



**EXECUTIVE COMMITTEE
FINANCE & PERFORMANCE COMMITTEE
JOINT MEETING AGENDA**

**Thursday, May 16, 2019
11:30 am**

Business Services & Administration Center
5730 Chambertin Drive
San Jose, CA 95118
www.work2future.biz

**Joseph Flynn, Chair, Executive Committee
Susan Koepp-Baker, Chair, Finance & Performance Committee
Monique Melchor, Secretary**

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For questions regarding this agenda, please call Lawrence Thoo at 408.794.1170. To request an accommodation or alternative format for work2future meetings, events or printed materials, please call Kathryn Azevedo at 408.794.1176 or call 408.294.9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

**EXECUTIVE COMMITTEE
FINANCE & PERFORMANCE COMMITTEE**

**May 16, 2019
11:30 am**

JOINT MEETING AGENDA

- I. CALL TO ORDER & OPENING REMARKS**
- II. QUORUM VERIFICATION**
- III. CONSENT ITEMS {Action}**

Approve the acceptance of:

 - A. Financial Status as of March 31, 2019**

*5 min
11:40 am end*
- IV. BUSINESS ITEMS**
 - A. Old Business**

*5 min
11:45 am end*

 - 1. Finance & Performance Committee Minutes Approval (Action)**

Approve the minutes of the February 21, 2019 Finance & Performance Committee meeting.
 - 2. Executive Committee Minutes Approval {Action}**

Approve the minutes of the March 4, 2019 Executive Committee meeting.
 - B. New Business**
 - 1. Director's Report {Discussion}**

Monique Melchor, Director

Reports on various items of interest.

*10 min
11:55 pm end*
 - 2. Report on Single Audit Results {Discussion}**

Joy Salandanan, Finance Manager

Report on the work2future results of the independent auditor's annual Single Audit of the City's finances.

*5 min
12:00 pm end*
 - 3. San Jose Works 5.0 (Action)**

Joy Salandanan, Finance Manager

Recommend that the Board approve the following:

 - a)** Acceptance of \$1.5 million in City of San Jose funds to support San Jose Works 5.0
 - b)** Distribution of \$1,258,000 to work2future Foundation and \$95,000 to the Parks, Recreation and Neighborhood Services Department for San Jose Works services,

*25 min
12:25 pm end*

and allocation of \$147,000 for San Jose Works in the work2future Operating Budget.

- 4. Prison to Employment Grant {Action}** 10 min
Joy Salandanan, Finance Manager 12:35 pm end
 Recommend that the Board approve the acceptance of \$661,783 for implementation of the Prison to Employment Initiative, including \$607,976 for program service delivery and \$53,807 for work2future's service as program lead.
- 5. Operating Budget for FY2020 {Action}** 25 min
Joy Salandanan, Finance Manager 1:00 pm end
 Recommend that the Board approve staff's Proposed Operating Budget of \$6,842,369 for Fiscal Year (FY) 2019-20, including:

 - a) Adjustment of \$34,313 to the March 21, 2019 Board-approved preliminary WIOA Program Operating *base* Budget for FY 2019-20
 - b) WIOA Administrative Budget in the amount of \$579,649
 - c) Proposed WIOA *estimated* Rapid Response Funding for FY 2019-20 of \$467,823
 - d) Authorization for staff to transfer funds without additional Board approval between budget line items, as long as overall amounts for personnel and non-personnel expenses are not changed, and between the Adult and Dislocated Worker Programs, as needed, so long as the total budget amount is not changed.
- 6. WIOA Performance and Service Delivery Outcomes Update {Discussion}** 10 min
Meredith Studebaker, MIS Analyst 1:10 pm end
 Report on (a) WIOA performance through the third quarter of the 2018 Program Year, and (b) employment-related outcomes in relation to priority sectors and in-demand occupations at non-priority sector employer.
- 7. Board Retreat {Discussion}** 5 min
Monique Melchor, Director 1:15 pm end
 Update on planning for the June 20, 2019 Board Retreat.

V. PUBLIC COMMENT

VI. SUGGESTIONS FOR FUTURE AGENDA ITEMS

VII. ANNOUNCEMENTS

- A. The next meeting of the work2future Board is scheduled for Thursday, June 20, 2019, 9:30 am, at NextFlex, 2040 Fortune Dr., San Jose. This will be a combined business meeting and Board Retreat.
- B. The next meeting of the Executive Committee is scheduled for Thursday, July 18, 2019, 11:30 am, at the Business Services & Administration Center, 5730 Chambertin Dr., San Jose.

C. Other

VIII. ADJOURNMENT

Please note: *Times to the right of agenda items are estimates only of the duration of the item and its approximate ending time. Actual times may vary, and items may be taken out of order at the discretion of the chair.*

**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:
 - i. No objects will be larger than 2 feet by 3 feet.
 - ii. No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - iii. 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 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, 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, California at the same time that the public records are distributed or made available to the legislative body.

I.

Call to Order &
Opening Remarks

OPENING REMARKS

Good morning! Welcome to the May 16, 2019 joint meeting of the Executive Committee and the Finance and Performance Committee of the work2future Board of Directors.

My name is Joe Flynn. I am Chair of the work2future Board and Chair of the Executive Committee.

The procedure for today's meeting is as follows:

- In keeping with the requirements of the Brown Act, Committee members may discuss only matters that are listed on the Agenda.
- The Chair will introduce each item on the agenda.
 - Copies of the agenda have been placed on the table near the door for your convenience.
- A work2future staff or Committee member—as indicated on the agenda—will present each item, including recommendations for committee action on any Action Item on the agenda.
- At the conclusion of the presentation, and prior to committee questions or discussion, the Chair will recognize any member of the public who wishes to address the specific item being discussed. Public remarks will be limited to two minutes each.
 - Members of the public who wish to address the Committee should first complete a blue Comment Card located near the door and give it to any work2future staff member in advance of the Agenda Item they wish to address.
- Committee members may then ask questions of work2future Staff and other committee members, and discuss the item. Committee members may not direct questions to the public.
- The Committee may take action only on items designated as an action item.
- At the Public Comment agenda item following all Business items, members of the public who wish to address the Committee on matters not on the agenda will be given two (2) minutes each to speak.
 - Again, members of the public who wish to address the Committee should complete a blue Comment Card located near the door and give it to any work2future staff member.
 - When called on, they should first identify themselves and state their addresses for the record and then make their remarks.

This concludes the Chair's Opening Remarks.

We now move to Agenda Item Two—Quorum Verification.

STAFF, DO WE HAVE A QUORUM FOR BOTH THE EXECUTIVE COMMITTEE AND THE FINANCE
AND PERFORMANCE COMMITTEE?

II.

Quorum Verification

III.

