

City of Milwaukee
Department of Administration
Business Operations Division
Emerging Business Enterprise Program

Disparity Study Recommendations
Programmatic Implementation Status Update

April 4, 2011

EXHIBIT # 1
AAMU: Barriers
to Employment
5-11-11

PENGAD 800-631-6989



Disparity Study Recommendations

In light of the Disparity Study findings, D. Wilson Consulting Group provided the following recommendations to the City of Milwaukee:

- I. Changes in Procedures and Practices
- II. Implementation of a Compliance Monitoring Tracking System
- III. Development and Implementation of a race/gender-conscious program
- IV. Monitoring expectations for M/W/SBE program
- V. Enhancements to the proposed M/W/SBE program



Disparity Study Recommendation

- I. **Changes in Procedures and Practices**
 - I. All City departments should review professional services contracts to identify subcontracting opportunities.
 - II. The City should consider adopting MMSDs payment policies for both prime contractors and subcontractors (30 days + 7 days vs. 60 days + 10 days)
 - III. Conduct random audits of prime contractors payments to EBE owned firms that requires documented proof of payments.
 - IV. Follow-up with EBE firms to ensure that they have been paid and actually participated in the contracting process.
 - V. Ensure that prime contractors are making timely and accurate subcontractor payments to EBE firms. This can be accomplished by reviewing and enhancing the current process for tracking payments made by primes to subcontractors.



Disparity Study Recommendation

II. Implementation of a Compliance Monitoring Tracking System

- I. Identify one (1) tracking system to collect and monitor all procurement activity, including contractors and subcontractors for all projects awarded;
- II. Establish and implement strict guidelines by type of procurement activity that includes pertinent information from requisition to final payment or completion of project
- III. The tracking system should be maintained for accuracy with quality control checks; and
- IV. The tracking system must include all awards and payments to ALL(EBE and non-EBE) contractors/vendors.



Disparity Study Recommendation

- ## III. Development and Implementation of race/gender-conscious program
- I. Set race/gender specific annual participation goals on construction and goods & services contracts;
 - II. Be limited to the Metropolitan Statistical Area.



Disparity Study Recommendation

IV. Monitoring expectations of M/W/SBE program

- I. Quarterly monitoring of the utilization of all M/W/SBEs to ensure that their utilization on construction, professional services, and goods & services contracts does not fall below their availability;
- II. Conduct an audit of the current compliance processes to determine their effectiveness and make modifications based on the findings. The audit should include validation of the information received from both prime and subcontractors.



Disparity Study Recommendation

V. Enhancements to the proposed M/W/SBE program:

- I. Develop and execute an outreach program to M/W/SBE firms to spread awareness of subcontracting opportunities;
- II. Develop and distribute marketing materials to all City Departments and M/W/SBE firms;
- III. Identify and make available business solidification assistance:
 - I. On-going education
 - II. Technical assistance
 - III. Financial assistance



Internal Transition Team

The Internal Transition Team consists of City Departmental Staff, who will work to insure that the City's procurement process encourages and provides opportunities for participation by a more diverse group of vendors and contractors.

Department	Team Member
Administration	Kimberly Montgomery
Common Council	Ald. Ashanti Hamilton
CA Office	Linda Burke, Kathy Block
DCD	Sandra Rotar, Scott Stange
DOA	Rhonda Kelsey
DPW	Ghassan Korban



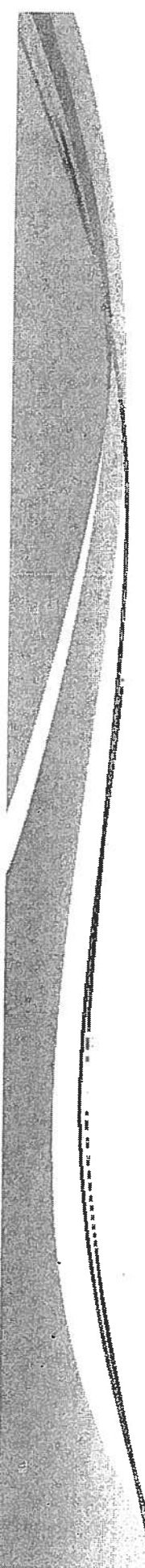
M/W/SBE Advisory Committee

The M/W/SBE Committee shall act as an Advisory Committee, working with City staff to review the proposed M/W/SBE program, and provide recommendations in support of program changes.

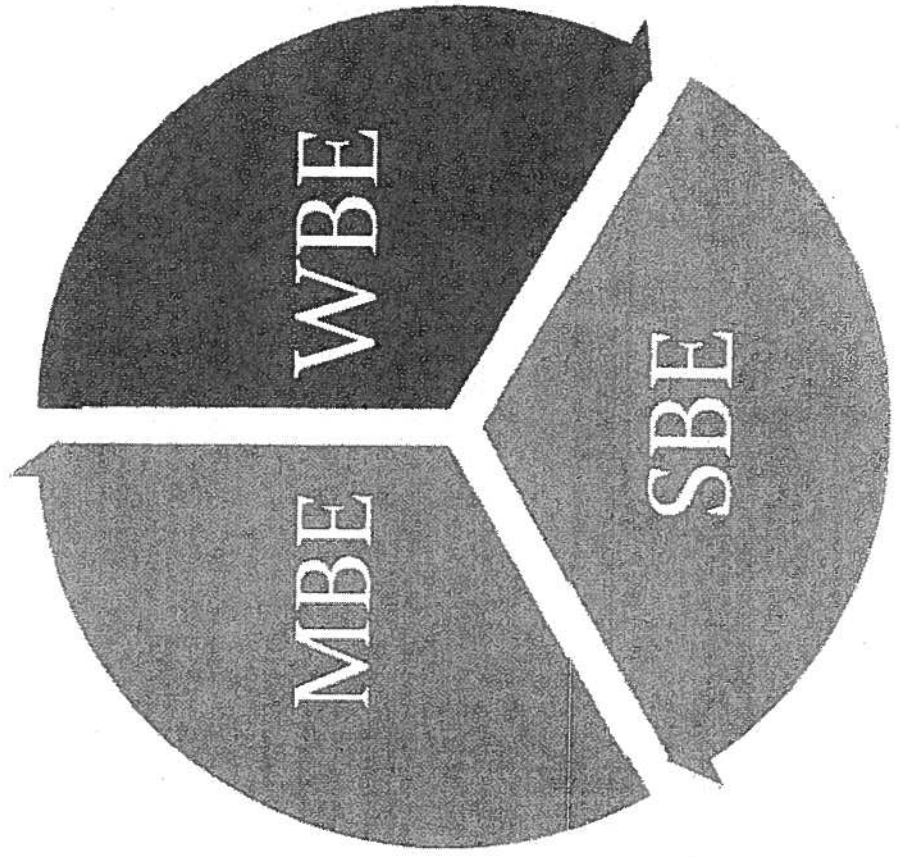
Organization	Representative
AACC	Curtiss Harris
HCCW	Maria Monreal-Cameron
Milw. County DBE	Freida Webb
MMSD	Pete Coffaro
MPS	Renee Taylor
Nutshell Enterprises	Tina Beckett

