



BOARD MEETING AGENDA

Thursday, September 21, 2017

11:30 a.m. – 1:30 p.m.

Business Services & Administration Facility

5730 Chambertin Drive

San Jose, CA 95118

(408) 794-1200

www.work2future.biz

Joseph Flynn, Chair

Monique Melchor, Secretary

Lawrence Thoo, Staff Liaison

The City of San Jose is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public. For additional information, please view:

http://www.sanjoseca.gov/clerk/cp_manual/CPM_0_15.pdf

For questions regarding this agenda, please call Lawrence Thoo at (408) 794-1170. To request an accommodation under the Americans with Disabilities Act to participate in this public meeting/event, please call Lawrence Thoo at (408) 794-1170 or (408) 294.9337 (TTY) at least (3) three business days before the meeting/event.

| BOARD OF DIRECTORS | | | | | |
|--|-----------|---------|-------------|-------|---|
| Name/Company | Executive | Finance | Priv. Empl. | Youth | |
| Amador-LeBeau, Rose <i>Center for Training and Careers</i> | | | M | | |
| Auerhahn, Louise <i>Working Partnerships USA</i> | | | | | |
| Boland, Denise <i>Social Services Agency, County of Santa Clara</i> | M | | | | C |
| Burrill, Jeff <i>Pangenera LLC, a Panera Bread franchisee</i> | | | | | |
| Chao, George <i>Manex</i> | | | | | |
| Cimino, Carl <i>Pipe Trades Training Center, Local 393</i> | | M | | | |
| Estill, Jack <i>Appian Engineering, Inc.</i> | | M | | | |
| Flynn, Joseph <i>PRGX Global, Inc.</i> | C | M | | | |
| Gilroy, Leslie <i>CSDC/San Jose Job Corps</i> | | | | | |
| Gomez, Blanca <i>Wells Fargo</i> | | | | | |
| Koepp-Baker, Susan <i>Enviro-Tech Services</i> | M | C | M | | |
| Le, Van <i>State Farm Insurance</i> | | | M | | M |
| Lucero, Maria <i>California Employment Development Department</i> | | | | | |
| Moore, Pamela <i>Department of Rehabilitation</i> | | | M | | |
| Pallin, Jeff <i>Workforce Institute, San Jose Evergreen Community College District</i> | | M | | | |
| Parmeter, Brynt <i>NextFlex</i> | | | | | |
| Preminger, Steve <i>County of Santa Clara</i> | M | | | | |
| Said, Rashad <i>Advanced Vocational Institute</i> | M | | M | | |
| Schoch, Mitch <i>Bentek, Inc.</i> | | | C | | |
| Seaver, Derrick <i>The Silicon Valley Organization</i> | | | | | |
| Villalovoz, Henri <i>Sourcewise</i> | | | | | |
| Wahl, David <i>Jabil, Inc.</i> | | | | | |

M = Committee Member; VC = Vice Chair; C = Chair

NOTICE TO THE PUBLIC

Good morning; my name is Joe Flynn, and in my capacity as Chair of [work2future](#) I would like to welcome you to the Board meeting of September 21, 2017.

Members of the public who wish to address the Board should identify themselves and state their addresses for the record. You should complete a blue Comment Card located near the door, prior to making comments, and hand the card to any [work2future](#) staff member.

The procedure for this meeting is as follows:

- The Board Secretary will verify quorum. The Chair will read the opening remarks.
- [work2future](#) staff and/or Board Members will present recommendations for each action item on the agenda.
- Board members may ask questions of [work2future](#) Staff and other Board Members.
- The Board may take action on any item designated as an action item.
- Copies of the agenda have been placed on the table near the door for your convenience.
- [work2future](#) Board members may only discuss items listed on the Agenda pursuant to the “Brown Act.”
- Members of the public wishing to make a comment will each be given two minutes to speak.

**BOARD OF DIRECTORS MEETING
THURSDAY, SEPTEMBER 21, 2017
11:30 a.m. – 1:30 p.m.**

ORDER OF BUSINESS

I. QUORUM VERIFICATION

II. OPENING REMARKS

III. CONSENT ITEMS {Action}

Approve the acceptance of:

- A. HIRE Report of August 11, 2017
- B. Program Services Report as of June 30, 2017
- C. Budget Variance Report for Quarter ended June 30, 2017

IV. AGENDA ITEMS

A. Old Business

1. Minutes Approval {Action}

Approval of the June 15, 2017 Board Meeting Minutes.

B. New Business

1. Local and Regional Plans and Regional Training Updates {Discussion}

Monique Melchor, Director

Report on the status of the Bay Peninsula Regional Plan and related staff and partner training activities, and Phase II MOU negotiations.

2. FY 2017–2018 Budget Reconciliation {Action}

Joy Salandanan, Finance Manager

Approve the reconciliation of the FY 2017–2018 operating budget.

3. Performance Update {Discussion}

Monique Melchor, Director

Report on the performance status of WIOA programs.

4. Facilities Update {Discussion}

Dhez Woodworth, Economic Development Officer

Report on the relocation of Morgan Hill services and on discussions with the Parks, Recreation & Neighborhood Services Department regarding the Youth Training Center at the Shirakawa Community Center.

Boxes show Anticipated Ending Times and are provided for convenience only. Items may be heard before or after times indicated and may be taken out of sequence at the discretion of the Chair.

11:35 a
5 min

11:40 a
5 min

11:45 a
5 min.

11:50 a
5 min.

11:55 a
5 min.

12:05 p
10 min.

5. Elections {Action}

Monique Melchor, Secretary

Election of a Chair and Vice Chair for a two-year term, per Sections 4.1 and 4.2 of the Bylaws.

12:15 p
10 min.

6. Silicon Valley Dichotomy II {Discussion}

Lawrence Thoo, Special Projects; Keen Independent Research, Inc.

Preliminary report on additional research to-date by Keen Independent Research, Inc. for a project to further analyze the circumstances of communities identified as most impacted by the economic distress in the original Silicon Valley Dichotomy research by BW Research presented to Board members in Spring 2017.

12:40 p
25 min.

7. Sector Strategies Initiative {Discussion}

Lawrence Thoo, Special Projects; John Melville, Collaborative Economics

Update on the Sector Strategies Initiative, including the kick-off Business-with-Business meeting of advanced manufacturing leaders on August 21, 2017.

12:55 p
15 min.

8. The Brown Act and Conflicts of Interest {Discussion}

Arlene Silva, Deputy City Attorney

Presentation on and discussion of (i) requirements of the Brown Act and (ii) conflicts of interest, as they apply to the work2future Board.

1:20 p
25 min.

9. Update on the Storm Assistance Grant {Discussion}

Dat Luu, Project Manager

Update on activities and performance related to the EDD grant, accepted unanimously by the Board at its June 15 meeting, of up to \$1 million in National Dislocated Worker Grant funds to support temporary employment for various clean-up and repair projects on public and private lands affected by flooding from the January–February 2017 storms.

1:30 p
10 min.

V. ITEMS FOR NEXT AGENDA

VI. ANNOUNCEMENTS

VII. NEXT MEETING

The next regular meeting of the Board of Directors is scheduled for 11:30 am–1:30 pm, Thursday, December 7, 2017, at the work2future Business and Administrative Services Center, 5730 Chambertin Dr, San Jose.

VIII. THE PUBLIC RECORD

IX. PUBLIC COMMENT

X. ADJOURNMENT

CITY OF SAN JOSE CODE OF CONDUCT FOR PUBLIC MEETINGS IN THE COUNCIL CHAMBERS AND COMMITTEE ROOMS

The Code of Conduct is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, its Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

1. Public Meeting Decorum:

- a) Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
- b) Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
- c) Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
- d) Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
- e) Persons in the audience will not place their feet on the seats in front of them.
- f) No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
- g) All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.

2. Signs, Objects or Symbolic Material:

- a) Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions:
 - No objects will be larger than 2 feet by 3 feet.
 - No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - The items cannot create a building maintenance problem or a fire or safety hazard.
- b) Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
- c) Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged weapons; illegal drugs and drug paraphernalia; laser

CITY OF SAN JOSE CODE OF CONDUCT FOR PUBLIC MEETINGS IN THE COUNCIL CHAMBERS AND COMMITTEE ROOMS (CONT'D)

pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Council, Redevelopment Agency Board, Committee, Board or Commission:

- a) Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
- b) Meeting attendees are usually given two (2) minutes to speak on any agenda item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Applicants and appellants in land use matters are usually given more time to speak.
- c) Speakers should discuss topics related to City business on the agenda, unless they are speaking during open forum.
- d) Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
- e) Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
- f) If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
- g) Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.

Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Almaden Winery Community Center, 5730 Chambertin Drive, San Jose, CA at the same time that the public records are distributed or made available to the legislative body.