Consent Items

[Action]

III.A

Financial Status as of
March 31, 2019

[Action]

FINANCIAL STATUS AS OF MARCH 31, 2019

Key Highlights

- Staff projects that WIOA formula and Rapid Response carry-over funding from FY2017-18 will be fully spent by June 30, 2019.
- Staff projects to carry over approximately \$2.495 million from the current Adult, Dislocated Worker, and Youth allocations, including:
 1. Board-mandated Reserve Account (\$948,373)
 2. Board-approved Unallocated Reserve Account (\$693,789)
 3. A combination of actual and projected savings (\$661,122), comprised of the following:
 - a) actual savings from equipment return (\$38,498)
 - b) actual savings from unspent contracted services from previous years (\$67,343)
 - c) projected savings from personnel costs generated by mandatory one-month separations from City employment for temporary unclassified employees whose assignments have or would have reached the maximum two-year employment period, and a portion of staff salaries budget that was transferred to discretionary grants (\$157,240)
 - d) non-personnel savings from maintenance, telephone, security services, and unencumbered website contract (\$161,447)
 - e) projected savings from contracted services (\$236,594)
 4. Additional projected savings of \$191,716 since the Financial Status report as of December 31, 2018, as follows:
 - a) projected savings from adult and youth supportive services and incentives (\$147,808)
 - b) additional projected savings from personnel due to staff reduced work week and transfer (\$43,908)

Other Discretionary Funding

- work2future anticipates spending the full Prop 39 grant balance of \$85,199 at the close of the grant. To date, Fiscal is still working on the final close. As of December 31, work2future had conducted 18 pre-apprenticeship trainings and graduated 474 clients through its partners, Working Partnerships USA and San Mateo County Union Community Alliance. Of those who have completed training, 352 have been placed to-date in apprenticeships, in other employment, or in post-secondary education. Staff continue to provide placement support for the remaining graduates.
- work2future spent the final \$44,394 of the reduced balance from the third round of Ready to Work (RTW) Initiative grant funds from the City of Sunnyvale by the end of the grant term October 31, 2018. At the end of the grant, work2future had reached 133 enrollments (76% of total grant goal), including 54 in occupational training (102% of total grant goal), and assisted 88 RTW participants to find jobs (79% of total grant goal) at an average hourly wage rate of \$37.38 (125% of grant goal). This grant has been closed and follow-up services will be provided until October 2019 (one year after the close of the grant).

- Total funding of \$1.5 million funding is provided for the San Jose Works 4.0 Youth Jobs Initiative, including a new grant from the City of San Jose of \$1.0 million and \$502,400 in carry-over unspent funding from the San Jose Works 3.0 Youth Jobs Initiative. An additional amount of \$89,000 was appropriated by City Council in October 2018. As of March 31, 2018, 375 youth had been provided with grant-subsidized internships, and 627 youth will have been placed in employer-paid job opportunities by the time the program ends in April 2019, meeting a goal of providing subsidized and unsubsidized employment opportunities to 1,000 eligible youth. Over 93% of the youth have successfully completed their subsidized internships and 84% of the unsubsidized youth have completed their job placement periods. In addition to recruitment, placement, and onboarding services, youth also were also provided career counselling, job readiness training, supportive services (e.g. bus passes), and financial literacy education.
- work2future projects to fully spend the remainder of the Career Pathways Trust grant funds in the amount of \$99,283 by the grant term ending June 30, 2019. This grant covers a portion of the salaries and benefits of three full-time equivalent positions at the Foundation working on the grant. Overall, work2future has served 30 participants, all of them successfully completing internships ranging from 8 to 10 weeks each. Discussion is ongoing about possible funding for another cohort in the summer of 2019.
- A grant of \$7,000 was received from the State to support implementation of the CalJOBS VOSGreeter module, an enhancement intended to make it easier to track individual visits to the Job Centers. This grant is fully spent and has been closed.
- An additional grant of \$86,319 was received from the City of Sunnyvale (NOVA) to augment \$200,000 received from the State for the Regional Plan Development and Training Coordination Project. In January 2019, work2future received notification of a second additional grant of \$29,351 from NOVA, for a total grant now of \$115,670. The funds support the implementation of the regional plan across the Bay-Peninsula Regional Planning Unit (RPU), including expenses for team development and staff training. These grants are expected to be fully spent by the end of the respective grant terms (\$200,000—March 31, 2019; \$115,670—June 30, 2019). Fiscal is working with the RPU workforce boards for their final invoices for the Regional Plan Development grant (\$200,000) which ended this March 31, 2019 to do the final close.
- work2future has received the third and last installment of the Storm grant. The total grant of \$1 million is for a term originally from March 1, 2017 through September 30, 2018. The grant has been extended to September 30, 2019 with no additional funding. This grant will continue to help dislocated workers through temporary jobs, performing storm/flood clean up at the Japanese Friendship Garden at Kelly Park, and debris/street clean-up at Rocksprings and William Street Neighborhoods which were worst hit during the flood event in 2017. To date, work2future has 67 placements, which is over the placement goal of 65 (original goal is 50), and expects to exceed this number by the end of June 2019.
- work2future has received its allocation from the Prison to Employment (P2E) Initiative Planning Grant from the City of Sunnyvale (NOVA) in the amount of \$16,625. The funds will support staff time associated with the development of ongoing relationships with specific government agencies that serve incarcerated populations. including the California Department of Corrections and Rehabilitation, the California Prison Authority, etc. in looking at best practices and program models that work2future can support. Staff will explore the possibility of linking justice-involved

populations to employers for on-the-job training opportunities and direct placements, Staff will also discuss possible Career Pathways programs with community colleges.

#

Attachments

WIOA Formula Funds	Adult	Dislocated Worker	Youth	RR	TOTAL WIOA
I. Actual as of June 30, 2018					
Grant Period	07/01/17-06/30/19	07/01/17-06/30/19	04/01/17-06/30/19	07/01/17-06/30/19	
Available Funds for FY2018-2019 PD 15	2,484,334	1,898,961	2,232,562	618,032	7,233,889
<i>Actual Expenditures as of June 30, 2018</i>	(1,546,745)	(470,114)	(1,258,257)	(582,352)	(3,857,468)
<i>Encumbrances/Spending Plan as of June 30 2018</i>	(156,347)	(460,505)	(23,764)	(215)	(640,832)
<i>Total Actual Expenditures/Encumbrances/Spending Plan as of June 2018</i>	(1,703,092)	(930,619)	(1,282,021)	(582,567)	(4,498,300)
Available Funds for FY2018-2019	781,242	968,342	950,541	35,465	2,735,589
<i>% Remaining</i>	31%	51%	43%	6%	38%
II. Actual Expenditures/Encumbrances					
(a) Available Funds from Carry over for FY2018-2019 (remaining plus enc.)	937,589	1,428,847	974,305	35,680	3,376,421
<i>Expenditures as of March 31, 2019</i>	(937,589)	(1,226,351)	(974,305)	(35,680)	(3,173,925)
<i>Encumbrances as of March 31, 2019</i>		(202,496)		0	(202,496)
Total Actual Expenditures/Encumbrances as of March 31, 2019	(937,589)	(1,428,847)	(974,305)	(35,680)	(3,376,421)
\$ Remaining	0	0	0	0	0
% Remaining	0%	0%	0%	0%	0%
(b) Current Allocation for FY 2018-2019	1,965,619	2,289,129	2,067,738	497,823	6,820,309
Additional Funding	2,076	2,373	0	516	4,965
Rescission	0	0	0	0	0
Adjusted Allocation for FY 2018-2019	1,967,695	2,291,502	2,067,738	498,339	6,825,274
<i>Expenditures as of March 31, 2019</i>	(786,311)	(173,390)	(788,763)	(346,491)	(2,094,955)
<i>Encumbrances as of March 31, 2019</i>	(663,889)	(108,185)	(729,220)	(12,351)	(1,513,645)
Total Actual Expenditures/Encumbrances as of March 31, 2019	(1,450,200)	(281,575)	(1,517,983)	(358,842)	(3,608,600)
\$ Remaining	517,495	2,009,927	549,755	139,497	3,216,674
% Remaining	26%	88%	27%	28%	47%
Total Available Funds for FY2018-2019	2,905,284	3,720,349	3,042,043	534,019	10,201,695
Total Cumulative Expenditures/Encumbrance as of March 31, 2019	(2,387,789)	(1,710,422)	(2,492,288)	(394,522)	(6,985,021)
\$ Remaining	517,495	2,009,927	549,755	139,497	3,216,674
% Remaining	18%	54%	18%	26%	32%
III. Projected Expenditures/Carry Over through June 30, 2019					
<i>Projected Expenditures/Encumbrances through June 2019</i>	(1,383,095)	(1,195,756)	(1,253,084)	(498,339)	(4,330,274)
<i>Projected Carry Over through June 2019 (\$)</i>	584,600	1,095,746	814,654	0	2,495,000
<i>Projected Carry Over through June 2019 (%) with Rapid Response</i>	30%	48%	39%	0%	37%
<i>Projected Carry Over through June 2019 (%) without Rapid Response</i>	30%	48%	39%	0%	39%