Estimated Timeline

Recommendation	Deadline Date	Status Update
Changes in Contracting Practices and Procedures	Propose by 4/4/11	<ul style="list-style-type: none"> • In progress by DOA • Ald. Davis – Payment Policy (PASSED) • Ald. Wade – EBE Reporting (PASSED)
Implementation of a Compliance Monitoring Software	Begin process to purchase by 3/31/11 Implementation will begin 4/11.	<ul style="list-style-type: none"> • Research complete • Funds available • Active Internal Team working on the transition.
Development and Implementation of race/gender-conscious program	Proposed by 4/4/11 Implementation will begin once approved by the Administration and Common Council	<ul style="list-style-type: none"> • Internal Transition Team actively engaged • External Advisory Committee actively engaged
Monitoring Expectations for M/W/SBE	Proposed by 4/4/11 Implementation will begin once approved by the Administration and Common Council	<ul style="list-style-type: none"> • Internal Transition Team is actively engaged
Enhancements to the proposed M/W/SBE program	Proposed by 4/4/11	<ul style="list-style-type: none"> • Collaborative team established: <ul style="list-style-type: none"> • DPW • MMMSD



Proposed Certification Program





Minority Business Enterprise

Proposed Certification Requirements

- Firm must be at least 51% owned, managed and controlled by one or more ethnic minorities. Ethnic minorities include the following groups:
 - African American
 - Asian-American
 - Hispanic
 - Native American
- Firm must be operational for at least one (1) year
- *Firm must have a physical business address located within the limits of Milwaukee, Ozaukee, Washington and Waukesha counties for at least one (1) year*
- Owner controls the day-to-day critical operations of the firm
- Owner(s) is/are a citizen or permanent, legal resident of the United States.



Woman Business Enterprise

Proposed Certification Requirements

- Firm must be at least 51% owned, managed and controlled by one or more females
- Firm must be operational for at least one (1) year
- *Firm must have a physical business address located within the limits of Milwaukee, Ozaukee, Washington and Waukesha counties for at least one (1) year*
- Owner controls the day-to-day critical operations of the firm
- Owner(s) is/are a citizen or permanent, legal resident of the United States



Small Business Enterprise

Proposed Certification Requirements

- Firm must be operational for at least one (1) year
- *Firm must have a physical business address located within the limits of the City of Milwaukee for at least one (1) year*
- Owner controls the day-to-day critical operations of the firm
- Owner(s) is/are a citizen or permanent, legal resident of the United States.

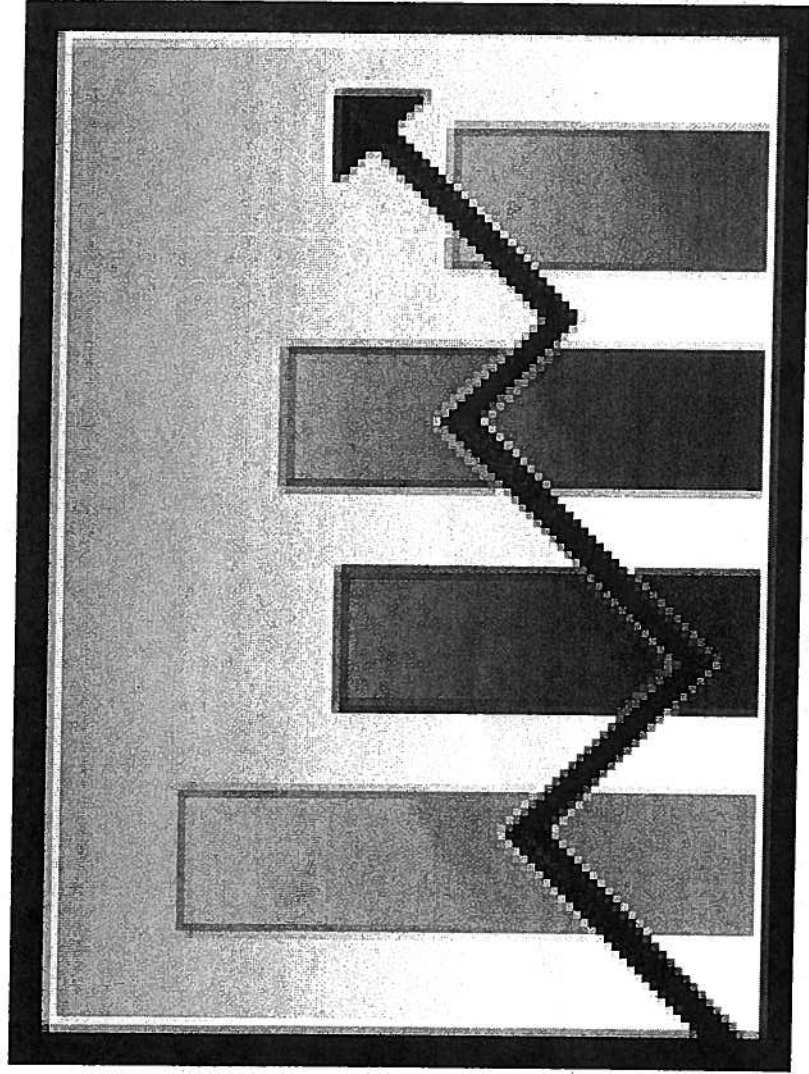


Additional criteria that ALL businesses must meet:

- A United States business which is independently owned and operated, and which is not dominant in its field of operation or an affiliate or subsidiary of a business dominant in its field of operation;
- Meet SBA small business size standards;
- Has demonstrated capability to perform independently or as a subcontractor relative to its field of operation;
- Not be owned, controlled, or directed by individuals or groups of individuals who own, control, or direct a large business involved in the same category of work as the business for which M/W/SBE status is sought.