III

Consent Items

- A. HIRE Report of August 11, 2017
- B. Program Services Report as of June 30, 2017
- C. Budget Variance Report for Quarter ended June 30, 2017

[Action]

III.A

HIRE Report of August 11, 2017

[Action]



HIRE: Helping Individuals to Reenter Employment (PY 2016-17)

As of June 30, 2017

BOARD: 09-21-17
AGENDA ITEM: III.A

Observations and Recommendations

Recent TOP class has 2 participants who are homeless (HudVash or VA facility) TBD with new class.

Some clients on SSI/SSDI - part. Concern about losing the fixed asset of disability \$'s in exchange for an uncertain job.

HIRE clients referred by Welcome are incorporated.

TOP participants who fit the HIRE criteria are incorporated. Increased % of Vet's.

This year a higher # of folks who might not retain work due to health reasons.

| Characteristics Summary | Act. | Goal | % |
|-----------------------------|------|------|------|
| Total Participants Referred | 137 | 75 | 183% |
| Total Participants Enrolled | 137 | 50 | 274% |
| GA Enrollments | 21 | | |
| work2future Enrollments | 104 | | |

Enrolled Participants

| | | | |
|-------------------------|-------|------------|----|
| Median Years Unemployed | 0.50 | # of Vets | 17 |
| Median Education Level | 12.00 | Median Age | 49 |
| Median # of Barriers | 4.00 | | |

| Placement Summary | Act. | Goal | % |
|------------------------|---------|---------|------|
| Total Exited | 71 | 30 | 237% |
| Total Employed | 44 | 71 | 62% |
| Current Ent. Emp. Rate | 32.1% | 51.5% | 62% |
| Total Drops | 45 | 66 | 68% |
| Completed Training | 26 | 33 | 78% |
| Median Wage | \$13.98 | \$19.06 | 73% |
| Median Hours per Week | 40.00 | 30.00 | 133% |
| Benefits | 25 | 42 | 59% |
| Total Seasonal | 0 | 11 | 0% |
| Total Non-Seasonal | 44 | 60 | 73% |

Current Performance Summary

| | |
|--------------------------|-----------|
| Total Placements Needed | 71 |
| Total Placements to Date | 44 |
| Placements Outstanding | 27 |
| Active Clients | 48 |
| Placement Ratio | 1.8 |
| Accepting New Clients | Yes |

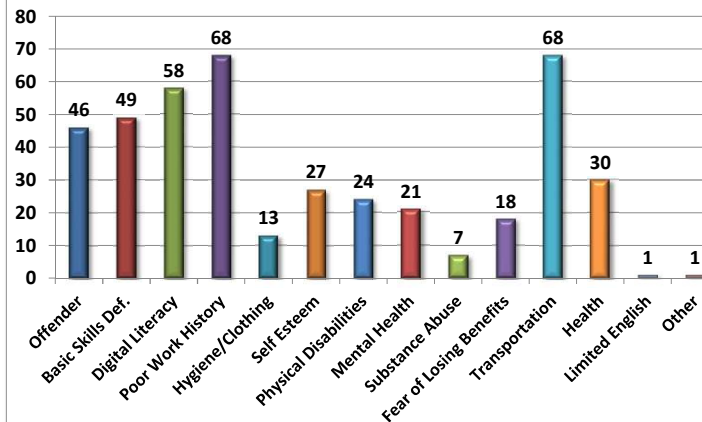
Total work2future Homeless Clients

| | |
|----------------------------|------------|
| HIRE | 137 |
| Adult & Dislocated Workers | 0 |
| Youth | 15 |
| Total | 152 |

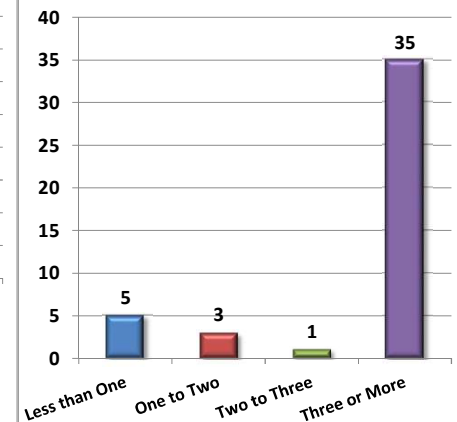
Top Three Occupations

Warehousing, clerical, construction

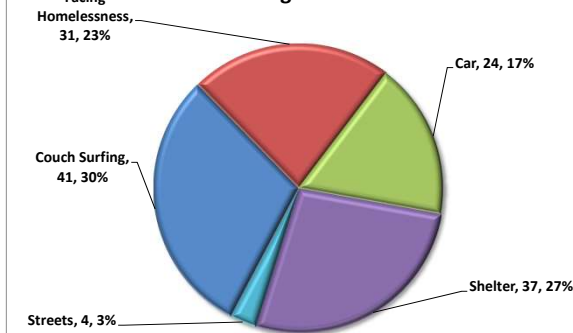
Barrier Summary



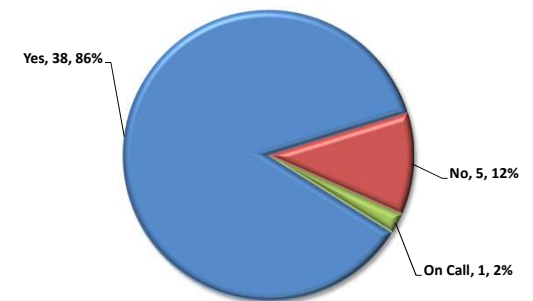
Weeks Until Placed



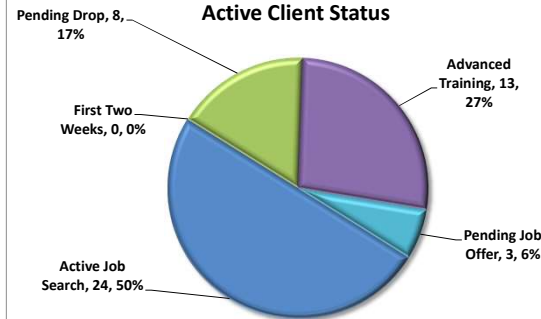
Housing Situation



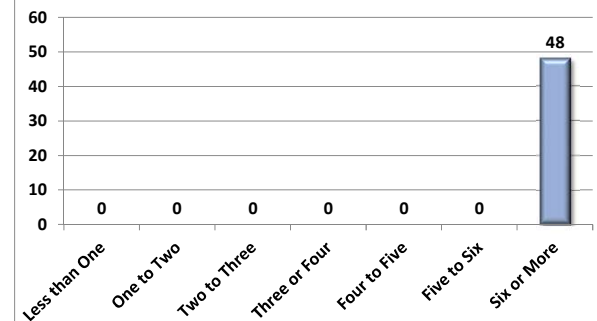
Retention



Active Client Status



Active Client Program Duration (weeks)



III.B

Program Services Report as of June 30, 2017

[Action]

**PROGRAM SERVICES REPORT
as of June 30, 2017**

Adult/Dislocated Worker Program Services Summary

work2future Foundation met their goals in enrollments, trainings (Cohort/ETPL/OJT) and workshops.

- 1,300 Enrollments: 212 individuals were provided occupational skills training which will result in a nationally recognized credential, 279 participants took advantage of on-line courses and 2,762 participants took advantage of workshops.

Eckerd Workforce Development achieved 70% of their enrollment goal and 86% of their ETPL goal. On-line training goals were impacted by the delayed start of the availability of the trainings

- 189 Enrollments: 19 individuals took advantage of occupational skills training which will result in a nationally recognized credential, 11 participants took advantage of on-line courses.

Youth Program Services Summary

work2future Foundation met their enrollment, and training goal. Youth placements are making progress to be on target for completion by the end of September (per the contractual goal).

- 272 Enrolments: 72 individuals were placed in occupational skills training, 57 participants have been placed in employment (not training-related). For those that have completed occupational skills training, work experience (WEX) lasts approximately 12 weeks. 28 Have completed WEX and 44 are currently in the WEX portion of their programs.