* Expenditures/Encumbrance appears to be a lot higher for the Adult program than the Dislocated program due to the new method of pooling expenses for Adult and DW first and then re-allocating the expenditures after month-end based on enrollments. Reallocation of monthly charges will be done after each quarter.

work2future
Financial Status Report as of 3/31/2019
PD 9 Stat 3

Other Discretionary Funds	CWDB 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 Training Coordinator	Regional Training Coordinator (NOVA)	NDWG Flood Event 2017	Prison to Employment (NOVA)	Total
I. Actual as of June 30, 2018		Closed			Closed					
Grant Period	06/01/2014- 12/31/2018	11/01/2014- 10/31/2018	07/01/2018- 6/30/2019	07/01/2015- 6/30/2019	03/01/2015- 9/30/2018	03/01/2017- 3/31/2019	03/01/2018- 6/30/2019	03/01/2017- 6/30/18	10/1/2018- 3/31/2019	
Original Allocation	900,000	232,007	1,500,000	150,000	7,000	200,000	86,319	666,666	16,625	3,758,617
Increase/(Decrease)	468,750	311,699	91,400	100,000	0	0	29,351	333,334	0	1,334,534
Adjusted Allocation	1,368,750	543,706	1,591,400	250,000	7,000	200,000	115,670	1,000,000	16,625	5,093,151
Expenditures as of June 30, 2018	(1,283,551)	(499,312)	0	(150,717)	(3,436)	(86,025)	0	(624,277)	0	(2,647,318)
Encumbrance as of June 30, 2018	(45,213)	0	0	0	0	0	0	0	0	(45,213)
Total Actual Expenditures/Encumbrances as of June 2018	(1,328,764)	(499,312)	0	(150,717)	(3,436)	(86,025)	0	(624,277)	0	(2,692,531)
Available Funds for FY 2018-2019	39,986	44,394	1,591,400	99,283	3,564	113,975	115,670	375,723	16,625	2,400,620
% Remaining	3%	8%	100%	40%	51%	57%	100%	38%	100%	47%
Available Funds for FY2018-2019	85,199	44,394	1,591,400	99,283	3,564	113,975	115,670	375,723	16,625	2,445,833
Expenditures as of March 31, 2019	(85,199)	(44,394)	(894,412)	(69,343)	(3,564)	(64,294)	(57,540)	(297,510)	0	(1,516,256)
Encumbrances as of March 31, 2019			(526,568)	(2,387)	0	(20,000)	0	(62,872)	0	(611,827)
Cumulative Expenditures/Encumbrances as of March 31, 2019	(85,199)	(44,394)	(1,420,980)	(71,730)	(3,564)	(84,294)	(57,540)	(360,382)	0	(2,128,083)
Remaining	0	0	170,420	27,553	0	29,681	58,130	15,341	16,625	317,750
% Remaining	0%	0%	11%	28%	0%	26%	50%	4%	100%	13%
III. Projected Expenditures/Carry Over										
Projected Expenditures/Encumbrances through June 2019	(85,199)	(44,394)	(1,264,142)	(99,283)	(3,564)	(113,975)	(115,670)	(375,723)	(16,625)	(2,118,575)
Projected Carry Over through June 2019 (\$)	0	0	327,258	0	0	0	0	0	0	327,258
Projected Carry Over through June 2019 (%)	0%	0%	21%	0%	0%	0%	0%	0%	0%	13%

work2future

Financial Status Report as of 3/31/2019

PD 9 Status 3

Other Funds	CWDB	Bank of America (BOS)	W2F Foundation	Total
I. Actual as of June 30, 2018				
Grant Period	N/A	N/A	N/A	
Original Allocation	5,000	10,000	15,454	30,454
Expenditure/Encumbrances as of June 2018	0	(3,258)	(481,305)	(484,563)
<i>Total Actual Expenditures/Encumbrances as of June 2018</i>	0	(3,258)	0	(3,258)
Available Funds for FY 2018-2019	5,000	6,742	15,454	27,196
% Remaining	100%	67%	100%	89%
II. Actual Expenditures				
Available Funds for FY 2018-2019	5,000	6,742	15,454	27,196
<i>Expenditures as of March 31, 2019</i>		(6,742)	(210)	(6,952)
<i>Encumbrances as of March 31, 2019</i>		0	0	0
Cumulative Expenditures as of March 31, 2019		(6,742)	(210)	(6,952)
\$ Remaining	5,000	0	15,244	20,244
% Remaining	100%	0%	99%	74%
III. Projected Expenditures and Encumbrances/Carry Over				

IV.A.1

Finance & Performance Committee Minutes Approval

[Action]

FINANCE & PERFORMANCE COMMITTEE MEETING
February 21, 2019
Called to Order: 11:34 a.m.

ACTION MINUTES

Draft minutes prepared by Katty Alvarez, approved by Monique Melchor

WDB Staff: Monique Melchor, Joy Salandanan, Lawrence Thoo, Meredith Studebaker, Sangeeta Durrall, Katty Alvarez

I. OPENING REMARKS: Read by Sue Koepp-Baker

II. QUORUM VERIFICATION

Finance & Performance Committee:

Present: Sue Koepp-Baker, Jack Estill, Leslie Gilroy

III. CONSENT ITEMS

Finance & Performance Committee unanimously accepted the Consent Items.