Proposed M/W/SBE Participation Requirements





Proposed M/W/SBE Program

Requirements

- **Construction Services**

• <u>Race/Gender-conscious</u>		<u>12.95%</u>
• African-American Firms	5.57%	
• Asian-American Firms	.07%	
• WBE	7.31%	
• <u>Race/Gender-neutral</u>		<u>12.05%</u>
• SBE	12.05%	

Construction = 25% Annual Participation Requirement

Proposed M/W/SBE Program

Requirements

- **Goods & Services**

- Race/Gender-conscious 20.49%

- Hispanic 3.23%

- Native-American .17%

- WBE 17.09%

- Race/Gender-neutral 4.51%

- SBE 4.59%

Goods & Services= 25% Annual Participation Requirement

Proposed M/W/SBE Program

Requirements

- **Professional Services**

- Race-neutral 18%
- SBE 18%

Professional Services = 18% Annual Participation Requirement



Additional Proposed

Program Changes

- Initial Compliance Plan
- SBE Bid Preference = 5% not to exceed \$25,000 per contract
- Performance Bond Program



Outreach Efforts

- Annual Conference
- Networking Events
- Technical Assistance
 - Minority Business Center
 - MMSD/DPW/DOA Collaboration
 - UEP/Kauffman Foundation
- Start-up Business Assistance Training Program



Highlights

- The proposed programmatic changes will:
 - Eliminate subjective anecdotal data requirements
 - Streamlined certification
 - Intentionally create opportunities
 - Re-engage City Departments
 - Allow for certification reciprocity
 - Performance Bond Program will provide additional assistance with NO additional cost to the City
 - Foster ongoing communication on all levels
 - Strengthen partnership with the Small Business Community



Next Steps...

- Implement Prompt Payment Policy
- Purchase Contract Compliance Monitoring Software
- Begin drafting ordinance & charter modifications
- Engage ALL City Departments
- Engage the Business Community

David Reimer presentation

MILWAUKEE Transitional Jobs Collaborative

Wisconsin Transitional Jobs Demonstration Program

8 Things You Need To Know About Transitional Jobs (TJs)

Archdiocese of Milwaukee
Center for Veteran Issues, Ltd.
Community Advocates
Dominican Center for Women
Goodwill Industries of Southeastern Wisconsin, Inc.

Greater Milwaukee Foundation
Interfaith Conference of Greater Milwaukee.

Milwaukee Area Workforce Investment Board

MICAH

Milwaukee Career Cooperative
Milwaukee Community Service Corps

Milwaukee Homicide Review Commission

North West Side Community Development Corporation

Policy Studies, Inc.

Social Development Commission
STEP Industries, Inc.

The Milwaukee Urban League

UMOS

Urban Faith Roundtable

WISDOM

YWCA Greater Milwaukee

1. TJs are real jobs. The unemployed Wisconsinites who work at TJs must do real work: They only get paid for the actual hours they work. And they can get fired for misconduct or nonperformance. Thus, they learn the discipline that exists in the regular labor market.

2. TJs usually lead to permanent unsubsidized jobs. In Wisconsin as elsewhere, most TJ workers go on to secure regular jobs.

3. Private-sector employers like TJs as effective on-the-job training. Precisely because the TJ experience involves real work, many private firms view TJ workers as potentially strong applicants for any vacancies they have at low risk to the company.

4. TJ employers in Wisconsin are overwhelmingly private organizations. Wisconsin uses non-governmental, private organizations as the "employers of record" for TJ workers—whether they do community service work or get placed with for-profit firms.

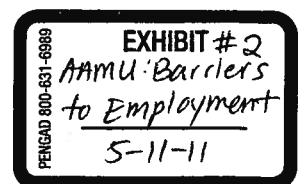
5. TJ work improves local communities and helps local economies. When TJ workers perform work for non-profits like the YWCA, their work improves their communities. And whether they work for non-profit or for-profit firms, their wages are spent within the local economy...helping to create additional private-sector jobs.

6. TJ workers earn real wages and pay real taxes. They don't get welfare cash grants. They get no hand-outs. Rather, for each hour of work performed, they earn the minimum wage of \$7.25 per hour. And they pay taxes as required by state and federal law.

7. TJs are available all across Wisconsin: TJs are available in 38 of Wisconsin's counties. The map on the other side shows where.

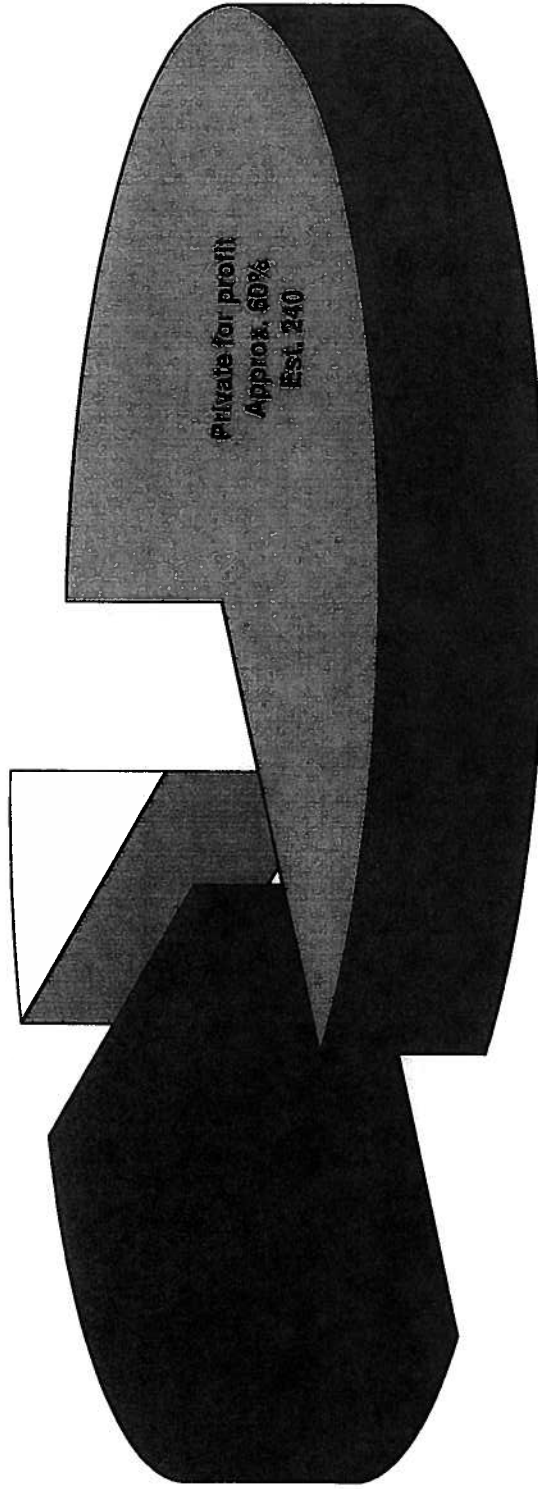
8. The TJ program here spends no state tax dollars. Wisconsin doesn't spend a penny of state tax dollars (so-called GPR, or General Purpose Revenue) to operate its Transitional Jobs program. All funding is federal.

