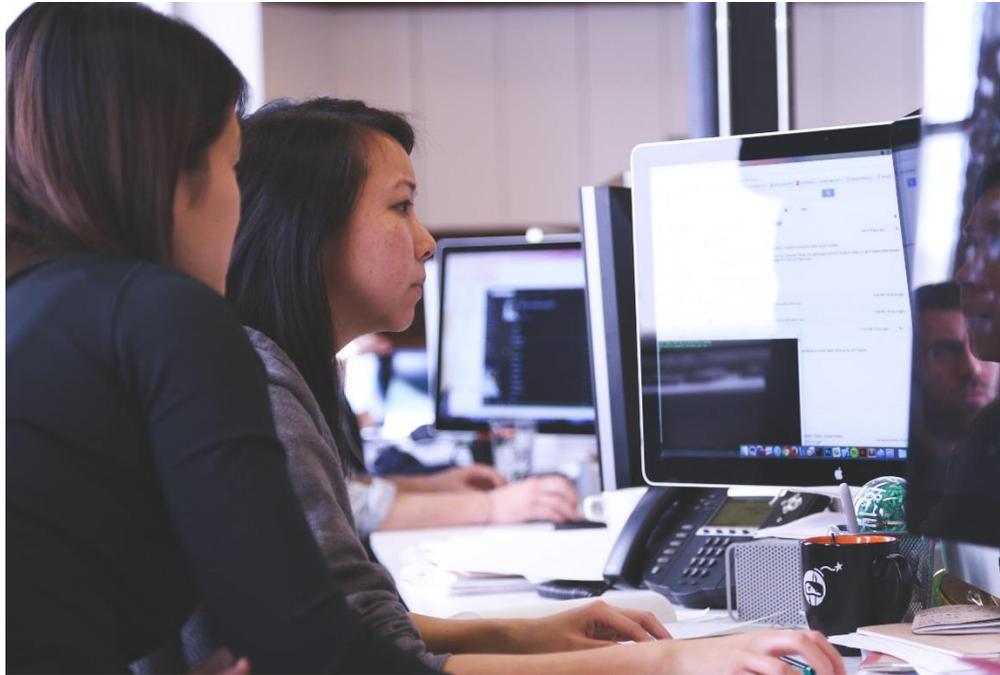


Boosting Coordination and Results of Workforce Development Services in San Francisco, California



Students taking online training courses.

As part of Bloomberg Philanthropies' What Works Cities initiative, the GPL provided pro bono technical assistance to help San Francisco improve its workforce development outcomes by 1) better aligning services, funding, and contracting across departments and 2) incorporating performance-based payments in contracts held by the Office of Economic and Workforce Development (OEWD).

The Problem: San Francisco has had strong job growth and low overall unemployment over the past few years. To ensure that all residents benefit from this prosperity, the City seeks to provide extensive support services and to connect individuals with high barriers to training and employment opportunities. The City invests over \$90 million annually in workforce services through 17 different departments, with most of the funds being spent through contracts with local community-based organizations. While the diversity of service providers is what makes San Francisco's workforce system strong, it also creates redundancies and inefficiencies. An assessment revealed that some of the 17 departments funded similar services for overlapping populations. Recognizing this, the City enacted legislation for all city departments to align and coordinate workforce services and tasked the OEWD to facilitate this initiative. The goals were to improve coordination among departments, maximize and leverage the various funding sources, decrease administrative costs, and ultimately improve and increase services to residents. Moreover, a better aligned system in which participants were triaged into the programs that best meet their needs—regardless of which department offers the services—would ensure that residents who are disconnected from the labor market are not left behind. The GPL's engagement supported this workforce alignment effort to create a better

workforce system for San Francisco's unemployed or underemployed job seekers, particularly those in low income communities.

Applying Results-Driven Contracting Strategies: To improve coordination and performance of San Francisco's workforce development services, the GPL helped San Francisco implement two primary strategies:

- 1) **Align contracting across the three largest departments that invest in workforce services.** To analyze all workforce contracts held by these three departments, the GPL administered a survey and developed a common dictionary of terms to identify a) the goals of the contracts, b) the types of program models receiving funding, c) the targeted populations, d) the outcomes that were tracked, and e) the common providers with which these departments contracted. Based on the analysis of this data, OEWD and GPL developed recommendations for improving system alignment by conducting joint procurements, reducing service overlaps and gaps to make sure that the array of services corresponds to the needs of the population, and coordinating outreach to participants to match them to appropriate programs regardless of departmental entry point. The team also helped San Francisco develop common metrics for tracking the performance of workforce services. By using consistent metrics across programs, these departments will be able to compare the performance of similar providers and better understand outcomes across the system as well as for specific target populations and program types. Building on GPL's work, OEWD convened a working group comprised of staff from city departments and service providers to refine metrics that will be collected in the City's annual Workforce Services Inventory.
- 2) **Incorporate performance incentives into service provider contracts.** The GPL worked with OEWD on how to structure a 10 percent performance-based payment to encourage providers to place individuals with high barriers into job pathways that pay significantly more than minimum wage. As part of a pilot, OEWD included the recommended payment structure in its contracts with American Job Centers (locally called Neighborhood Access Points and Comprehensive Access Points), and may expand performance incentives to other providers when renewing contracts. The services being funded through those contracts began in July 2017. After at least one year of administering the services under this new contract, OEWD will be able to measure whether more participants with high needs are employed in jobs that pay a higher wage.

The Results: The alignment work is already having a visible impact. The City identified two summer employment programs for youth run by two different departments (the Department of Children, Youth, and their Families and the Human Services Agency) that were providing the same services. One of the programs is federally funded, while the other is funded out of the City's general fund. Through the analysis, the GPL discovered that while the City-funded program was over-subscribed, the federally-funded program was under-subscribed. Since the provider and the services were nearly identical, the City was able to serve more youth by shifting individuals who were eligible for federal funding into the program with empty slots, expanding the number of youth receiving employment opportunities.