Motion: Leslie Gilroy

Second: Jack Estill

IV. AGENDA ITEMS

A. Old Business

1. Minutes Approval

Mr. Jack Estill moved, Ms. Leslie Gilroy seconded, and the Committee unanimously approved the minutes of the November 15, 2018 Joint Meeting of the Executive and Finance & Performance Joint Committee. (Approved by Executive Committee on January 17, 2019.) Ms. Sue Koepp-Baker abstained.

B. New Business

1. Director's Report {Discussion}

Ms. Monique Melchor, Director, deferred discussion on new initiatives to Agenda Item IV.B.6. Staff will be evaluating service providers and board retreat is being planned for April 2019.

2. PY2017-PY2020 Local Plan and Regional Plan Modifications {Action}

Ms. Sangeeta Durrall, Senior Project Manager, reported on the revisions to the Bay Peninsula Regional Plan and work2future Local Plan, developed in response to direction

from the State Workforce Board. Finance & Performance Committee accepted the recommendations.

Motion: Leslie Gilroy
Second: Jack Estill

3. New Grants {Action}

Ms. Joy Salandanan, Finance Manager, reported on the two new grants awarded to work2future: (a) \$115,670 for Regional Plan Implementation, and (b) \$16,625 for the Prison-to-Employment Initiative. Finance & Performance Committee accepted the recommendation to the Board to accept these two new grants.

Motion: Jack Estill
Second: Leslie Gilroy

4. Preliminary Budget Scenarios for FY2020 {Action}

Ms. Joy Salandanan, Finance Manager, presented three preliminary scenarios for the Fiscal Year 2020 operating budget: (i) \$6.3 million (WIOA allocations unchanged from FY2019 levels), (ii) \$6.0 million (base budget—5% funding reduction), and (iii) \$5.7 million (10% funding reduction). Using the 5% funding reduction budget scenario as an illustration, staff will take significant budget actions to balance the budget which includes reducing funding to service providers by \$495,000 or 21%. In addition, staff is requesting for the authority, with limitations, for the work2future Director to transfer funds between budget line items and between the Adult Program and Dislocated Worker Program. Finance & Performance Committee accepted the recommendation to forward approval to the Board for its March 21, 2019 meeting.

Motion: Leslie Gilroy
Second: Jack Estill

5. WIOA Performance and Service Delivery Outcomes Update {Discussion}

Ms. Meredith Studebaker, MIS Analyst, reported on WIOA performance through the second quarter of the 2019 Program Year. Ms. Monique Melchor, Director, reported on employment-related outcomes in relation to priority sectors and in-demand occupations.

6. Upcoming Initiatives {Discussion}

Ms. Monique Melchor, Director, reported on two new initiatives: Prison to Employment and SlingShot 2.0. Through the Prison to Employment initiative, staff is building partnerships with State and Local law enforcement agencies. The following initiatives are pending: Workforce Accelerator Fund 7.0, AB1111 Removing Barriers to Employment Initiative, and SB1 High Road Construction Careers Initiative.

V. Public Comment: None

VI. SUGGESTED FUTURE AGENDA ITEMS:

1. Update on Workforce Development Initiatives
2. Update on work2future Foundation performance

VII. Announcements:

- A. The next meeting of the work2future Board is scheduled for Thursday, March 21, 2019, 11:30 am, at the San Jose America's Job Center of California, 1601 Foxworthy Ave, San Jose.

VIII. Adjournment: The meeting was adjourned at 12:42 pm.

IV.A.2

Executive Committee Minutes Approval

[Action]

EXECUTIVE COMMITTEE MEETING

March 4, 2019

Called to Order: 11:44 a.m.

ACTION MINUTES

Draft minutes prepared by Kathryn Azevedo. Approval pending.

WDB Staff: Monique Melchor, Kathryn Azevedo, Joy Salandanan, Lawrence Thoo, Meredith Studebaker

I. OPENING REMARKS: Read by Joe Flynn

II. QUORUM VERIFICATION

Present: Joe Flynn, Rashad Said, Sue Koepp-Baker

Absent: Steve Preminger

III. CONSENT ITEMS

The Executive Committee unanimously accepted the Consent Items.

Motion: Sue Koepp-Baker

Second: Rashad Said

IV. AGENDA ITEMS

A. Old Business

1. Minutes Approval

Mr. Flynn moved, Mr. Said seconded, and the Committee unanimously approved the minutes of the January 17, 2019 Executive Committee meeting. Ms. Koepp-Baker abstained.

B. New Business

1. Director's Report {Discussion}

Director Melchor reported on her plans to attend the next quarterly California Workforce Association (CWA) meeting to discuss with the state and other local boards the impact of regionalism, particularly on Fiscal and Program coordination across the region.

2. Regional Plan and Local Plan Revisions {Action}

Director Melchor discussed modifications to the work2future Local Plan and Bay Peninsula Regional Plan which are due to the state on March 15, 2019. The plan includes developing robust partnerships with state mandated partners CalFresh, Department of Rehabilitation, and ELL providers, to enhance services to our clients. Ms. Melchor also noted that we are working on developing referral mechanisms for our clients and cross training opportunities for partner staff. The major modification with the Regional Plan is the planned collaboration with the Department of Corrections to enhance services to ex-offenders. There has been no public comments submitted for either the Regional or Local Plans during the respective public comment periods. The committee unanimously approved the Regional and Local Plan Revisions on behalf of the board.

Motion: Sue Koepp-Baker
Second: Rashad Said

3.New Grants {Action}

Finance Manager Joy Salandanan asked the committee to recommend that the Board accept two grants awarded to work2future, as follows: (a) \$115,670 for Regional Plan Implementation, and (b) \$16,625 for the Prison-to-Employment Initiative. Ms. Salandanan noted that the RPI grant includes funding for 1 FTE for a regional healthcare initiative. The committee unanimously approved the recommendation for the Board to accept the two grants.

Motion: Rashad Said
Second: Sue Koepp-Baker

4. Preliminary Budget Scenarios for FY2020 {Action}

Finance Manager Joy Salandanan asked the committee to recommend that the Board approve the following:

- a)** Three preliminary scenarios for the Fiscal Year 2020 operating budget: (i) \$6.322 million (WIOA allocations unchanged from FY2019 levels), (ii) \$6.006 million (base budget—allocations reduced 5%), and (iii) \$5.69 million (allocations reduced 10%);
- b)** Authority, with limitations, for the work2future Director to transfer funds between budget line items and between the Adult Program and Dislocated Worker Program.

The committee discussed the proposed budget scenarios and the move to a new service model that will give work2future the flexibility to provide higher quality, targeted services to a smaller number of clients. The committee unanimously approved the budget recommendation to the Board.

Motion: Rashad Said
Second: Sue Koepp-Baker

5. Board Retreat {Action}

Director Melchor recommended that the committee approve the selection of April 12 as the date for the 2019 Board Retreat, based on staff's poll of board member availability, at time between 9 am and 4 pm to be determined by staff and at a location to be determined by staff.

However, Mr Flynn informed the committee that business will require him to be out of town during that week.