Contact for MTJC: Conor Williams, Community Advocates 262-442-4646



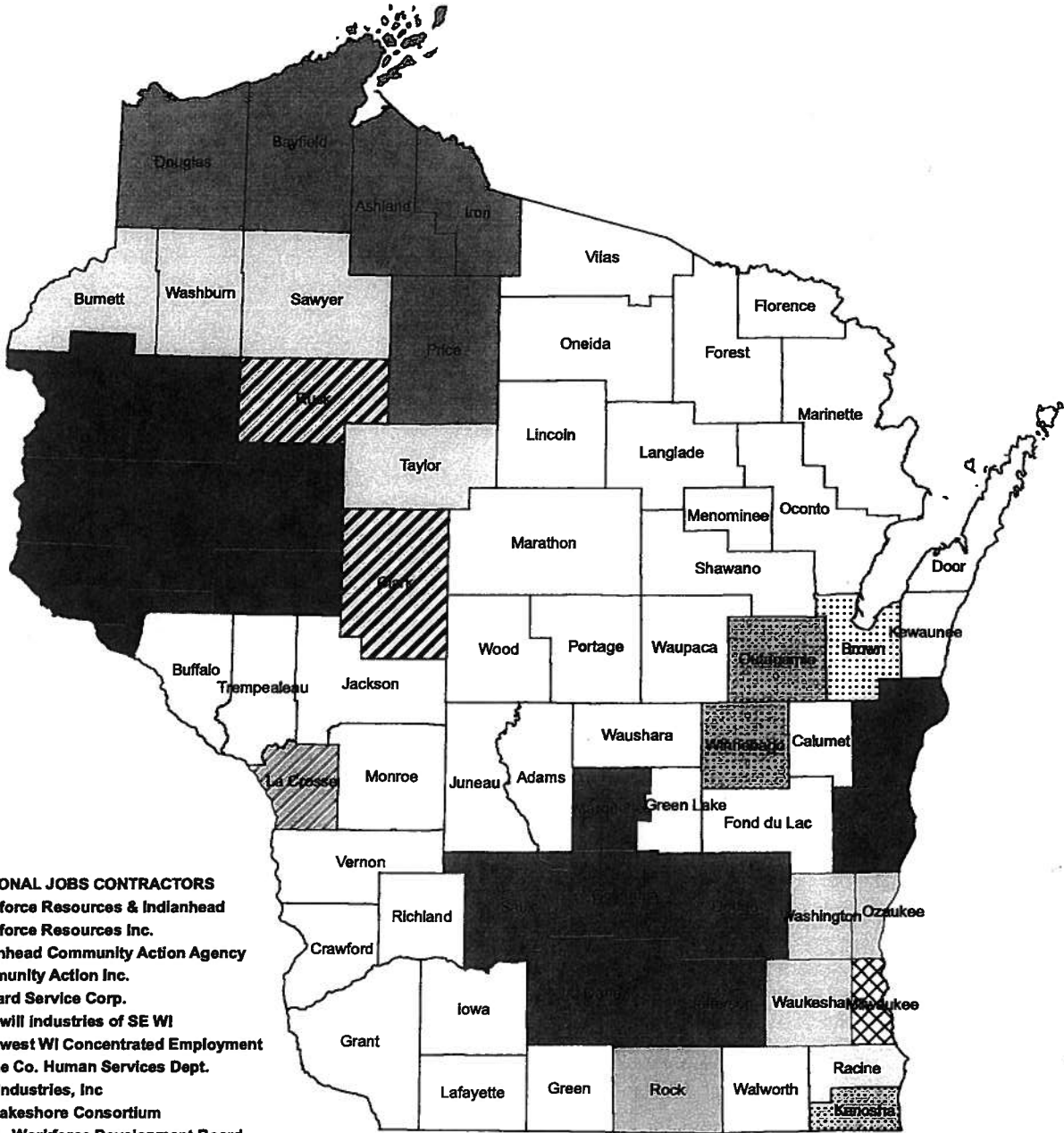
**Wisconsin Transitional Jobs
Demonstration Project Work Sites**