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ADULT/DISLOCATED WORKER PROGRAM - PROGRAM SERVICES AS OF 07/10/17

Prepared by Sabby Kaur Approved by Monique Melchor

Reporting Period: July 1, 2016 - June 30, 2017

| TOTAL ENROLLMENTS | |
|--|--------|
| Number of Carryover Participants (as of July 1, 2016) | 1, 613 |
| New Participant Enrollments as of July 1, 2016 (June 2017 160 Enrollments) | 1,918 |
| Total Participants Provided Services | 3,531 |
| Total Exited | 2,453 |
| Total Active | 1,078 |

YEAR TO DATE PROGRAM ENROLLMENTS

| Program | YEAR END | | |
|--------------|----------|--------|-----------|
| | Goal | Actual | % of Goal |
| Foundation | 1,300 | 1,729 | 133% |
| Eckerd | 270 | 189 | 70% |
| Total | 1,570 | 1,918 | 122% |

ADULT/DISLOCATED WORKER PROGRAM TRAINING FY 2016-2017

work2future FOUNDATION

| Program | YEAR END | | |
|--------------|----------|--------|-----------|
| | Goal | Actual | % of Goal |
| Cohort | 100 | 105 | 105% |
| ETPL | 63 | 74 | 117% |
| OJT | 13 | 33 | 254% |
| Workshops | 2,500 | 2,762 | 110% |
| Online | 400 | 279 | 70% |
| Total | 3,076 | 3,253 | 106% |

ECKERD

| Program | YEAR END | | |
|--------------|----------|--------|-----------|
| | Goal | Actual | % of Goal |
| ETPL | 22 | 19 | 86% |
| Online | 108 | 11 | 10% |
| Total | 110 | 30 | 27% |



WORKFORCE INNOVATION OPPORTUNITY ACT YOUTH PROGRAM - PROGRAM SERVICES AS OF 06/30/17

Prepared by Meredith Studebaker and Approved by Monique Melchor on 07/25/17

YOUTH PROGRAM ENROLLMENT FY 2016-2017

| Program | YEAR TO DATE - JUNE 30, 2017 | | | YEAR END | |
|--------------|------------------------------|--------|-----------|----------|-----------------|
| | Projection | Actual | % of Goal | Goal | % of Projection |
| San Jose | 185 | 222 | 120.0% | 185 | 120.0% |
| South County | 50 | 50 | 100.0% | 50 | 100.0% |
| Total | 235 | 272 | 115.7% | 235 | 115.7% |

YOUTH PROGRAM TRAINING FY 2016-2017

| Program | YEAR TO DATE - JUNE 30, 2017 | | | YEAR END | |
|--------------|------------------------------|--------|-----------|----------|-----------------|
| | Projection | Actual | % of Goal | Goal | % of Projection |
| San Jose | 60 | 51 | 85.0% | 60 | 85.0% |
| South County | 12 | 21 | 175.0% | 12 | 175.0% |
| Total | 72 | 72 | 100.0% | 72 | 100.0% |

YOUTH PLACEMENTS FY 2016-2017

| Placements | Placed In Area of Training Goal - Year End | Actual | % of Goal | Placed in Employment Sectors - Year End | Actual | % of Goal |
|--------------|--|--------|-----------|---|--------|-----------|
| | | | | | | |
| San Jose | 31 | 0 | 0.0% | 101 | 45 | 44.6% |
| South County | 19 | 0 | 0.0% | 32 | 12 | 37.5% |
| Total | 50 | 0 | 0.0% | 133 | 57 | 42.9% |

WORK EXPERIENCE FUNDING SPENT CARRYOVER FY 2015-2016

| Work Experience Funding | Goal - Year End | Actual - June 30, 2017 | % of Goal |
|-------------------------|-----------------|------------------------|-----------|
| Total Carryover | \$169,900.00 | \$169,900.00 | 100.0% |

WORK EXPERIENCE 70% OF FUNDING SPENT FY 2016-2017

| Work Experience Funding | Goal - Year End | Actual - June 30, 2017 | % of Goal |
|-------------------------|-----------------|------------------------|-----------|
| San Jose | \$249,119.86 | \$191,203.32 | 76.8% |
| South County | \$66,221.74 | \$25,580.49 | 38.6% |
| Total | \$315,341.60 | \$216,783.81 | 68.7% |

III.C

Budget Variance Report for Quarter ended June 30, 2017

[Action]

BUDGET VARIANCE REPORT

Financial Status as of June 2017

Key Highlights

- Carry-over funding from FY 2015-2016 has been fully spent.
- work2future will be carrying over into FY 2017-2018 \$3.6 million of FY 2016-2017 Adult, Dislocated Worker, Youth, and Rapid Response allocations. This carry-over amount includes the Board-mandated reserve account and Board-approved Unallocated Reserve account of \$2.3 million and additional savings of \$1.3 million. This carry-over amount is included in the Proposed Budget for FY 2017-2018 that was submitted, and approved by the Board in June 2017.
- Rapid Response Budget includes funding for lay-off aversion which is restricted and can only be used for lay-off aversion activities. The State defines lay-off aversion as a “strategy that helps retain workers in their current job and/or provides rapid transitions to new employment, minimizing periods on unemployment.”

Other Discretionary Funding

- Sector Partnership NEG grant has been extended to June 30, 2018. No additional funding has been awarded, only extension of time.
- work2future received a new round of funding for Proposition 39 grant \$468,750 for a period of 19 months ending December 31, 2018 from the original end date of March 31, 2017.
- work2future is carrying over into FY 2017-2018 \$136,884 of Ready to Work Initiative grant from the City of Sunnyvale, NOVA, which is now on its fourth year of the term period ending in October 31, 2018.
- New grant funding for the National Dislocated Worker Grant for the Storm Event in 2017 for \$333,333. Please note that this is the first increment of a \$1 million grant for a grant term of March 1, 2017 to September 30, 2018. This grant will serve dislocated workers through temporary jobs.
- New grant funding for San Jose Works 3.0 Youth Jobs Initiative of \$1,500,000 million to serve and provide subsidized and unsubsidized employment opportunities for 825 eligible youth;
- New grant funding for the CALJobs VOS Enhancement tool of \$7,000 to use the VOS Greeter module that will allow keeping better track of all individual visits through the Job Centers; and
- New grant funding for the Regional Training Coordinator of \$200,000 to fund a Regional Training Coordinator position to help with the implementation of the regional plan of the Bay-Peninsula regional partnership and local plan.

###

work2future

Financial Status Report as of 6/30/2017

Pd 14 Stat 3

Prepared by: Joy Salandanan

Approved by: Jeff Ruster

| WIA/WIOA Formula Funds | Adult | Dislocated Worker | Youth | RR | Total WIA |
|---|--------------------|--------------------|--------------------|-------------------|--------------------|
| I. Actual as of June 30, 2016 | | | | | |
| Grant Period | 07/01/14-06/30/16 | 07/01/14-06/30/16 | 04/01/14-06/30/16 | 07/01/14-06/30/16 | |
| Original Allocation for FY2015-2016 | 3,160,990 | 2,307,993 | 2,657,475 | 1,026,239 | 9,152,697 |
| Encumbrances/Spending Plan as of June 30, 2016 | (119,276) | (210,291) | (91,748) | (64,845) | (486,160) |
| Expenditures/Encumbrances/Spending Plan as of June 30, 2016 | (1,766,351) | (1,253,946) | (1,418,656) | (825,408) | (5,264,361) |
| Total Actual Expenditures/Encumbrances/Spending Plan as of June 2016 | (1,885,627) | (1,464,237) | (1,510,404) | (890,253) | (5,750,521) |
| Available Funds for FY2016-2017 | 1,275,363 | 843,756 | 1,147,071 | 135,986 | 3,402,176 |
| % Remaining | 40% | 37% | 43% | 13% | 37% |
| II. Actual Expenditures/Encumbrances | | | | | |
| (a) Available Funds from Carry over for FY2016-17 | 1,394,639 | 1,054,047 | 1,238,819 | 200,831 | 3,888,336 |
| Expenditures as of June 2017 | (1,394,639) | (1,054,047) | (1,238,819) | (200,831) | (3,888,336) |
| Encumbrances as of June 2017 | | | | | 0 |
| Total Actual Expenditures/Encumbrances as of June 2017 | (1,394,639) | (1,054,047) | (1,238,819) | (200,831) | (3,888,336) |
| \$ Remaining | 0 | 0 | 0 | 0 | 0 |
| % Remaining | 0% | 0% | 0% | 0% | 0% |
| (b) Current Allocation for FY 2016-2017 | 2,363,959 | 2,663,663 | 2,502,712 | 896,346 | 8,426,680 |
| Increase/(Decrease) | 175,000 | (175,000) | 0 | | 0 |
| Rescission | (3,935) | 0 | 0 | 164 | (3,771) |
| Adjusted Allocation for FY 2016-2017 | 2,535,024 | 2,488,663 | 2,502,712 | 896,510 | 8,422,909 |
| Expenditures as of June 2017 | (1,397,131) | (1,212,462) | (1,276,415) | (615,415) | (4,501,423) |
| Encumbrances as of June 2017 | (130,339) | (111,763) | (84,839) | 0 | (326,941) |
| Total Actual Expenditures/Encumbrances as of June 2017 | (1,527,470) | (1,324,225) | (1,361,254) | (615,415) | (4,828,364) |
| \$ Remaining | 1,007,554 | 1,164,438 | 1,141,458 | 281,095 | 3,594,545 |
| % Remaining | 40% | 47% | 46% | 31% | 43% |
| Total Available Funds for FY2016-2017 | 3,929,663 | 3,542,710 | 3,741,531 | 1,097,341 | 12,311,245 |
| Total Cumulative Expenditures/Encumbrance as of June 2017 | (2,922,109) | (2,378,272) | (2,600,073) | (816,246) | (8,716,700) |
| \$ Remaining | 1,007,554 | 1,164,438 | 1,141,458 | 281,095 | 3,594,545 |
| % Remaining | 26% | 33% | 31% | 26% | 29% |
| III. Actual Expenditures for Current Allocation FY 2016-2017 | | | | | |
| Actual Expenditures/Encumbrances through June 2017 | (1,527,470) | (1,324,225) | (1,361,254) | (615,415) | (4,828,364) |
| Actual Carry-Over in June 2017 (\$) | 1,007,554 | 1,164,438 | 1,141,458 | 281,095 | 3,594,545 |
| Actual Carry-Over in June 2017 % | 40% | 47% | 46% | 31% | 43% |