Mr. Said moved, Ms. Koepp-Baker seconded, and the committee unanimously approved to amend the recommendation so that staff is delegated the authority to select the date and time for the retreat based on a new poll of staff availability in May.

Mr. Said then moved, Ms. Koepp-Baker seconded, and the committee approved unanimously the amended recommendation.

6. WIOA Performance and Service Delivery Outcomes Update {Discussion}

MIS Analyst Meredith Studebaker reported on (a) WIOA performance through the second quarter of the 2019 Program Year, and (b) employment-related outcomes in relation to priority sectors and in-demand occupations at non-priority sector employers. She also informed the committee that the state will be coming out with a new directive that should help us better define what is a nationally recognized credential.

Committee members discussed the WIOA performance and service delivery outcomes for work2future's contractors, work2future Foundation and Eckerd.

7. Upcoming Initiatives {Discussion}

Director Melchor presented information on two new initiatives, Prison-to-Employment and Slingshot 2.0. Both are regional initiatives in the planning phase, with work2future as the program lead for Prison-to-Employment and San Francisco the lead for the Slingshot 2.0 initiative. Ms. Melchor also presented information on three pending initiatives from the state: The Workforce Accelerator Fund 7.0, AB1111 Removing Barriers to Employment Initiative, and SB1 High Road Construction Careers Initiative.

V. PUBLIC COMMENT: None

VI. SUGGESTED FUTURE AGENDA ITEMS:

1. Update on status of relationship with the work2future Foundation

VII. Announcements:

- A. The next meeting of the work2future Board is scheduled for Thursday, March 21, 2019 at 11:30 am, at the San Jose America's Job Center of California, 1601 Foxworthy Ave, San Jose.
- B. The next meeting of the Executive Committee is scheduled for Thursday, April 18, 2019, 11:30 am, at the Business Services & Administration Center, 5730 Chambertin Dr., San Jose.

VIII. Adjournment: The meeting was adjourned at 1:18 pm.

IV.B.1

Director's Report

[Discussion]

DIRECTOR'S REPORT

Updates on miscellaneous matters related to work2future and matters of interest to the committees.

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IV.B.2

Report on Single Audit Results

[Discussion]

SINGLE AUDIT RESULTS

The Single Audit (formerly known as A-133 Audit), under Subpart F of the OMB Uniform Guidance, is a rigorous, organization-wide audit or examination of an entity that expends \$750,000 or more of Federal assistance (commonly known as Federal funds, Federal grants, or Federal awards) received for its operations.

Every year, the City of San Jose goes through a single audit. work2future is included in the City's single audit because of the amount of federal funds received and expended.

As in previous years, work2 future received a clean audit report this year. work2future Foundation and Eckerd Alternative, Inc., which provide career services under contract with work2future, also received clean audit reports.

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IV.B.3

San Jose Works 5.0

[Action]



Memorandum

TO: EXECUTIVE COMMITTEE
FINANCE & PERFORMANCE COMMITTEE

FROM: Joy Salandanan

SUBJECT: **See Below**

DATE: May 10, 2019

Approved

Date

SUBJECT: San Jose Works 5.0 (2019-20) Funding

RECOMMENDATION

Recommend that the Board approve the following:

1. Acceptance of \$1,500,000 in City of San Jose funds to support the San Jose Works 5.0 program;
2. Distribution of \$1,258,000 to work2future Foundation and \$95,000 to the City's Parks, Recreation and Neighborhood Services Department (PRNS), and allocation of \$147,000 for San Jose Works in the work2future Operating Budget.

If approved by the Finance & Performance Committee and the Executive Committee, the recommendation will be forwarded to the Board at its meeting on June 20, 2019.

BACKGROUND

Since 2015, work2future has successfully managed the San Jose Works program for the City of San José, funded from the City's General Fund.

San José Works is a collaboration among work2future, work2future Foundation, the City's Parks, Recreation, and Neighborhood Services Department (PRNS), the Mayor's Gang Prevention Task Force (MGPTF), and The Silicon Valley Organization (SVO).

During this past summer, the program provided 375 youth with paid internships supported with General Fund monies provided by the City of San José. An additional 627 youth were placed in employer-paid job opportunities as of April 4, 2019. Over 93% of the subsidized youth successfully completed their paid six-week internship and 84% of the unsubsidized youth have completed their job placement period. In addition to recruitment, placement and onboarding services, youth also accessed career counseling, job readiness training, supportive services (e.g. bus passes), and financial literacy and entrepreneurship training.

During this past year, the paid internships focused increasingly on private-sector placements with employers in high-growth sectors and in-demand occupations. Of the 375 paid internships, 234 were recruited from high school Career and Technical Education classes and placed with employers in advanced manufacturing, business/financial services, construction, health care and social assistance, and information technology. The remaining 141 youth were placed in internships with community centers, library branches, City departments, Council offices, and nonprofit organizations.

One notable employer example is Bentek Inc., a San José-based solar energy manufacturing company. Bentek provided 35 paid internships to San José Works youth. In addition to the 20 hours/week funded by the City, Bentek concurrently hired the same San José Works youth directly for another 20 hours/week, thereby allowing them to work a total of 40 hours/week during the summer. All the youth successfully completed their paid internships, with most receiving experience related to light manufacturing and warehouse operations. They also took advantage of a variety of workshops to prepare them for real work experiences. These workshops included: Mock Interviews, Personal & Professional Branding with LinkedIn, Financial Literacy provided by Bank of America and MyPath, Communication Etiquette, Anti-Sexual Harassment and Anti-Discrimination Training, and Emotional Intelligence.

ANALYSIS

In partnership with PRNS, work2future has conducted outreach for the upcoming San José Works 5.0 program. The program will provide 375 youth with internships and serve 625 youth with employer-paid job opportunities.

The success of the SJ Works program relies on the on-going strategy for youth outreach, which varies from job fairs, resource fairs within the community, co-location with high schools and The HUB—Santa Clara County's youth-led community resource center for current and former foster and Independent Living Program-eligible probation youth ages 15–25—as well as events at the local community colleges, San Jose State University, agency referrals and past clients. For SJ Works 4.0, students in high school were provided with resume and mock interview workshops, as they will be again in this upcoming year.

Youth began on-boarding/orientations for SJ Works 5.0 at the beginning of April and they will continue to the end of the month.

The program will continue the focus on career pathways and the partnerships with the SVO to recruit employers in providing internship positions and with the NextFlex high school advanced manufacturing curriculum that has trained nearly 3,000 youth since its launch in 2017. For SJ Works 5.0, one of the workshops—“Industry Day”—will take place at the Microsoft Sunnyvale Campus, where students can tour the facility and learn about careers in the information technology sector and the Microsoft organizational culture.

San José Works is also developing partnerships with San José Promise, which may include a new mentoring component, the Network for Training in Entrepreneurship (NFTE), and other components to enhance the experience for participating youth.