Public
Approx. 10%
Est. 26



Source: Estimates from
Department of Children & Families

Transitional Jobs Contractors January 2011

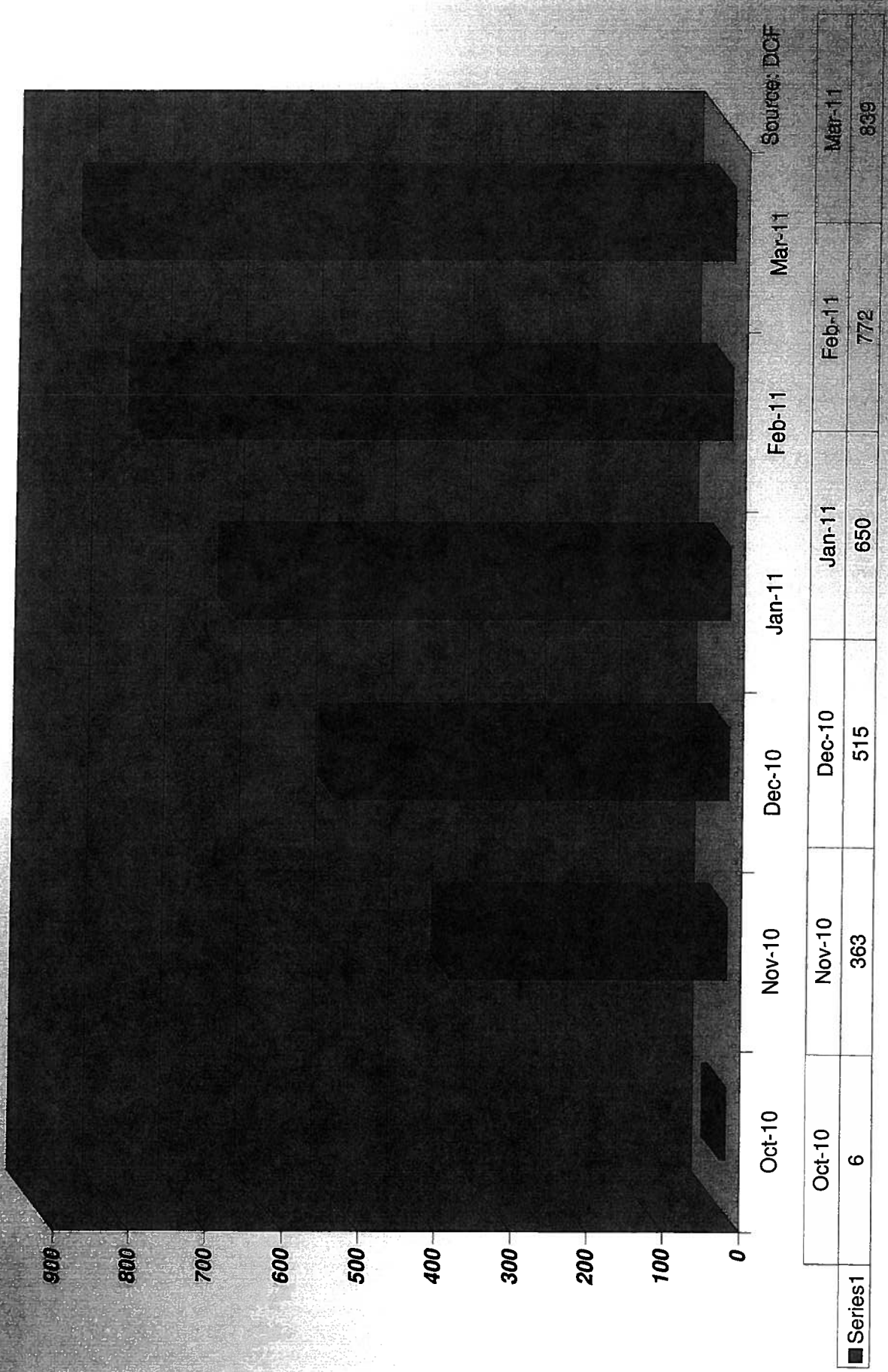


- TRANSITIONAL JOBS CONTRACTORS**
- Workforce Resources & Indianhead
 - Workforce Resources Inc.
 - Indianhead Community Action Agency
 - Community Action Inc.
 - Forward Service Corp.
 - Goodwill Industries of SE WI
 - Northwest WI Concentrated Employment
 - Racine Co. Human Services Dept.
 - Step Industries, Inc
 - W-2 Lakeshore Consortium
 - WOW - Workforce Development Board
 - Workforce Connections Inc.
 - Workforce Development Board of South Central WI
 - No contractor
 - Milwaukee Contractors
 - Goodwill Industries of Southeast Wisconsin
 - Policy Studies Inc.
 - Milwaukee Careers Cooperative
 - UMOS
 - Milwaukee Area Workforce Investment Board
 - Silver Springs Neighborhood Center
 - Step Industries Inc.

Map produced by: Department of Children and Families,
Division of Family and Economic Security

Printing Date: Monday, January 24, 2011
File: County Contractors 2010-11B3.mxd
Prepared By: Klein, P
DCF Department of Children and Families
Title: Transitional Jobs Contractors

Participants in DCF Transitional Jobs Demonstration Project



Source: DCF

Milwaukee Transitional Jobs Collaborative

4/6/2011

The Antipoverty Effect of Public Policies in Reducing Poverty in Wisconsin: Market Income Poverty¹ vs. Disposable Income Poverty², 2008 and 2009

	All	Children under 18	Elderly 65 and older	Adults 18-64	
2008 Poverty Rate³	Based on Market Income (MI)	21.3%	21.5%	50.3%	15.4%
	Based on Disposable Income (DPI)	11.2%	13.6%	10.4%	10.5%
	Difference (MI - DPI)	10.1	7.9	39.9	4.9
	Difference as Percent of MI	47.4%	36.8%	79.3%	31.8%
2009 Poverty Rate³	Based on Market Income (MI)	23.8%	24.9%	50.7%	17.9%
	Based on Disposable Income (DPI)	11.5%	13.4%	9.6%	11.2%
	Difference (MI - DPI)	12.3	11.5	41.1	6.7
	Difference as Percent of MI	51.7%	46.1%	81.1%	37.4%

Notes:

¹ Market Income (MI) is private income and income from savings. It includes all earnings, capital income, private pensions, child support and interfamily transfers, and any other elements of pre-tax and transfer income.

² Disposable Personal Income (DPI) is spendable income after taxes are subtracted and benefits (cash and near cash, refundable taxes, etc.) are added into income.