work2future
Financial Status Report as of 6/30/2017
PD 14 Stat 3

Prepared by: Joy Salandanan
Approved by: Jeff Ruster

| Other Discretionary Funds | Sector Partnership NEG | CWIN Proposition 39 Grant | DOL ETA H-1B Ready to Work Partnership Initiative | City of San Jose Youth Summer Program Initiative | Career Pathway Trust | CALJOBS VOS Enhancement Touch Screen | Regional Plan Development & Training Coordination | Regional Training Coordinator | Customer Centered Design Project | NDWG Flood Event 2017 | Total |
|--|------------------------|---------------------------|---|--|-----------------------|--------------------------------------|---|-------------------------------|----------------------------------|-----------------------|-------------|
| I. Actual as of June 30, 2016 | | | | | | | | | | | |
| Grant Period | 07/01/2015-06/30/2018 | 06/01/2014-12/31/2018 | 11/1/2014-10/31/2018 | 07/01/2017-6/30/2018 | 07/01/2015-08/31/2019 | 03/01/2017-03/31/2018 | 06/01/16-03/31/2018 | 06/01/2017-03/31/2019 | 06/01/2016-03/31/2018 | 03/01/2017-09/30/2018 | |
| Original Allocation | 1,000,000 | 900,000 | 232,007 | 1,677,000 | 150,000 | 7,000 | 166,569 | 200,000 | 20,000 | 333,333 | 4,685,909 |
| Increase/(Decrease) | 0 | 468,750 | 328,969 | 1,500,000 | 100,000 | 0 | 0 | 0 | 0 | 0 | 2,397,719 |
| Adjusted Allocation | 1,000,000 | 1,368,750 | 560,976 | 3,177,000 | 250,000 | 7,000 | 166,569 | 200,000 | 20,000 | 333,333 | 7,083,628 |
| <i>Expenditures as of June 30, 2016</i> | (176,670) | (559,185) | (180,023) | | 0 | 0 | 0 | 0 | 0 | 0 | (915,878) |
| <i>Encumbrances as of June 30, 2016</i> | 0 | (3,276) | (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3,278) |
| Total Actual Expenditures/Encumbrances as of June 2016 | (176,670) | (562,461) | (180,025) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (919,156) |
| Available Funds for FY 2016-2017 Pd 14 Stat 3 | 823,330 | 806,289 | 380,951 | 3,177,000 | 250,000 | 7,000 | 166,569 | 200,000 | 20,000 | 333,333 | 6,164,472 |
| % Remaining | 82% | 59% | 68% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 87% |
| II. Actual Expenditures | | | | | | | | | | | |
| Available Funds for FY2016-2017 (incl. encumbrance c/o) | 823,330 | 809,565 | 380,953 | 3,177,000 | 250,000 | 7,000 | 166,569 | 200,000 | 20,000 | 333,333 | 6,167,750 |
| <i>Expenditures as of June 30, 2017</i> | (245,781) | (333,750) | (206,078) | (1,620,024) | 0 | 0 | (106,121) | 0 | (7,072) | (12,553) | (2,531,379) |
| <i>Encumbrances as of June 30, 2017</i> | (326,931) | (185) | (37,991) | (5,516) | 0 | 0 | 0 | 0 | 0 | 0 | (370,623) |
| Cumulative Expenditures/Encumbrances as of June 30, 2017 | (572,712) | (333,935) | (244,069) | (1,625,540) | 0 | 0 | (106,121) | 0 | (7,072) | (12,553) | (2,902,002) |
| Remaining | 250,618 | 475,630 | 136,884 | 1,551,460 | 250,000 | 7,000 | 60,448 | 200,000 | 12,928 | 320,780 | 3,265,748 |
| % Remaining | 30% | 59% | 36% | 49% | 100% | 100% | 36% | 100% | 65% | 96% | 53% |
| III. Actual Expenditures/Carry Over | | | | | | | | | | | |
| Actual Carry-Over Expenditures/Encumbrances through June 2017 | (572,712) | (333,935) | (244,069) | (1,625,540) | 0 | 0 | (106,121) | 0 | (7,072) | (12,553) | (2,902,002) |
| Actual Carry-Over in June 2017 (\$) | 250,618 | 475,630 | 136,884 | 1,551,460 | 250,000 | 7,000 | 60,448 | 200,000 | 12,928 | 320,780 | 3,265,748 |
| Actual Carry-Over in June 2017 (%) | 30% | 59% | 36% | 49% | 100% | 100% | 36% | 100% | 65% | 96% | 53% |

work2future

Financial Status Report as of 6/30/2017

PD 14 Status 3

Prepared by: Joy Salandanan

Approved by: Jeff Ruster

| Other Funds | CWIB | Wells Fargo (BOS) | Bank of America (BOS) | W2F Foundation | Total |
|---|-------|-------------------|-----------------------|----------------|---------|
| I. Actual as of June 30, 2016 | | | | | |
| Grant Period | N/A | N/A | N/A | N/a | |
| Original Allocation | 5,000 | 10,000 | 10,000 | 15,454 | 40,454 |
| Expenditure/Encumbrances as of June 2016 | 0 | (720) | 0 | 0 | (720) |
| Total Actual Expenditures/Encumbrances as of June 2016 | 0 | (720) | 0 | 0 | (720) |
| Available Funds for FY 2016-2017 | 5,000 | 9,280 | 10,000 | 15,454 | 39,734 |
| % Remaining | 100% | 93% | 100% | 100% | 98% |
| | | | | | |
| II. Actual Expenditures | | | | | |
| Available Funds for FY 2016-2017 | 5,000 | 9,280 | 10,000 | 15,454 | 39,734 |
| Encumbrances as of June 2017 | | 0 | | | 0 |
| Expenditures as of June 2017 | | (3,972) | | | (3,972) |
| Cumulative Expenditures as of June 2017 | 0 | (3,972) | 0 | 0 | (3,972) |
| \$ Remaining | 5,000 | 5,308 | 10,000 | 15,454 | 35,762 |
| % Remaining | 100% | 57% | 100% | 100% | 90% |
| | | | | | |
| III. Actual Expenditures and Encumbrances/Carry Over | | | | | |
| Actual Expenditures through June 2017 | 0 | (3,972) | 0 | 0 | (3,972) |
| Actual Carry-Over in June 2017 | 5,000 | 5,308 | 10,000 | 15,454 | 35,762 |
| Actual Carry-Over (%) in June 2017 | 100% | 57% | 100% | 100% | 90% |
| | | | | | |

IV.A.1

Minutes Approval

[Action]

BOARD OF DIRECTORS MEETING
THURSDAY, June 15, 2017
ACTION MINUTES
CTO: 11:42 am

Prepared by: Nguyen Pham and Kathryn Azevedo; approved by Monique Melchor.

ORDER OF BUSINESS

I. QUORUM VERIFICATION

Present: Rose Amador, Louise Auerhahn, Denise Boland, Richard Friberg, Leslie Gilroy, Bob Harper, Susan Koepp-Baker, Van Le, Maria Lucero, Pam Moore, Steve Preminger, Rashad Said, Mitch Schoch, Henry Villalovoz, David Wahl. Joe Flynn arrived at 12:20pm.

Absent: Jeff Burrill, George Chao, Carl Cimino, Jack Estill, Blanca Gomez, Jeff Pallin, Brynt Parmeter, Derrick Seaver.

II. OPENING REMARKS: It was agreed by consensus that Finance Committee Chair Koepp-Baker should chair the meeting in lieu of Mr. Flynn. Ms. Koepp-Baker read the opening remarks and re-introduced Monique Melchor as the work2future Director.