The table below shows the projected San Jose Works 2019-2020 5.0 Program budget:

PROPOSED BUDGET	AMOUNTS
City PRNS	
Program Staff	\$95,000
work2future Board	
Staffing, facilities, Employment Verification, Indirect Costs	147,000
work2future Foundation	
Youth Salaries 14-18 (6-week program-20 hours/week)	796,500
Program Staff (Client Services, Financial Literacy, Payroll, etc.)	660,667
Client-related Expenses (supportive services, fingerprinting, incentives, job fairs)	67,312
Other Expenses (supplies, mileage, facilities, utilities, copier rental, etc.)	13,500
Administrative Oversight & Management	160,271
Work2future Foundation	\$1,698,250
Total Projected San Jose Works 5.0 Budget	\$1,940,250
Proposed Funding Sources:	
City of San Jose General Fund	1,500,000
City of San Jose General Fund 18-19 (Projected Carry Over Funding from SJ Works 4.0)	327,258
Funding raised from Other Sources (Foundation) including Projected Carry Over Funding from SJ Works 4.0 of \$145,967))	220,967
City of San Jose Facebook Funds	150,000
Total Funding for SJ Works 5.0	\$2,198,225
Projected Carry Over Funding for SJ Works 6.0	\$257,975

Note: PRNS FTE represents one dedicated staff person year around (\$95,000). The work2future Board proposed budget includes staffing for one dedicated temporary unclassified position and portions of time for work2future Director and administrative staff, all providing year-round support for the subsidized and unsubsidized programs.

Since the proposed funding sources contain projected carry-over funding from San Jose Works 4.0 from both work2future Board and the Foundation, work2future staff will reconcile the proposed budget to actuals at the end of the fiscal year end in June 2019, and will present a balanced budget to the Board at its meeting in September 2019.

/s/
JOY SALANDANAN
Finance Manager

IV.B.4

Prison to Employment Grant

[Action]



Memorandum

TO: EXECUTIVE COMMITTEE
FINANCE & PERFORMANCE COMMITTEE

FROM: Joy Salandanan

SUBJECT: **See Below**

DATE: May 10, 2019

Approved

Date

SUBJECT: Prison to Employment Implementation Grants

RECOMMENDATION

Recommend that the Board approve the acceptance of \$661,783 for implementation of the Prison to Employment Initiative (P2E), including \$607,976 for program service delivery and \$53,807 for work2future's service as the Program Lead for the Bay-Peninsula Regional Planning Unit (BPRPU).

If approved by the Finance & Performance Committee and the Executive Committee, the recommendation will be forwarded to the Board for its meeting of June 20, 2019.

BACKGROUND

As part of the 2018 state budget process, the California Legislature approved, and Governor Brown signed, legislation which established the Prison to Employment Initiative (P2E). The 2018 state budget included \$37 million over three fiscal years to fund the integration of workforce and reentry services. The first portion of these funds, Regional Planning Grants, was awarded in October 2018.

With NOVA Workforce Board (City of Sunnyvale) serving as Fiscal lead, the BPRPU—NOVA, San Francisco, San Benito and work2future workforce development boards—applied for and was awarded by the California Workforce Development Board (State Board) a P2E Regional Planning Grant in the amount of \$142,500, of which \$16,625 or 12%, is work2future's share. This grant was submitted and appropriated by City Council in February 2018. Subsequently, the grant was approved for acceptance by the Board in March 2018.

In addition to the Regional Planning Grant, the State Board will also distribute funding for two Regional Implementation Grants (RIG), as follows: a) the implementation of regional workforce development plans for the corrections system, including provision of direct services, and b) the provision of supportive services and "earn and learn" opportunities for justice-involved and the formerly incarcerated.

In November 2018, the State Board released a Request for Applications covering both grants, which are expected to function in concert with one another. In February 2019, again with the

NOVA Workforce Board as fiscal lead, the BPRPU applied for RIG grants totaling approximately \$4.1 million for both direct services and earn-and-learn support.

In March 2019, the State Board announced that it had received RIG applications requesting over \$57 million in funding but had just \$34 million available for grants, making distribution of the funds highly competitive. The BPRPU received a *provisional grant award* of up to a total of \$1.9 million, pending submission of additional information such as specific names of community-based organizations (CBOs) that will be providing direct services, clear descriptions of the nature of the services to be provided, the ability of the CBOs to provide these services, and the proposed revised number of participants to be served with the reduced funding. In April 2018, the State Board informed the BPRPU of the *final grant award* of approximately \$1.8 million, of which \$661,783, is work2future's share. The grant is for a period of 24 months.

ANALYSIS

The Bay-Peninsula Regional Planning Unit covers the Counties of San Francisco, San Mateo, Santa Clara, and San Benito, and is home to 3.6 million people, with a total labor force of approximately 2.3 million. Based on information provided by justice system partners and available public data, the number of justice-involved individuals under local supervision in the region totals over 34,000 individuals. In addition, there are about over \$13,000 individuals that are state supervised in prisons, camps, in-state, and out-of-state contract beds, and DMH state hospitals, thus **the region is home to over 47,000 actively supervised individuals**. The WIOA funded workforce system has been able to serve only a tiny fraction of these 47,000 individuals.

Proposed Program Service Delivery

In partnership with Santa Clara County Probation, the Santa Clara County Office of Reentry Resource Center, Santa Clara County Office of Education (COE), Santa Clara County Social Services, and local CBOs, work2future will support and scale Career Pathways Training Programs, and help provide Supportive Services and Employer Engagement Services to approximately 140 reentry individuals, including 60 post-release adults and 80 in-custody disconnected youth.

Outreach and recruitment for the post-release adult program will be conducted mainly by the Reentry Resource Center, the Sheriff's Department and the Probation Department. San Jose City College will provide participants with four credit-bearing courses designed to prepare reentry clients for the Certified Alcohol and Drug Counselor career pathways track.

Youth participants will be residents of the County's Blue Ridge Youth Center. They will be enrolled in COE's construction-focused Multi-Craft Core Curriculum Training Program, and apply for Laborer Apprenticeships after completion of the training program.

Proposed Program Budget

The table below shows the projected P2E Regional Implementation Program Budget (24 months):

Budget Details	Direct Services	Earn and Learn	Project Lead	Total
Personnel Costs (1.06 FTE)	\$285,983	\$5,531	\$47,133	\$338,647
Non-Personnel Costs (including City Overhead Costs)	75,895	2,567	6,674	85,136
Contracted Client Services	125,000	113,000	0	238,000
Total Program Budget (24 months)	\$486,878	\$121,098	\$53,807	\$661,783

/s/
JOY SALANDANAN
Finance Manager

IV.B.5

Operating Budget for FY2020

[Action]



Memorandum

TO: EXECUTIVE COMMITTEE
FINANCE & PERFORMANCE COMMITTEE

FROM: Joy Salandanan

SUBJECT: **See Below**

DATE: May 13, 2019

Approved

Date

**SUBJECT: Proposed work2future WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA) Program
Operating Budget for FY 2019-2020**

RECOMMENDATION

Recommend that the Board approve staff's Proposed WIOA Operating Budget of \$6,842,369 for Fiscal Year (FY) 2019-20, including:

- a) Adjustment of \$34,313 to the March 21, 2019 Board-approved preliminary WIOA Program Operating *base* Budget for FY 2019-20
- b) WIOA Administrative Budget in the amount of \$579,649
- c) Proposed WIOA *estimated* Rapid Response Funding for FY 2019-20 of \$467,823
- d) Authorization for staff to transfer funds without additional Board approval
 - (1) between budget line items, as long as there is no change to the overall amounts for personnel and non-personnel expenses
 - (2) between the Adult and Dislocated Worker Programs, as needed to accommodate changes in the numbers of clients served by the two programs, as long as the total of the combined budgets is not changed.

