

REPORT TO THE CITY COUNCIL

City of Salinas, California

DATE: November 15, 2016

FROM: Ray Corpuz, City Manager

BY: Andrew Myrick, CEcD, EDPF, Economic Development Manager

SUBJECT: **MEMORANDUM OF UNDERSTANDING TO SUPPORT AN AGTECH AND
HEALTHCARE EMPLOYEMENT TRAINING PARTNERSHIP AMONG THE
CITIES OF THE SALINAS VALLEY AND HARTNELL COLLEGE**

RECOMMENDATION:

It is recommended that the City Council approve the attached Resolution approving a Memorandum of Understanding between the five Cities of the Salinas Valley and Hartnell Community College District.

DISCUSSION:

Background

The National Resource Network is a core component of the Obama Administration's "Strong Cities, Strong Communities" program. It consists of five organizations selected by HUD for their expertise in several fields and has been provided with \$10 million in funding. The primary goals of the Network are to assist economically distressed communities both by encouraging cross jurisdictional collaboration through the creation of relationships between jurisdictions all across the Country as well as providing direct technical assistance from their in-house group of experts.

In February 2015 the Cities of the Salinas Valley submitted a technical assistance application to the National Resource Network. In its application, the Cities cited the accelerating introduction of technology into agriculture, and the impact that this transformation will have on our workforce. The National Resource Network agreed to provide the assistance and assigned Jobs for the Future (JFF) to conduct the assistance.

Identification of Intermediary

JFF conducted a series of interviews in the Salinas Valley to determine what programs already existed and what measures should be taken in order to ensure that residents would have access to the necessary training to meet the needs of local businesses. In August 2015, JFF presented a series of recommendations. Among these recommendations was a proposal to create a sector-based intermediary. As noted in the attached Scope of Work presented by JFF, a sector-based intermediary is an organization who would be responsible for making connections between private businesses, workforce training providers, including schools, and civic institutions. The focus and goal of this is to

identify potential areas of service and collaboration with the end result being the availability of training programs that ensure that our residents are receiving the skills necessary to compete for jobs with our local companies. In this case, the intermediary would focus on the agriculture/agtech and health care sectors.

JFF conducted further research and interviews to determine if there were any local organizations that would be able to effectively serve as an intermediary organization. After thorough investigation, JFF came to the conclusion that Hartnell College would be the ideal organization to serve as the sector intermediary, for several reasons:

- 1) The Boundaries of the Hartnell Community College District encompass the entire Salinas Valley, enabling them to serve the entire population.
- 2) Hartnell College already has convened employers in the construction of Career Pathways in the agriculture/agtech and healthcare sectors.
- 3) Hartnell has the institutional capacity to identify, obtain, and manage grants or other funding in support of workforce development programs.

Additional information on JFF's recommendation of Hartnell College is discussed in more depth in the attached Intermediary Scope of Work and Intermediary Recommendations.

Program Management

Attached is a Draft MOU that details the funding and operations for the sector intermediary. Essentially, the MOU stipulates that Hartnell College would receive funding from the five Cities and would operate the Sector Intermediary. The five Cities would sit on a Board that would provide direction to Intermediary Staff and offer feedback on operations and strategy.

The term of the agreement would include the remainder of the current FY 16-17, and the entirety of FY 17-18 and 18-19. Costs for the current fiscal year would be covered by the Salinas Valley Enterprise Zone residual – the individual Cities would need to budget funds in FY 17-18 and 18-19 to cover the costs of those two years of operation. The intermediary would be managed by a Hartnell employee; based on a salary range of \$74,910 - \$89,579 plus benefits per year, an annual budget of approximately \$155,000 per year is proposed (this would include supplies, travel, and administrative overhead/incidental costs). The proposed cost per City would be \$0.75 per capita, which would result in payments roughly equivalent to the following:

City of Salinas:	\$115,600/year
City of Gonzales:	\$6,300/year
City of Soledad:	\$11,900/year
City of Greenfield:	\$12,500/year
City of King City:	\$9,900/year

Next Steps

The following steps would occur if the partnership is ratified by all five Cities and Hartnell College:

- 1) Hartnell College will conduct a recruitment process to hire the sector intermediary staff member.

- 2) Once staff is hired, the five Cities would convene the Advisory Group and provide input regarding interactions with existing bodies and organizations, priorities within their respective jurisdictions, and any other information deemed pertinent.
- 3) Intermediary staff would conduct a review of all funding and resources available throughout the region for workforce development. This will require coordination across education and workforce partners. This would allow for the creation of a baseline of the resources currently available to the community and an understanding of how they are being utilized.
- 4) Identify additional funding sources (for the intermediary organization or for other local organizations) that would help in the development of skills needed in the industry sector.

After two years, the Cities, Hartnell, and other organizations would review the program and make recommendations moving forward.

ISSUE:

Shall the City Council enter into a Memorandum of Understanding with Hartnell College and the cities of Gonzales, Soledad, Greenfield, and King City to create and operate a sector-based intermediary for a period of two and one-half (2½) years?

FISCAL IMPACT:

As noted above, the proposed MOU would have no fiscal impact during the current fiscal year, as all operations could be funded through the Salinas Valley Enterprise Zone residual fund. The City would incur expenses in FY 17-18 and FY 18-19 based upon its population at that time. It is estimated that these expenses would total approximately \$115,000 to \$120,000 per year, depending on population fluctuations.

TIME CONSIDERATIONS:

Adoption of the MOU by all jurisdictions would enable Hartnell to begin the process of hiring the new manager for the Intermediary. This process is estimated to take 60-120 days.

ALTERNATIVES/IMPLICATIONS:

The City could elect not to enter into the MOU. In this scenario, the proposed partnership would likely be abandoned.

CITY COUNCIL GOALS:

The proposed project will support the City Council Goal of Economic Development by assisting in the training of our residents to obtain the skills that will be needed as the agricultural and healthcare industries integrate new technologies into their practices.

CONCLUSIONS:

The National Resource Network has recommended the formation of sector-based intermediaries to help prepare the residents of the Salinas Valley for the jobs of the future. JFF has identified Hartnell College as the organization best suited to carry out that role. This partnership would increase Hartnell's ability to execute an intermediary organization while improving dialogue and coordination between the cities of the Salinas Valley and Hartnell College.

Back Up Pages:

RESOLUTION Approving the Memorandum of Understanding

Exhibit "A": Memorandum of Understanding

Intermediary Scope of Work

Intermediary Recommendations