III. CONSENT ITEMS

ACTION: It was moved by Mr. Preminger, seconded by Mr. Said and approved unanimously to accept the following:

- (a) HIRE Report of April 10, 2017
- (b) Customer Service Report for Quarter Ended March 31, 2017
- (c) Program Services Report as of April 30, 2017
- (d) Budget Variance Report for Quarter Ended March 31, 2017

IV. AGENDA ITEMS

A. Old Business

1. Minutes Approval

ACTION: Upon a motion by Ms. Gilroy, seconded by Mr. Villalovoz, the minutes of the March 16, 2017 Board meeting were approved unanimously.

B. New Business

1. Director's Report

Director Monique Melchor reported that the EDD has sent notification that the Youth Program allocation for FY 2017-2018 will be \$2.2 million, about 11% lower than for FY 2016-2017. No word had yet been received on the allocations for the Adult and Dislocated Workers programs. She reported that work2future will be moving the Adult and Dislocated Worker programs to a new case management

model in the new program year that will emphasize quality over quantity of services, and that the shift would not cause a delay in services.

2. Performance Update

Director Melchor provided an update on performance measures and the transition from WIA to WIOA. Staff are entering participant and activity information into CalJOBS, but the state and federal systems are still in transition and not yet able to compute and generate WIOA performance indicators. Local boards will not be held to the WIOA performance measures while the transition continues. In response to a question from Mr. Steve Preminger, Director Melchor stated that DOL estimates that the WIOA performance information may not be accessible until 2020. Ms. Melchor mentioned that the Governor has mandated that public agencies cannot request right-to-work documentation from clients. Finally, she reported that work2future came through its audit “with flying colors” and congratulated Finance Manager Joy Salandanan and the fiscal team.

3. EDD Grants: Storm Assistance, Regional Plan and CalJOBS

ACTION: Following a presentation by Director Melchor and brief discussion, Ms. Gilroy moved, Ms. Le seconded and the Board voted unanimous approval to accept three grants from the Employment Development Department as follows: (i) up to \$1,000,000 in National Dislocated Worker Grant funds for 2017 storm assistance, (ii) \$200,000 to support Bay-Peninsula regional plan activities, and (iii) \$7,000 to support the implementation of a new CalJOBS function.

4. FY 2017–2018 Proposed Budget

Finance Manager Salandanan presented the proposed operating budget for FY 2017-2018, including (i) allocations to work2future Foundation not to exceed \$2,158,935 for the provision of WIOA services to adult clients and to youth clients, respectively, and to Eckerd Workforce Development not to exceed \$262,783 for the provision of WIOA services to adult clients, and (ii) acceptance of a third grant of Proposition 39 funds in the amount of \$468,750 for the period April 1, 2017 through December 31, 2018 for a total of \$1,368,750 since January 1, 2015.

Ms. Salandanan noted that work2future can maintain current service levels even with a possible budget cut up to 25% thanks to cumulative effect of the Board’s reserves policies and staff savings of \$1 million from unfilled positions and from a revised calculation of the cost of TU employee benefits.

ACTION: Upon a motion by Mr. Preminger, seconded by Ms. Amador, the Board approved unanimously the three budget scenarios and inclusions proposed for FY 2017-2018.

5. San Jose Works

Finance Manager Salandanan presented an update on San Jose Works 2.0 and requested approval to accept funding in the amount of \$1,500,000 for SJ Works 3.0 to fund work2future’s portion of the 2017 SJ Works program and to distribute funds in the amount of \$1,281,600 to work2future Foundation to provide services for the 2017 SJ Works program. Ms. Salandanan also expressed appreciation to Derrick

Seaver, The Silicon Valley Organization, and David Mirrione, work2future Foundation, for their contributions to the SJ Works program. Mr. Schoch remarked that he is so impressed by a number of the part-time SJ Works interns that his firm, Bentek, has taken that it would be willing to pay the cost of making their internships 40 hours a week, instead of just 20.

ACTION: Upon a motion by Mr. Harper, seconded by Ms. Boland, the Board voted unanimously to accept the \$1,500,000 funding for SJ Works 3.0 and authorize the distribution of funds as proposed to work2future Foundation.

6. Local and Regional Plans Update

Special Projects Supervisor Lawrence Thoo reported that the California Workforce Development Board has approved the draft Local Plan submitted on March 15, 2017. Mr. Thoo also reported that nine of 13 partner organizations have signed the Phase II Memoranda of Understanding. Two organizations are in discussions, and two others have chosen not to move ahead because they are at the end of their grants.

7. Morgan Hill Satellite Job Center

ACTION: Following a presentation by Economic Development Officer Dhez Woodworth, Ms. Koepp-Baker moved, Ms. Lucero seconded and the Board voted unanimously to approve termination of the lease for, and closure of, the Morgan Hill Satellite Job Center and authorization for the development of an alternative service plan for the South County.

In his presentation, Mr. Woodworth clarified that the EDD has reduced its Morgan Hill hours but continues to offer services there pending its requested move to the Gilroy Job Center.

8. One-Stop Operator Approval

ACTION: Following a presentation by Contracts Manager Colleen Brennan on the One-Stop Operator RFP process, Mr. Preminger moved, Ms. Amador seconded and the Board voted unanimously to approve the selection of and authorization to enter into an agreement with Phoenix Consulting Group, Inc., with an amount not to exceed \$25,000, to serve as One-Stop Operator for the period July 1, 2017 through June 30, 2018 with an option for up to three one-year extensions.

9. Labor Market Information Update

LMI Senior Project Manager Bige Yilmaz presented an update on April 2017 Market data for the San Jose-Santa Clara-Sunnyvale MSA in the context of The Silicon Valley Dichotomy, a report on economic distress in Santa Clara County completed recently by BW Research Partnership for work2future. Ms. Yilmaz pointed out that the low unemployment rate “masks” the 4 in 10 households that are in economic distress

10. Sector Strategies-Career Pathways Initiative

Special Projects Supervisor Lawrence Thoo presented information on the new initiative to advance sector strategies and career pathways, which are integral elements of work2future’s Local Plan. He informed the Board that the project will focus first on Advanced Manufacturing from among work2future’s priority sectors.

V. **ITEMS FOR NEXT AGENDA:** Report on the NDWG grant for storm assistance.

VI. ANNOUNCEMENTS

Mr. Harper announced his retirement from the Campbell Union High School District and said he is suggesting the adult education director from the East Side Union High School District to replace him on the Board. Mr. Preminger announced that he has 10,000 blankets in storage that are available to anyone willing to pick up blankets. Ms Boland informed the Board that Santa Clara County has released an RFA for a CalFresh employment and training program.

VII. NEXT MEETING

The next regular meeting of the Board of Directors is scheduled for 11:30 am–1:30 pm, September 21, 2017, at the work2future Business and Administrative Services Center, 5730 Chambertin Dr., San Jose.

VIII. THE PUBLIC RECORD

It was moved by Mr. Preminger, seconded by Mr. Villalovoz and approved unanimously by the Board to note and file the item in the Public Record.

IX. PUBLIC COMMENT: None

X. ADJOURNMENT: 1:28 pm

IV.B.1

Local and Regional Plans and Regional Training Updates

[Discussion]

Local and Regional Plans and Regional Training Updates

Local Plans

- May 1, 2017: All Local Boards received “conditional approval.” Local boards were informed that a subsequent letter would address any needed modifications.
- May 23 2017: Each local board received a letter from the State Board that either:
 - Plan was complete and recommended to the State Board for approval at its August meeting, or
 - Elements were missing or needed further work, to be completed by July 1, 2017.
- July 1, 2017: Modifications were made.

Regional Plans

- March 15, 2017: Local and Regional Plans were due to the State Board. (All Local and Regional Plans were submitted by the March 15 deadline).
- June 12, 2017: Regional Planning Units (RPU) received “conditional approval.” Five RPUs were informed that their Plans required modification based on the Regional Planning Guidance, and that corrections must be completed by August 1, 2017. All regional plans were completed and the State Board staff recommended that the Board approve all 14 Regional Plans
- August 24, 2017: The California Workforce Development Board approved the WIOA Local and Regional plans. The next step is final consideration by the governor.
- The State Board is now working with the RPUs, through regional organizers, on developing concrete implementation plans, processes and, ultimately, the realization of the Regional Plans’ goals and visions.

