and support, which can result in a higher cost per placement compared to individuals who need minimal assistance. OEWD takes this into account when analyzing the effectiveness and efficiency of its programs. It is essential to ensure that the evaluation and decision-making process is fair and equitable, considering the unique needs and challenges faced by individuals with significant barriers. By incorporating these factors into analysis, OEWD aims to provide a comprehensive understanding of the cost-effectiveness of our programs and make informed decisions regarding resource allocation and program improvements. OEWD's goal is to maximize the impact and outcomes for all individuals seeking employment, particularly those facing significant barriers.

Acting Chair Cotter expressed appreciation for Director Arce's thoughtful response and acknowledged Member Delorio's arrival.

<p><b>Adoption of Agenda</b> <i>(Action Item)</i></p>	<p>At 10:00 am, quorum was reached when Member Delorio joined the in-person convening. Acting Chair Cotter called for the Adoption of the Agenda and requested comments from members. Seeing none, Acting Chair Cotter called for a motion to approve the meeting agenda. Member Delorio made the motion, and Member Aiyer seconded. The motion passed unanimously.</p>
<p><b>Approval of Minutes from February 17, 2023</b> <i>(Action Item)</i></p>	<p>Acting Chair Cotter called the Approval of the Minutes and requested comments from members. Seeing none, Acting Chair Cotter called for a motion to approve the minutes from the February 17th meeting. Member Delorio made the motion, and Member Aiyer seconded. The motion passed unanimously.</p>
<p><b>San Francisco WIOA MOU 2022-2025 Update</b> <i>(Action Item)</i></p>	<p>Acting Chair Cotter acknowledged that the San Francisco Workforce Innovation and Opportunity Act (WIOA) Memorandum of Understanding (MOU) requires the signatures of both the Executive Director of OEWD and herself. She mentioned that OEWD is seeking approval for her signature during the meeting. Acting Chair Cotter then welcomed Jesse Oettinger, the Associate Division Director of Workforce and Human Services at Social Policy Research Associates, to present on the item.</p> <p>Jesse Oettinger, an Associate Division Director at Social Policy Research Associates, thanked the Executive Committee for having her and introduced herself as the representative from the WIOA One-Stop Operator for the City and County of San Francisco. She explained that her role is to oversee the implementation of the MOU and provide administrative and policy review support. The MOU requires local partners to be signatories and work together to serve job seekers in the area. The MOU cycle is typically three years long with annual updates as needed. Partners are currently in the 2022-2025 cycle, and they have added the Native American Health Center as a new partner since the organization secured WIOA 166 funding from the Department of Labor. Director Oettinger provided an overview of WIOA and described the purpose of the MOU, which is to define shared customers, shared services, and shared costs in the local workforce area. She mentioned that the majority of the MOU is borrowed from EDD’s template, with some customization to describe the specific partnerships and responsibilities in San Francisco.</p> <p>Director Oettinger emphasized the importance of warm handoffs and information sharing among the partners to improve services and customer experience. She discussed the requirements of cost sharing and infrastructure costs. Director Oettinger expressed appreciation for the cooperation of the WIOA partners. She invited questions and feedback from the audience.</p> <p>Acting Chair Cotter opened the floor to comments from the Executive Committee. Seeing non, Acting Chair Cotter opened the floor to public comment.</p>

	<p>Seeing none, Acting Chair Cotter called for a motion to approve the MOU and a signature from the Chair. Member Delorio made the motion, and Member Aiyer seconded. The motion passed unanimously.</p>
<p><b>San Francisco Local Area Subsequent Designation and Recertification</b> (<i>Action Item</i>)</p>	<p>Acting Chair Cotter introduced Glenn Eagleson, Workforce Policy Manager, to present on the item.</p> <p>Mr. Eagleson presented a request for the approval of the Acting Chair's signature on an application for local area designation and local board recertification. He explained that the Workforce Innovation and Opportunity Act requires the governor to designate local areas and certify local boards for each area.</p> <p>Mr. Eagleson stated that the San Francisco area is one of the 45 local workforce areas in the state. The application consists of two parts. Firstly, to receive local area designation, the region must demonstrate successful performance based on criteria such as median earnings and employment rates. OEWD also needs to maintain fiscal integrity and engage in the regional planning process. Secondly, for local board recertification, the board must meet performance criteria, fiscal integrity requirements, and membership requirements specified in the WIOA legislation. The application includes a list of board members who fulfill the required categories.</p> <p>Mr. Eagleson also mentioned that WISF is compliant with the membership requirements. The application is for recertification for the period from July 1, 2023 to June 30, 2025. OEWD requested board approval for the Acting Chair's signature on the applications.</p> <p>Acting Chair Cotter called for a discussion on the application for local area designation and local board recertification.</p> <p>Member Aiyer asked for additional information on the difference between what's happening now and what would happen in the future if this were not approved.</p> <p>Mr. Eagleson reiterated that the action of obtaining the Acting Chair's signature on the applications for local area designation and local board recertification would serve as a continuation of the current status. It would ensure that the local area maintains its designation as a workforce area and that the local board retains its certification. This continuation of approval would allow the region to continue operating within the framework of the Workforce Innovation and Opportunity Act and receiving the associated benefits and resources.</p>



	<p>Seeing no more public comments, Acting Chair Cotter called for a motion to approve the application for Local Area Designation and Local Board Recertification. Member Delorio made the motion, and Member Aiyer seconded. The motion passed unanimously.</p>
<p><b>Future Discussion Items</b> <i>(Discussion Item)</i></p>	<p>Acting Chair Cotter skipped this item to allocate more time for public comment.</p>
<p><b>Public Comment on Non-Agenda Items</b> <i>(Discussion Item)</i></p>	<p>Acting Chair Cotter opened up the meeting for public comment.</p> <p>Henry Bartholomay, Opportunity@Work, asked Director Arce about the outlook for the tech industry, mentioning the historical growth of information technology (IT) jobs in San Francisco and the recent uncertainty and layoffs in the tech sector. He inquired about the perspectives of SFO WDS and employer partners regarding stability, growth, and market conditions in the tech industry six months to a year from now.</p> <p>Through the Chair, Director Arce mentioned that OEWD has received notices of layoffs from numerous IT and tech industry employers, including major companies, totaling in the thousands of impacted workers in San Francisco County. Around half of those affected are city residents, while others may have transitioned to remote work or relocated to different office locations. The downtown area is facing a significant challenge due to high vacancy rates, which has led to reductions in city services and departments. The focus is on stabilizing downtown through various strategies, such as tax proposals, tax credits, and potentially converting office units to residential spaces. The goal is to retain and attract tech employers while also diversifying industries, including a focus on life sciences. The approach is comprehensive, involving economic and workforce development efforts and exploring office-to-residential conversion as a potential solution. Director Arce offered to share a presentation on this topic, that was shared at the previous general WISF meeting in March 2023, for further information.</p>
<p><b>Adjournment</b> <i>(Action Item)</i></p>	<p>Acting Chair Cotter expressed gratitude to all the attendees for their participation in the meeting and invited any member comments before proceeding with a vote to adjourn.</p> <p>After receiving no comments, Acting Chair Cotter called for a motion to adjourn the meeting. Member Delorio made the motion, which was seconded by Member Aiyer and was unanimous. Members adjourned the meeting at 10:28 a.m.</p>