Included in the Proposed WIOA Operating Budget for FY 2019-20 is the recommendation for the distribution of \$2,414,059 to service providers as follows: a) work2future Foundation (Foundation) \$2,185,824, or approximately 91% of the total, and b) \$228,235 to Eckerd Workforce Development (Eckerd). Staff may adjust the distribution to the service providers in September 2019 as part of the reconciling process to reconcile projected carry-over with actuals at the end of FY 2018-19.

If approved by the Finance & Performance Committee and the Executive Committee, the recommendation will be forwarded to the Board for its meeting of June 20, 2019.

BACKGROUND AND ANALYSIS

On April 24, 2019, the State of California Employment Development Department (EDD) released its planned allocations for WIOA Adult, Dislocated Worker, and Youth funding streams for FY19-20. These allocations are based on the allotments to states issued by the U.S. Department of Labor(DOL), as recognized in Training and

Employment Guidance Letter 16-18, dated April 10, 2019. EDD's planned allocations for work2future reflected an approximately 8% reduction overall from FY18-19 funding.

In March 2019, staff had presented three Preliminary Adult, Dislocated Worker, and Youth Program Budget Scenarios to the Board: AS IS (same allocation as FY18-19), 5% funding reduction (**base budget**), and 10% funding reduction.

Adjustments based on EDD's planned allocations are as follows:

Proposed Sources	FY18-19 \$6.3m Adopted Budget	Base Budget 5% Reduction Mar 2019 Board Approved	Planned 8% Reduction April 2019 EDD Notification	FY19-20 vs. FY18-19 5% Base Budget Change (in \$)	FY19-20 vs. FY18-19 8% Planned Allocation Change (in \$)	Base Budget 5% vs 8% (in \$)
	a	b	c	d (b-a)	e (c-a)	f (c-b)
Formula Allocation	\$6,322,486	6,006,362	\$5,796,492	(\$316,124)	(\$525,994)	(209,870)
+ Carry Over from prior year	987,377	948,373	948,373	(39,004)	(39,004)	0
+ Proj. Carry Over FY 18-19	1,685,684	1,354,911	1,546,627	(330,773)	(139,057)	191,716
- Carry Over to FY 20-21	(948,373)	(900,954)	(869,474)	47,419	78,899	31,480
- Admin (10% of allocation)	(632,249)	(600,636)	(579,649)	31,613	52,600	20,987
Proposed Funding Sources	\$7,414,925	\$6,808,056	\$6,842,369	(\$606,869)	(\$572,556)	\$34,313

Even though the planned allocation for the Adult, Dislocated Worker, and Youth Programs is \$209,870 less than in the 5% funding reduction scenario, or approximately 3 percentage points less than projected, there is an overall positive gain of \$34,313 to be re-budgeted. This is the result of additional savings from January through March 2019 of \$191,716 from: a) personnel savings generated from a newly vacant temporary unclassified position and from a requested reduced work week of one employee (\$43,908); b) savings from projected unspent incentive and supportive services funds (\$147,808); and c) the positive impact of reductions in the FY 2019-20 administrative budget (\$20,987) and carry-over funding to FY 2020-21 (\$31,480).

The table below shows where the additional funding of \$34,313 is applied:

Proposed Uses	FY18-19 \$6.3m Adopted Budget	Base Budget 5% Reduction Mar 2019 Board Approved	Planned 8% Reduction April 2019 EDD Notification	FY19-20 vs. FY18-19 5% Base Budget Change (in \$)	FY19-20 vs. FY18-19 8% Planned Allocation Change (in \$)	Base Budget 5% vs 8% (in \$)
	A	b	c	d (b-a)	e (c-a)	f (c-b)
Personnel Costs	\$2,056,942	\$2,118,651	\$2,076,879	\$61,709	\$19,937	(\$41,772)
Non-Personnel Costs	508,128	508,128	508,128	0	0	0
Adult Client Services	1,141,626	1,073,058	1,029,479	(68,568)	(112,147)	(43,579)
Youth Client Services	601,533	496,583	480,337	(104,950)	(121,196)	(16,246)
One Stop Operator	35,000	35,000	35,000	0	0	0
Contracted Services	2,377,907	1,882,847	2,018,757	(495,060)	(359,150)	135,910
Client Services Contingency	693,789	693,789	693,789	0		0
Total Proposed Uses	\$7,414,925	\$6,808,056	\$6,842,369	(\$606,869)	(\$572,556)	\$34,313

- As referenced at the March 2019 Board meeting, the personnel budget has been re-adjusted to conform with the City of San Jose Labor Distribution Report for FY 2019-20, which reflects a proposed 3% Cost of Living Adjustment and corresponding impact on employee benefits and retirement. This results in a lower personnel cost of \$2.076 million, compared to \$2.119 million in the proposed 5% funding reduction scenario, or a net positive budget impact of \$41,772.
- The reduction in the WIOA formula allocation has consequently reduced the amount needed to meet the SB 734 training requirement for the Adult and Dislocated Worker Programs by \$43,579 and the Work Experience for the Youth Program by \$16,246.

As a result of the adjustments itemized above, work2future is able to increase funding to service providers by approximately \$136,000, compared to the preliminary base budget amount of \$1.882 million that the Board approved in March 2019. This better positions work2future for a more robust and targeted service delivery and better performance outcomes.

SB 734-TRAINING ALLOCATIONS

20% of Combined Adult (AD) and Dislocated Worker (DW) Base Funding Allocation

Since FY 2016-17, SB734 has required Workforce Development Boards to expend 30% of their Adult and Dislocated Worker allocations on training, a 5 percentage-point increase from the previous 25% requirement. To meet this requirement, staff proposes to allocate a training budget of 20% of the Adult and Dislocated Worker allocations, with the additional 10% to be raised by the service providers through leveraged funding. Any shortfall in leveraged funding will result in a reduction in the service providers' funding for next fiscal year, as this will create a gap in the WIOA Operating Budget for the next year. work2future expects to meet its training goals by the end of the allowed two-year period ending June 30, 2021, as it has done consistently in previous years.

The table below shows the Training Budget relative to the SB 734 training expenditure requirement:

WIOA ADULT AND DISLOCATED WORKER PROGRAM	Proposed Budget
Projected Adult and Dislocated Worker Program Allocation FY 19-20	\$3,922,397
Training Requirement (30% of Projected Allocation)	1,176,719
Training Budget at 20%*	\$784,479
Leverage Funds at 10% to be raised by Service Providers	392,240
Total Training Funds for FY 2019-20	\$1,176,719

*Training budget covers ETPL, OJT, cohort, and SB 734 eligible workshops @ 80% of Workshop Budget.