Phase II Memoranda of Understanding (MOU) Update

- September 1, 2017: wor2kfuture submitted to the State the state-required MOU Phase II which covers the Infrastructure Cost Sharing agreement with partners that signed MOU Phase I signifying their interest in co-locating at work2future’s Comprehensive Job Center located on Foxworthy Avenue in San Jose (Kirk Community Center).
- Nine of the 13 partners have agreed to co-locate at Kirk and share in the infrastructure costs. Each will have a regularly scheduled presence of at least one hour a week at the comprehensive Job Center, with an annual cost of \$44 of cubicle space.
- San Jose Job Corps, representing Job Corps Services; Employment Development Department (EDD); and Department of Rehabilitation chose not to co-locate either until further directive is issued by their agencies, or pending compliance with ADA issues (EDD and Department of Rehabilitation).
- As of this writing, work2future is still waiting for the signed MOU Phase II from Campbell Union High School District, East Side Union High School District, and San Jose Evergreen Community College District, pending approval from their respective Boards. The State has been apprised of the situation, and has accepted the MOU II with the understanding that the signatures from these partners will be obtained at a date after September 1, 2017.

IV.B.2

FY 2017-2018

Budget Reconciliation

[Action]



Memorandum

TO: Board

FROM: Joy Salandanan

SUBJECT: See Below

DATE: September 21, 2017

Approved

Date

SUBJECT: FY 2017-2018 Budget Reconciliation for 2016-2017 Carry-Over Savings and
FY 2017-2018 WIOA Formula and Rapid Response Funding Adjustment

RECOMMENDATION

Approve staff's proposed budget adjustments, which reflect a decrease in the State of California Employment Development Department Workforce Innovation and Opportunity Act (WIOA) Formula and Rapid Response funding allocations for FY 2017-2018 and the re-budgeting of *actual* carry-over savings from the *final* year-end close of FY 2016-2017, as follows:

- Net Decrease of \$13,746 in WIOA Formula program operating budget;
- Net Decrease of \$39,069 in WIOA Rapid Response operating budget;
- Net Decrease of \$11,438 in WIOA Administrative Services budget; and
- Re-budget of \$203,233 in Discretionary funding.

BACKGROUND AND ANALYSIS

On June 15, 2017, staff submitted its budget proposal for FY 2017-2018 based strictly on estimates, since the State Employment Development Department (EDD) was delayed in releasing the WIOA Formula allocation to the local Workforce Development Boards. The Board approved three budget proposed scenarios: (i) a 5% (best case) funding reduction, (ii) a 10% (base case) reduction, and (iii) a 15% (worse case) reduction.

The proposed FY 2017-2018 work2future Operating Budget of \$12,973,294 (based on the base case scenario of 10% funding reduction), is as follows:

- *Estimated WIOA Formula program funding including Board-mandated Reserve Accounts and Projected Savings of \$8,264,080;*
- *Estimated WIOA Administrative Funding of \$677,730 which is reported and accounted for separately from the WIOA Formula program funding allocation;*
- *Estimated WIOA Rapid Response funding of \$933,207; and*

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- New and Projected Carry-Over Funding from other funding sources of \$3,098,277.

On June 27, 2017, the State EDD released the *final FY 2017-2018* WIOA formula allocations to all Local Workforce Development Boards. work2future received \$6,582,513 in WIOA formula funding allocation compared to the estimated amount of \$6,777,301, equivalent to a reduction of \$194,788.

As the Administrative Services budget and the Carry-Over funding to FY 2018-2019 is 10% and 15% of the total WIOA formula allocation, the reduction in the overall WIOA formula allocation impacted both these numbers, resulting in reductions of \$19,478 in the Administrative Budget and \$29,218 in the Carry-Over Funding to FY 2018-2019.

However, at the *final* FY 2016-2017 year-end close of June 30, 2017, work2future ended the year with an additional \$132,346 in unspent funding compared to the projected carry-over amount in the Proposed Budget.

The net impact of these budget adjustments is shown on the table below:

| WIOA Formula Program Allocation | June 2017 Board Approved Budget \$6.7 million | Proposed Budget Adjustment | Proposed Revised Budget \$6.6million |
|---|--|---|---|
| | a | b | c = (a-b) |
| WIOA Allocation | \$6,777,301 | (194,788) | \$6,582,513 |
| Board-Mandated Reserve Account | 1,129,550 | 0 | 1,129,550 |
| Projected Carry-Over from FY 2016-2017 | 2,051,554 | 132,346 | 2,183,900 |
| Other Discretionary Sources | 93,058 | 0 | 93,058 |
| Administrative Budget (10% of AD, DW, Youth) | (677,730) | 19,478 | (658,252) |
| Carry-Over to FY 2018-2019 (15% of WIOA Alloc.) | (1,016,595) | 29,218 | (987,377) |
| Total Proposed Program Budget | \$8,357,138 | (13,746) | \$8,343,392 |

The following is the impact of the funding reduction on the FY 2017-2018 operational budget:

| WIOA Formula Program Allocation | June 2017 Board Approved Budget \$6.7 million | Proposed Budget Adjustment | Proposed Revised Budget \$6.6million |
|--|--|---|---|
| | a | b | c = (a-b) |
| Personnel Costs (Salaries & Benefits) | \$2,282,077 | 0 | \$2,282,077 |
| Non-Personnel Costs | 782,704 | 0 | 782,704 |
| Adult Client Related Services | 1,375,502 | (35,514) | 1,339,988 |
| Youth Client Related Services | 730,587 | (5,624) | 724,963 |
| Other Client Related Services | 135,000 | 0 | 135,000 |
| Contingency Reserve Account | 536,492 | 27,392 | 563,884 |
| Distribution to Services Providers | 2,421,718 | 0 | 2,421,718 |
| Total Proposed Program Budget | 8,264,080 | (13,746) | 8,250,334 |
| Funded from Other Sources | 93,058 | 0 | 93,058 |
| Total Proposed Program Uses | \$8,357,138 | (13,746) | \$8,343,392 |

Projected Carry-Over from FY 2016-2017

The additional carry-over funding at the final close of June 30, 2017 of \$132,346 was generated as follows:

| Details | Adult | Dislocated Worker | Youth | Total |
|---|-------------|-------------------|-----------|-------------|
| Actual Carry-Over from FY 2016-2017 | \$1,007,554 | 1,164,438 | 1,141,458 | \$3,313,450 |
| <i>Projected</i> Carry-Over from FY 2016-2017 | 937,739 | 1,112,558 | 1,130,807 | 3,181,104 |
| Additional Carry-Over from FY 2016-2017 | \$69,815 | \$51,880 | \$10,651 | \$132,346 |

The additional carry-over is from unspent service providers' contracts.

WIOA FORMULA FUNDING REDUCTION IMPACT ON FY 17-18 OPERATING BUDGET

SB 734 Training Budget

SB 734 requires that 30% of Adult and Dislocated Worker Program Funding be spent on client training activities. Historically, work2future allots 20% of its Adult and Dislocated Worker Allocation on training activities, with the additional 10% to be raised by the service providers through leveraged resources. With the decrease in the Adult and Dislocated Worker allocation for FY 2017-2018, the June 2017 Board-approved budget for SB 734 has also been impacted, with a corresponding reduction of \$49,063, as shown below:

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| Budget Details | June 2017 Board Approved SB 734 Training Budget | Proposed Budget Adjustment | Revised SB 734 Training Budget |
|---|--|---|---|
| | a | b | c = (a-b) |
| WIOA Adult and Dislocated Worker Allocation | \$4,524,860 | (163,545) | \$4,361,315 |
| Training Requirement (at 30% of Allocation) | 1,357,458 | (49,063) | 1,308,395 |
| | | | |
| Training Budget at 20% | 904,972 | (35,514) | 869,458 |
| Leverage Funds at 10% | 452,486 | (13,549) | 438,937 |
| Total Training Funds for FY 2017-2018 | \$1,357,458 | (49,063) | \$1,308,395 |

WIOA Youth Work Experience

WIOA places a new priority on work-based learning, requiring that at least 20% of the Youth program funding allocation be used for paid and unpaid work experience programs. With the decrease in the Youth program funding allocation for FY 2017-2018, the Board-Approved budgeted amount for work experience is correspondingly reduced by \$5,624 as follows:

| Budget Details | June 2017 Board-Approved Youth Work Experience Budget | Proposed Budget Adjustment | Revised Youth Program Work Experience Budget |
|--|--|---|---|
| | a | b | c = (a-b) |
| WIOA Youth Allocation | \$2,252,441 | (31,243) | \$2,221,198 |
| Less: Administration (10% of Allocation) | (225,244) | 3,124 | (222,120) |
| Youth Program Allocation (90% of Allocation) | 2,027,197 | (28,119) | 1,999,078 |
| Work Experience Requirement (at 20% of alloc.) | \$405,439 | (5,624) | \$399,815 |

WIOA Contingency Reserve Account

| Budget Details | June 2017 Board-Approved Contingency Reserve Account | Proposed Budget Adjustment | Revised Contingency Reserve Account |
|---|---|----------------------------------|--|
| | a | b | c = (a-b) |
| WIOA Contingency Reserve Account | \$536,492 | 27,392 | \$563,884 |
| Less: work2future Foundation | (146,000) | 0 | (146,000) |
| Funds to be carried over to FY 2018-2019 | \$390,492 | 27,392 | \$417,884 |

Despite the reduction in WIOA formula funding of \$194,788, work2future can set aside an additional \$27,392 to the WIOA Contingency Reserve Account because of the additional funding generated at the final year-end close of FY 2016-2017. The Contingency Reserve Account may be accessed during the year for client service delivery when the need arises. Remaining funds are carried over to the following year to help augment subsequent operating budgets.