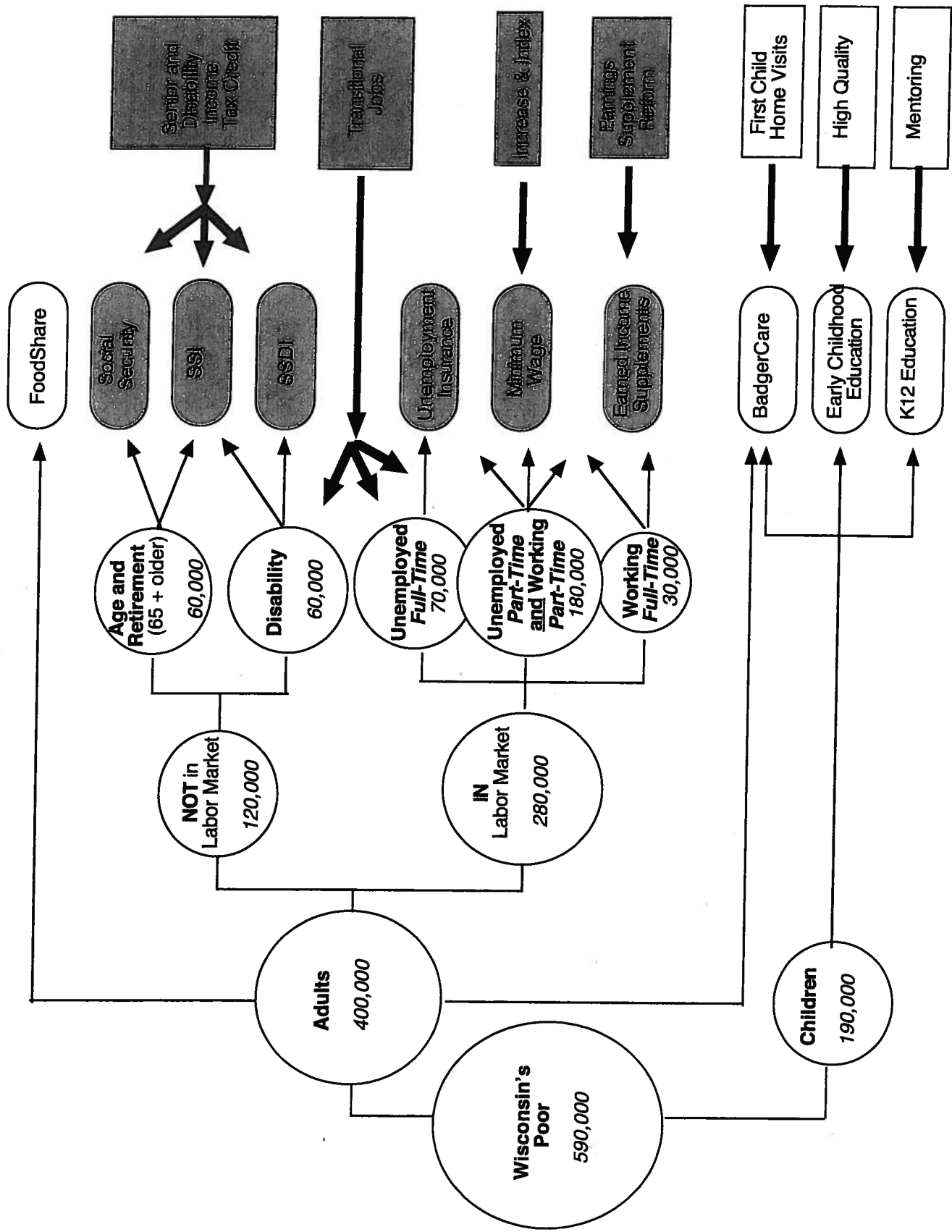
³ MI and DPI poverty estimates use the same poverty threshold for both poverty measures, similar to the federal experimental poverty measure. It is based on food, clothing, shelter, and other expenses set at roughly the 33rd percentile of national consumption for a two-child, two adult family. It is also adjusted for the cost of living in Wisconsin relative to the nation and for differences in cost of living within the state; for differences in housing costs; for family size and composition; and for expected medical expenses. For further detail, please see the Wisconsin Poverty Reports available at <http://www.irp.wisc.edu>.

Possible Type of Message from Table

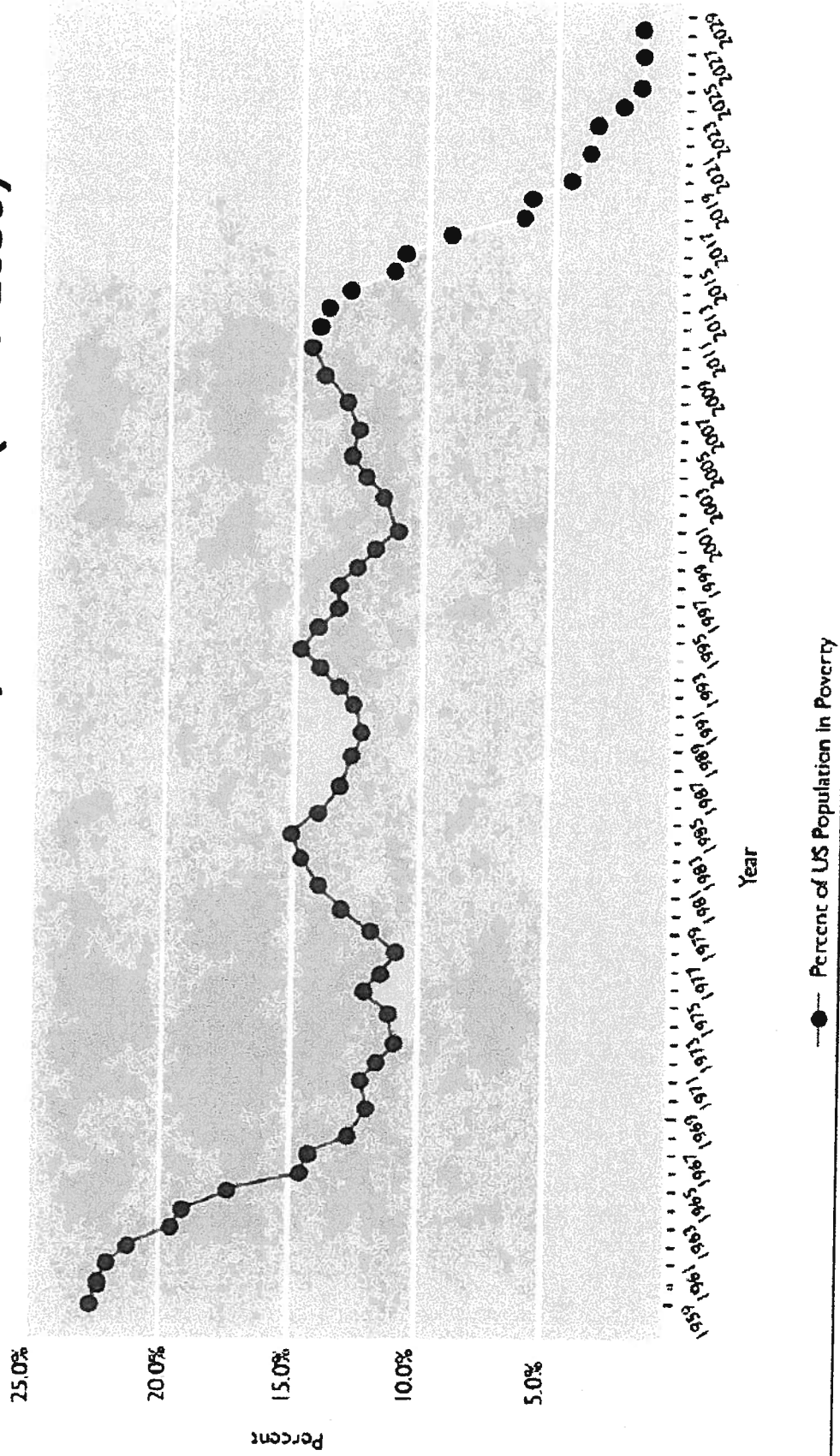
A comparison of poverty rates using market income (MI or income from earnings and private sources) and disposable personal income (DPI or after tax and benefit spendable income) illustrates the large changes in poverty reducing policy effects from 2008 to 2009 in Wisconsin . Market driven poverty rose from 21.3 to 23.8 percent largely due to the employment and earnings losses from the great recession. In 2008, public policy reduced overall poverty by 47 percent, but by even more (52 percent) in 2009, thus almost overcoming the recessions' negative effect on poverty and leaving the after tax and benefit poverty rate almost the same as in 2008.