The proposed training and workshop budgets will be placed in a *funding pool* that will be universally accessible to all eligible training providers from the State Eligible Training Provider List, and all workshop providers that were selected through the Request for Proposal (RFP) process. A portion of this amount will be distributed to the work2future Foundation and Eckerd to fund On-the-Job Training (OJT) services for eligible clients.

WIOA YOUTH JOB READINESS/WORK EXPERIENCE TRAINING PROGRAM

20% of Youth Program Base Funding Allocation

WIOA places a new priority on work-based learning by requiring that at least 20% of the Youth Program allocation be used for paid and unpaid work experience programs. These program investments may include summer and year-round opportunities, such as pre-apprenticeship programs, internships, and OJT training.

WIOA YOUTH PROGRAM	Proposed Budget
Projected Youth Program Allocation FY 19-20	\$1,874,095
Less: 10% Administration	(187,410)
Youth Program Allocation @ 90%	\$1,686,685
Total Proposed Youth Job Readiness/Work Experience (20% of Youth Program Allocation)	\$337,337

The full amount of \$337,337 will be distributed to Foundation to cover the WIOA-required Youth work experience program. A portion of this amount can be used by Foundation to fund staffing to administer the work experience program. The work experience line item is shown as a separate line item from the funding distribution to Foundation to show that the 20% funding threshold as required by WIOA is met.

WIOA ADMINISTRATIVE BUDGET

work2future's Administrative Budget represents 10% of the total WIOA formula allocation from the Adult, Dislocated Worker and Youth programs.

The table below shows how the Administrative funding is distributed.

WIOA ADMINISTRATIVE	Proposed Budget
Projected Adult, Dislocated Worker and Youth Program Allocation FY 2019-20	\$5,796,492
Total Proposed Administrative Budget (10% of Projected Allocation)	579,649
Personnel Costs (2.0 FTE)	\$348,204
CAO	127,523
Non-Personnel Cost	29,802
City Overhead @ effective rate of 3.30%	16,155
Distribution to Service Providers	57,965
Total Proposed Administrative Budget	\$579,649

Staff has worked with the City's Finance Department and the Budget Office since 2015 to exempt work2future from the standard methodology that the City uses for computing overhead for grants and to allow work2future to set a rate that can be accommodated by the State's funding limitations on administrative services, taking into account the fluctuating nature of work2future's funding. This effort has yielded a lower overhead rate for FY 18-19 of 29.45%, compared to the previous year's 75.06%. To date, staff has not received the FY 2019-20 overhead rate for work2future but, even using the lower rate of 29.45% from FY 2018-19, work2future still cannot pay the full City Overhead amount, estimated at \$481,000. As shown above, work2future can pay only \$16,000, approximately, which translates to an effective rate of about 3.30% of the fully-loaded overhead amount.

It is also noted that 10% of the total available administrative funding allocation for work2future has been set aside to be distributed to service providers based on their percentage share in the total WIOA program funding distribution.

WIOA RAPID RESPONSE FUNDING

The Proposed Rapid Response Budget is *estimated* at \$467,823, the same funding for the Rapid Response program for FY 2018-19. There is no carry-over funding projected for Rapid Response.

The projected funding will be allocated as shown in the table below:

WIOA RAPID RESPONSE	Proposed Budget
Total Estimated Rapid Response Allocation	\$467,823
Personnel Costs (2.5 FTEs)	\$371,580
Non-Personnel Cost	61,458
City Overhead	34,785
Total Proposed Administrative Budget	\$467,823

Once the final Rapid Response allocation is received from EDD, work2future will provide to the Board a final Rapid Response Budget.

WORK2FUTURE SERVICE PROVIDERS FUNDING DISTRIBUTION SUMMARY

As mentioned in the preceding pages, despite the reduction in WIOA funding, additional projected savings generated between January 2019 and March 2019 and the additional budgetary reductions discussed above in Personnel Costs, Adult Client Services and Youth Client Services enables work2future to increase the budget for service delivery by approximately \$136,000, from \$1.882 million to \$2,019 million.

The table below shows the funding distribution to the Service Providers:

Funding Distribution to Service Providers	Adult/Dislocated Worker	Youth	Total
All Service Providers	\$1,029,189	\$989,568	\$2,018,757

In addition to this amount is the funding for On-the-Job Training (OJT) services, which will be determined during negotiations with the service providers, depending on the estimated number of employers that are willing to provide OJT opportunities for eligible clients. Funding for additional staffing to administer and implement the Youth Work Experience program will be distributed to service providers, including their share of the administrative budget as explained elsewhere in this memo.

To summarize, the following funding will be distributed to the service providers:

Funding	Foundation	Eckerd	Total
WIOA Base Budget	\$1,796,492	222,265	\$2,018,757
Youth Work Experience	337,337	0	337,337
Administrative	51,995	5,970	57,965
Total	\$2,185,824	\$228,235	\$2,414,059

Note: OJT contract amount is distributed during negotiation process and is determined by estimating the number of employers interested in participating. Foundation operates the Youth program based on the results of the RFP conducted in February 2016 for a five-year contracting period.

Service Providers are expected to meet their goals as indicated in their Program Operating Plan which is written into their contractual agreements. If during the first quarter of FY 19-20, service providers do not meet their goals, work2future Board reserves the right to renegotiate their contractual agreements or terminate in accordance with Section 10 of their respective contractual agreements.

OTHER

Staff requests that the Finance & Performance Committee and the Executive Committee approve a recommendation that the Board authorize staff to transfer funds between budget line items, so long as there is

no change to the overall amounts for personnel and non-personnel, and transfer falls within the Board-approved WIOA Operating Budget.

Staff also requests that the committees approve a recommendation that the Board authorize staff to transfer funds between the Adult and Dislocated Worker programs, as needed to accommodate changes in the numbers of clients served by the two programs, without having to seek additional Board approval.

/s/
JOY SALANDANAN
Finance Manager

cc: Monique Melchor
Jeff Ruster

/js

IV.B.6

WIOA Performance and Service Delivery Outcomes Update

[Discussion]

WIOA PERFORMANCE AND SERVICE DELIVERY OUTCOMES

Staff will provide an update on WIOA performance for the current program year through March 31, 2019 for service delivery outcomes.

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IV.B.7

Board Retreat

[Discussion]

BOARD RETREAT

Staff will provide an update on planning for the Board Retreat scheduled for Thursday, June 20 in conjunction with an abbreviated Board business meeting.

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V.

Public Comment

VI.

Suggestions For Future Agenda
Items

VII.

Announcements

VII.A

The next meeting of the work2future Board is scheduled for Thursday, June 20, 2019, 9:30 a.m., at
NextFlex, 2040 Fortune Dr., San Jose.

VII.B

The next meeting of the Executive Committee is scheduled for Thursday, July 18, 2019, 11:30 am, at the
Business Services & Administration Center, 5730 Chambertin Dr., San Jose.

VII.C

Other

VIII.

Adjournment