As shown on the table above, work2future is proposing to access the Contingency Reserve Account in the amount of \$146,000, re-directing the funds to the work2future Foundation. This amount is only a portion of the total proposed amount to be re-directed to the work2future Foundation to fund additional staffing for business outreach and placement activities. The additional \$120,000 will be sourced from the Rapid Response Funding. (Please see WIOA Rapid Response Funding Section below.)

WIOA RAPID RESPONSE FUNDING

The State EDD released the FY 2017-2018 *final* Rapid Response funding allocation to LWDBs on August 1, 2017. work2future received \$523,874 for the *base* funding and \$89,169 in lay-off aversion funding for a total Rapid Response funding allocation of \$613,043. In addition, at year-end close of June 30, 2017, work2future had \$281,095 in combined unspent *base* funding allocation (\$129,642) and lay-off *aversion* funding (\$151,453). The State has issued a directive allowing unspent Rapid Response funding to be carried over to FY 2017-2018. With the final allocation for FY 2017-2018 of \$613,043 and the carry-over funding from FY 2016-2017 of \$281,095, Rapid Response adjusted budget for FY 2017-2018 amounts to \$894,138. This adjusted amount is \$39,069 less than the Board-approved Rapid Response Budget of \$933,207.

The following are the proposed budget adjustments to the Rapid Response funding and the corresponding impact on the operational budget:

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| Budget Details | June 2017 Board-Approved Rapid Response Budget | Proposed Budget Adjustment | Revised Rapid Response Budget |
|---|---|---|--|
| WIOA Rapid Response <i>Base</i> Allocation | \$698,499 | (174,625) | \$523,874 |
| WIOA Lay-Off <i>Aversion</i> Allocation | 0 | 89,169 | 89,169 |
| Total FY 2017-2018 Rapid Response Funding | \$698,499 | (85,456) | \$613,043 |
| Carry-Over Base Funding | 98,208 | 31,434 | 129,642 |
| Carry-Over Lay-Off Aversion Funding | 136,500 | 14,953 | 151,453 |
| Total Carry-Over Funding from FY 2016-2017 | 234,708 | 46,387 | \$281,095 |
| Total Rapid Response Funding for FY 2017-2018 | \$933,207 | (\$39,069) | \$894,138 |

The reduction in funding will eliminate one funded temporary unclassified position which currently is vacant.

In addition, it is important to note that \$120,000 of the Rapid Response funding of \$894,138 has been re-directed to the Foundation to fund additional staffing to help with business outreach and placement activities. These budgetary decisions would mean the elimination of two filled temporary unclassified positions at the work2future Board.

WIOA ADMINISTRATIVE FUNDING

With the reduction in the WIOA Formula funding allocation for FY 2017-2018, work2future's administrative budget must be reduced by \$19,478. The reduction of \$19,478 is offset by \$8,040 in administrative savings at the end of the final close of June 30, 2017, thus reducing the deficit to \$11,438 as shown below:

| Budget Details | June 2017 Board- Approved Administrative Budget | Proposed Budget Adjustment | Revised Administrative Budget |
|---|--|---|--|
| WIOA Formula Allocation | \$6,777,301 | (194,788) | \$6,582,513 |
| | | | |
| WIOA Administration (@ 10% of allocation) | \$677,730 | (19,478) | \$658,252 |
| Carry-Over funding from FY 2017-2018 | 0 | 8,040 | 8,040 |
| Total Administrative Funding for FY 2017-2018 | \$677,730 | (11,438) | \$666,292 |

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The reduction of \$11,438 in the overall administrative budget will reduce the overhead distribution to the City by \$9,533 for FY 2017-2018, and reduce the distribution to the service providers by \$1,905 corresponding to the decrease in administrative allocation.

DISCRETIONARY CARRY-OVER FUNDING

work2future is requesting additional budget adjustments representing net carry-over funding of \$203,233 from FY 2016-2017 during the final close at year-end of June 30, 2017 as follows:

| Discretionary Carry-Over Funding | June 2017 Board- Approved Budget | Budget Adjustments | Revised Discretionary Budget |
|---|---|-------------------------------|---|
| | a | b | c = a – b |
| Proposition 39 Pre-Apprenticeship Grant | \$468,750 | 6,880 | \$475,630 |
| Sector Partnership NEG | 0 | 250,618 | 250,618 |
| Ready to Work Initiative | 225,663 | (88,779) | 136,884 |
| Customer-Centered Design/Regional Planning | 72,788 | 588 | 73,376 |
| Career Pathways | 250,000 | 0 | 250,000 |
| BOS Initiative | 30,743 | 19 | 30,762 |
| National Dislocated Worker Grant-Storm | 333,333 | (12,553) | 320,780 |
| San Jose Works 3.0 | 1,510,000 | 41,460 | 1,551,460 |
| Regional Training Coordinator Grant | 200,000 | 0 | 200,000 |
| CALJOBS VOS Enhancement Tool | 7,000 | 0 | 7,000 |
| CA Workforce Association | 0 | 5,000 | 5,000 |
| Total Discretionary Carry-Over Funding | \$3,098,277 | 203,233 | \$3,301,510 |

All discretionary grants with the exception of the BOS initiative and the California Workforce Association funding are for a term period that crosses over two fiscal years; thus, unspent funding can be carried over to the remaining months of the grant period and reimbursed only when expenditures are incurred against the grant. On the other hand, the BOS Initiative and California

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Workforce Association funding are ongoing grants for which funding has already been received, and unspent funding has been carried over from one fiscal year to the next until the funds are totally spent.

The budget adjustments represent unspent grant funds. Two items of note: Following preparation of the original budget proposal, work2future received notification from the State EDD of the extension of the Sector Partnership National Emergency Grant until June 30, 2018, which is reflected in the revised proposed budget. On the other hand, work2future must reduce funding for the Ready to Work grant to reflect the funding balance through June 30, 2018.

/s/

Joy Salandanan

work2future Finance Manager

cc: Kim Walesh

Jeff Ruster

Monique Melchor

IV.B.3

Performance Update

[Discussion]

WIOA Performance

With the transition to WIOA, DOL changed the reporting cohorts to “start new”. Under the new WIOA law, performance is based on individuals exiting the system. Therefore, anyone exited after July 1, 2016 will be counted in performance.

- Employment: Not enough time has passed for us to have base wage information on those that are employed in the 2nd and/or 4th quarter after exit.
- Credential Attainment measure the attainment of a credential up to 365 days after exit. Not enough time has passed to capture that information either.
- Median Earnings — Baseline year.

The board staff will begin reporting performance data on employment in the 2nd quarter after exit, and median earnings in the first quarter of PY17 (November 2017). Credential attainment and 4th quarter employment information will not be available until the fourth quarter of PY17. (August 2018).

WIA Performance

The State Case Management System— Cal JOBS—only has the WIA performance at present. We can utilize these reports to see some employment information. However, the reports are still calculating WIA performance not WIOA. The benefit is that we can still see how our WIOA participants are performing under the old WIA measures.

On the following page, WIA performance information is presented while EDD prepares information for WIOA.