The impact on child poverty in Wisconsin was enough to produce a DPI based poverty level marginally below the 2008 level. Child poverty decreased by 38 percent in 2008 due to the effects of antipoverty policies and by nearly half (46 percent) in 2009.

Adults between the ages of 18 and 64 and seniors age 65 and older saw strong effects of public policies as well. The difference for the elderly can be attributed to Social Security benefits in particular.



Percent of US Population in Poverty: Actual (1959-2007), Estimate (2008-2009) and Goal (2010-2030)



H.R. 870. "The Humphrey-Hawkins 21st Century Full Employment and Training Act"
REPRESENTATIVE JOHN CONYERS, JR.

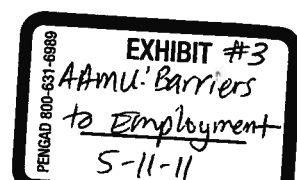
Summary

Representative Conyers has introduced legislation that is tailored to fit our current economic realities, but which also embodies the spirit of the original Humphrey-Hawkins "Full Employment and Balanced Growth Act:" the "21st Century Full Employment and Training Act." The Act aims to provide a job to any American that seeks work and to, ultimately, create a full employment society.

- The Act establishes of a "Full Employment and Training Trust Fund" with two separate accounts. These two accounts will direct funding to job creation and training programs.
- If at the beginning of each fiscal year, the Chairman of the Federal Reserve determines that the economy is not operating at a level of full employment, 90 percent of the funds in each account will be automatically disbursed.
- 67 percent of all revenues deposited into the trust fund will accrue in the job creation grant program account and 33 percent of the total funds will accrue in the job training account.

Dual Job Creation Focus: Direct Jobs Grants and WIA Training Programs

- *The first trust fund account will direct funds to a new innovative direct jobs program.* Funds will be distributed by formula through the Department of Labor to larger cities, and to states to be passed through to smaller localities and rural areas.
 - The program would allocate funds based on the CDBG formula modified to consider unemployment data. Local elected officials who are closest to our communities and needs on the ground would work with community groups and labor leaders to identify critical projects and connect workers to projects right away.
 - Jobs could be located in the public sector, community-based not-for-profit organizations, and small businesses that provide community benefits.
 - The Program will adopt a two stage approach to ensure immediate job creation and allow for a longer term planning process that involves community input and a focus on education and career development.
 - The program will be open to individuals who are either:
 - Unemployed for at least 26 weeks; or
 - Unemployed for at least 30 days and low-income.
 - Positions will be for up to 30 hours per week, for a minimum duration of 12 months. They will pay comparable or prevailing wages, averaging \$12-15 per hour, as well as benefits. Appropriate safeguards and strong anti-



displacement protections will help to prevent substitution and ensure that workers are placed in new positions.

- *The second trust fund will distribute funds to job training programs covered under the Workforce Investment Act.*
 - These funds will fund innovative job training initiatives including 1-Stop Job Training Programs and the Job Corps.

Revenue: Taxing Wall Street Speculation to Pay for Main Street Jobs

- Revenue for the trust fund will be raised through a tax on Wall Street financial speculation, i.e. on stock and bond transactions. The financial transactions tax will cover:
 - Stock transactions (tax rate will be 1/4 of 1 percent--0.25%),
 - Futures contracts to buy or sell a specified commodity of standardized quality at a certain date in the future, at a market determined price (tax rate will be 0.02%),
 - Swaps between two firms on certain benefits of one party's financial instrument for those of the other party's financial instrument (tax rate will be 0.02%)
 - Credit default swaps where a contract is swapped through a series of payments in exchange for a payoff if a credit instrument (typically a bond or loan) goes into default (fails to pay) (tax rate will be 0.02%),
 - And options, which are contracts between a buyer and a seller that gives the buyer the right, but not the obligation, to buy or to sell a particular asset on or before the option's expiration time, at an agreed price (at the rate of the underlying asset).

For additional information, please contact Michael Darner on my staff at 202.225.5126 or michael.darner@mail.house.gov.