WIOA Performance Strategies

- Employment Qtr. 1 & 4
 - Case Management System
 - Full Transition to CalJOBS
 - Business Services Team
- Median Earnings
 - Sector Strategies/Career Pathways
 - Living wage
- Credential
 - Engage by Cell
 - Training Team Case Management System
 - Incentives

Tracking

- The work2future board staff are working on a new tracking mechanism to track participants by sector in real time, which will benefit future performance. This tracking tool will allow the work2future board to analyze client success based on several outcomes, some of which are below.
 - Employment in Priority/Demand industries
 - Employment in Demand Occupations
 - Employed with a career change
 - Employed with a living wage (for those who may be in a vulnerable population)

work2future
***WIA Performance Outcomes Report 3rd Quarter**
(Run date: 8-28-17)

| PY 2015-2016 4th Quarter – With Base Wage | | | |
|---|---------------|-------------|--------------|
| Performance Measures | Perf. Goals/a | Actual | Success Rate |
| ADULT | | | |
| Entered Employment Rate | 51.5% | 56.96% | 110.60% |
| Average Earnings | \$14,200 | \$18,166.00 | 127.92% |
| Employment Retention Rate | 79.0% | 83.02% | 105.31% |
| DISLOCATED WORKERS | | | |
| Entered Employment Rate | 58.5% | 67.35% | 115.12% |
| Average Earnings | \$20,100 | 24,184.03 | 120.31% |
| Employment Retention Rate | 83.0% | 87.05% | 104.87% |
| YOUTH | | | |
| Placement in Employment or Education | 60.0% | 68.18% | 113.63% |
| Attainment of a Degree or Certificate | 64.0% | 84.62% | 132.21% |
| Literacy and Numeracy Gains | 63.5% | 65.93% | 103.82% |
| Overall Performance - Local Target (100%) | Exceeded 9/9 | | |
| Overall Performance - State Target (80%) | Exceeded 9/9 | | |
| Projected Overall Performance - Local Target (100%) | Exceed 9/9 | | |
| Projected Overall Performance - State Target (80%) | Exceed 9/9 | | |

/a - Negotiated Performance Levels for 2015-2016

IV.B.4

Facilities Update

[Discussion]

FACILITY UPDATES

Morgan Hill Satellite Job Center Closure

- As approved at the June 15, 2017 Board meeting, work2future operations at the Morgan Hill Satellite ended on July 27 and the program vacated the building on August 4, 2017. work2future and City of Morgan Hill staff remain committed to maintaining connection with the community, including participation in City of Morgan Hill activities such as the recent "Summer Fun in the Park" event, distribution of work2future materials, and display of work2future notices at the Morgan Hill Community Center. Notice of alternative locations for services has been made through client emails, notices on the door of the facility, and to partner organizations.

Relocation of Youth Program to San Jose Job Center

- In order to allow the Vietnamese Community Center full use of the facility, the Parks, Recreation & Neighborhood Services Department (PRNS) has informed work2future that its lease for the Shirakawa Community Center, home to work2future's Youth program, will not be renewed when it expires in June 2018. work2future has begun efforts to identify an alternative location from which to offer Youth services. Beginning this work well in advance of the lease-end will avoid service disruptions during the peak summer period.
- Staff have considered a number of potential sites, but none has presented the space required to accommodate the combined needs of the Youth program and SJ Works, which operates as an adjunct to the Youth program. Therefore, the most promising solution appears to be consolidation of Youth and Adult services at the San Jose Job Center at the Kirk Community Center. This would require squeezing a significant number of additional staff into the existing space. However, staff believe this is still a viable solution.
- Prior to any move, staff will perform community outreach to facilitate a smooth transition.

Consolidation of Business and Administrative Services Center

- work2future has begun discussions with PRNS regarding limiting the Business and Administrative Services Center to the second floor of the Almaden Winery Community Center. To date, Business and Administrative Services have used both floors of the facility.

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IV.B.5

Elections

[Action]



Memorandum

TO: Board
FROM: Monique Melchor
SUBJECT: ELECTION OF CHAIR AND VICE-CHAIR
DATE: September 12, 2017

Approved

Date

RECOMMENDATION

It is recommended that the election of officers—Chair and Vice-Chair—of the work2future Board takes place at the September 21, 2017 Board meeting.

BACKGROUND

Article IV of the work2future Workforce Development Board By-laws stipulates that the Board shall elect one member as Chair (Section 4.1) and one member as Vice-Chair (Section 4.2), each for a term of two years.

Article IV further stipulates that both the Chair and Vice-Chair shall be business representatives.

ANALYSIS

Chair and Vice-Chair Responsibilities

Section 4.1 of the By-laws stipulates that the Chair shall preside over all regular meetings and special meetings of the Board and shall be an ex-officio member of all committees.

Section 4.2 of the By-laws stipulates that the Vice-Chair shall act as Chair pro tem in the absence of the Chair from a meeting and shall preside over that meeting.

/s/
Monique Melchor
Director & Secretary

IV.B.6

Silicon Valley Dichotomy II

[Discussion]

SILICON VALLEY DICHOTOMY II

Keen Independent Research will provide a preliminary report on additional research it has conducted on behalf of work2future to analyze further the circumstances of communities identified as most impacted by economic distress in the original Silicon Valley Dichotomy research by BW Research presented to Board members in Spring 2017.

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IV.B.7

Sector Strategies Initiative

[Discussion]

SECTOR STRATEGIES INITIATIVE UPDATE

Consultant John Melville, CEO, Collaborative Economics, will provide a brief update on activities to date on the Sector Strategies-Career Pathways Initiative introduced to the Board at its June 15, 2017 meeting. The Initiative is focused initially on industries in the local Advanced Manufacturing sector.

To date:

- On August 21, 2017, 20 business leaders from Silicon Valley's diverse advanced manufacturing services sector convened at the Jabil Blue Sky Center to discuss priorities for collective action to overcome key challenges to capitalizing fully on growth opportunities in the sector. They represented more than a dozen companies: regional firms such as Bestronics, BriteLab and Vander-Bend, and global powerhouses like Celestica, Cobham and Jabil.
- The business leaders agreed to champion two overarching priorities for action.
 - Attract more people into careers in manufacturing services.
 - Prepare more people with the basic skills needed to enter and advance in two career pathways critical to manufacturing services industry growth, an assembler pathway and a technician pathway.
- Leaders refined "desired outcomes and first actions" via conference calls a few weeks later, and will reconvene in early October to agree on how to move immediately to action.
- More than two dozen representatives of workforce and economic development partners, including community colleges, San Jose State University and organizations like NextFlex and The Silicon Valley Organization, observed the August 21 discussion and will help support actions developed by the business leaders.

Envisioned Next Steps:

- The workforce and economic development partners are scheduled to reconvene on September 20 to discuss information from the two business leader conference calls mentioned above and prepare for the business leaders' reconvening and potential subsequent action.
- Staff are consulting with the business co-chairs to determine date and time for the October in-person reconvening of business leaders, with the hope of agreeing on a suitable opportunity in the first or second week of the month.

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IV.B.8

The Brown Act and Conflicts of Interest

[Discussion]

THE BROWN ACT AND CONFLICTS OF INTEREST

City of San José Deputy City Attorney Arlene Silva will provide a training on (i) requirements of the Brown Act and (ii) conflicts of interest, as they apply to the work2future Board.

#

IV.B.9

Update on the Storm Assistance Grant

[Discussion]

Storm Assistance Grant 2017 Update

The work2future Board voted unanimously on June 15, 2017 to accept a grant of up to \$1 million in National Dislocated Worker Grant (NDWG) funds through the EDD to support temporary employment for clean-up and repair projects related to flooding from the January–February 2017 storms. To date, 22 participants have been enrolled, meeting the Phase 1 enrollment target.

The first phase of the \$1 million NDWG Grant ends on September 30, 2017. In order to procure the second installment from DOL, certain performance factors have to be met. Since its inception in June, the Grant has faced a number of challenges that have hindered its achievement of Performance Factors. These challenges included a lack of initial identification of potential worksites from City's Parks, Recreation and Neighborhood Services Department, and aligning Grant Program Wages with the City's Living Wage Policies

Due to these challenges, the Program launch was delayed by more than two months to August 16, 2017.

The following Performance Factors were affected:

- Target for Enrollments was 22 for Phase 1. Program launched with 7 Participants but through extensive outreach we have achieved this Performance Factor. We have 22 Participants as of the first week of September and will continue to enroll eligible participants despite having already met planned goals.
- Target expenditures is 70% of the \$333,333 first installment. Staff anticipates reaching 54% of the first installment. However, EDD has expressed confidence that the 11 project operators, including work2future, will spend collectively at least 70% of the initial installment of the grant. That will allow the distribution of the second of three grant installments, which will allow work to continue.

Program Participants come from very diverse backgrounds—ranging from recently laid-off white collar tech workers with few barriers to long-term unemployed individuals with substantial barriers to employment.

The Program has allowed these distinct individuals to work as a team. (State deleted verbally.)

The Participants' most significant accomplishment thus far has been their work to get the Japanese Friendship Garden at Kelley Park reopened. Moving forward, Participants will continue to work in the following Flood affected areas:

- Clean up algae built up in the upper ponds to ensure sufficient oxygen for Koi Fish at Kelley Park
- Debris clean up and removal at Coyote Creek
- Vegetation removal and clean up at Selma Olinder Park
- Assisting City ESD with debris hauling and removal on the streets in Rocksprings and William Street Park Neighborhoods.

###

V.

Items for Next Agenda

VI.

Announcements

VII.

Next Meeting

The next regular meeting of the Board of Directors is scheduled for 11:30 am–1:30 pm, December 7, 2017, at the work2future Business and Administrative Services Center, 5730

Chambertin Dr, San Jose.

VIII.

The Public Record

IX.

Public Comment

X.

Adjournment .