CBC Alternative Budget FY2012 *The Responsible Path Towards Investing in America* Fact Sheet

*Jim
Carpenter*

The CBC Alternative Budget for Fiscal Year 2012 focuses on our priorities of economic development and job creation, cradle to college and workforce education and protecting the Affordable Care Act. It makes significant investments in Education, Job Training, Transportation and Infrastructure, and advanced research and development programs that will accelerate our economic recovery. At the same time, the CBC Budget protects the social safety net without cutting Social Security, killing Medicaid, or making seniors contribute more to Medicare.

In Fiscal Year 2012, the CBC Budget:

- Invests **\$20 billion** over the President's Budget in Education and Job Training Programs;
- Invests **\$20 billion** over the President's Budget in vital transportation projects, including highway construction, bridge maintenance, public transit and high speed rail, creating at least one million jobs;
- Invests **\$7 billion** over the President's Budget in advanced research and development activities at NASA, the National Science Foundation, and the Department of Energy;
- Invests **\$10 billion** over the President's Budget in targeted health care services, such as Minority health services, AIDS drug assistance programs, and community health centers;
- Provides **\$5 billion** over the President's Budget for veterans' health care benefits and services.
- Provides **\$16 billion** for H.R. 589, the Emergency Unemployment Compensation Expansion Act
- Provides **\$2.5 billion** for the TANF Emergency Contingency Fund

The CBC Budget restores cuts to vital programs proposed in the President's Budget , including:

- the Low Income Heating Assistance Program;
- the Community Development Block Grant;
- the Community Services Block Grant;
- the HOME Investment Partnership Program; and
- Pell Grants for students and subsidized loans for grad students.

The CBC Budget also provides **\$16 billion** for H.R. 589, the Emergency Unemployment Compensation Expansion Act and **\$2.5 billion** for the TANF Emergency Contingency Fund.

The CBC Budget makes tough, but responsible decisions in raising new revenue by making our tax system fairer and closes corporate tax loopholes, which will save trillions of dollars on the deficit compared to the other budget proposals. The CBC Budget does this **WITHOUT** raising taxes on the middle class.

- Compared to the President's Budget, the CBC Budget saves **\$5.7 trillion on the deficit over the next decade.**

- Compared to the Republican Budget, the CBC Budget saves **\$ 1.3 trillion on the deficit over the next decade.**

Unlike the proposed Republican Budget that shifts hundreds of billions of dollars in health care costs to seniors, the CBC Budget will put our nation on a fiscal path that will allow Congress and the President to more realistically address skyrocketing health care costs.

Revenue Raisers

The CBC Budget adopts most of the proposed revenue options proposed by the President's Fiscal Year 2012 Budget, including allowing the Bush-era tax cuts for the wealthy to permanently expire. In addition to the President's revenue assumptions, the CBC Budget proposes the following revenue raisers.

Tax Capital Gains and Dividends as Ordinary Income

- Saves **\$949.9 billion** over the next decade

Financial Speculation Tax

- Saves **\$834.5 billion** over the next decade

Surcharge on the Top Income Earners

- Generates **\$573 billion** over the next decade

Close Certain Tax Loopholes and Preferences

- Saves **\$1.3 trillion** over the next decade

Private Student Loan Debt Swap Act

- Saves **\$9.7 billion** over the next decade

Deny Mortgage Deduction for Vacation Homes & Yachts

- Saves **\$12.5 billion** over the next decade

Repeal the Volumetric Ethanol Excise Tax Credit

- Saves **\$60 billion** over the next decade

Reduce the Tax Gap with Better Tax Enforcement

- Raises **\$107 billion** over the next decade

Creation of a Public Health Insurance Option in the State Health Insurance Exchanges

- Saves **\$88 billion** over the next decade

Deficit Reduction

- For Fiscal Year 2012, the CBC Alternative Budget sets aside **\$283.4 billion** for deficit reduction. Over a ten year period, the CBC Alternative Budget sets aside **\$3.96 trillion** for deficit reduction. Compared to the Republican Budget, the CBC saves **\$172 billion** on the deficit in FY 2012 and **\$1.34 trillion** over the next decade.



Congressman John Conyers, Jr.

**Chairman, House Committee on Judiciary
Dean of the Congressional Black Caucus**

For Immediate Release

March 3, 2011

Contact: Nicole Triplett

(202) 225-5543

Conyers Introduces Deficit Neutral Full Employment and Training Bill

Washington DC- Congressman John Conyers (D-Mich.) today introduced H.R. 870, the "Humphrey-Hawkins 21st Century Full Employment & Training Act," a comprehensive and innovative federal and local government job creation and training bill that would create millions of new jobs for the nation's unemployed. Local jobs would be created through a partnership between the Department of Labor, state, and local governments, non-profit community organizations, and small businesses. Under the Act, jobs would be created in the fields of construction, infrastructure repairs, green jobs, education, health care, and neighborhood renovation. The Act's Full Employment Trust Fund would provide federal funding for local community-based job creation and training initiatives until full employment is reached in the United States. The Act is deficit neutral and fully funded through a modest tax on Wall Street stock and bond transactions.

"Today, there are millions of Americans who want a job, but can't find one," said Conyers. "The inability to find meaningful and sustainable work strips our fellow citizens of their basic right to have access to food, housing, health care, freedom of movement, and perhaps, most importantly, the ability to pursue life with a sense of dignity and meaning. High levels of unemployment are unacceptable and immoral in the wealthiest nation in the world. Thus, I believe it is critical that the federal government empower states, local governments, non-profits, and small businesses to create jobs during an economic downturn.

My "Humphrey-Hawkins 21st Century Full Employment and Training Act" would allow local government officials to work with community leaders to come up with an effective job creation program, based on each community's respective needs—be it improvements in infrastructure, housing, energy efficiency, education, or health care. The private sector will also benefit if millions of new jobs are created through improvements in our nation's aging and crumbling infrastructure. New orders for brick, concrete, steel, aluminum, and plastics mean new jobs in America's plants and factories and a rebirth of American manufacturing.

Lastly, because we exist in a period when concerns about government debt loom large in many minds, my legislation will be fully funded by a tax on Wall Street speculation and will not add a dime to the federal debt. Wall Street was responsible for the financial crisis that began in 2008 and continues to affect us today. Having already received significant assistance from the federal government, it is only fair that Wall Street now pay Main Street back by helping put America back to work.”

#03-02-2011#