



EXECUTIVE COMMITTEE SPECIAL MEETING AGENDA

Thursday, June 6, 2019

11:00 am

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

Joseph Flynn, Chair, Executive Committee
Monique Melchor, Secretary

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EXECUTIVE COMMITTEE

**June 6, 2019
11:00 am**

**SPECIAL MEETING
AGENDA**

I. CALL TO ORDER & OPENING REMARKS

II. QUORUM VERIFICATION

III. BUSINESS

A. WIOA Career Services in Fiscal Year 2019-20 {Action}

Monique Melchor, Director

Approve on behalf of the work2future Board:

1. Revision of the Eckerd Youth Alternatives, Inc. (Eckerd) scope of services for WIOA Adult and Dislocated Worker Programs so as to include career services throughout the San Jose Silicon Valley Local Workforce Development Area (LWDA);
2. Authority for staff to establish a new agreement with Eckerd for WIOA Youth Program services throughout the LWDA; and
3. Distribution of \$2,414,059 to Eckerd to support the services mentioned above.

IV. PUBLIC COMMENT

V. ANNOUNCEMENTS

VI. 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

II.

QUORUM VERIFICATION

OPENING REMARKS

Good morning ... Welcome to this Special Meeting of the work2future Executive Committee.

For the record, today is Thursday, June 6, 2019.

My name is Joe Flynn. I am 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.
 - Copies of the agenda have been placed on the table near the door for your convenience.
- Staff will present the Business item on the agenda, including recommendations for committee action.
- 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 other words, if you're not a member of the Executive Committee, and you wish to speak on today's item of Business, please fill out a blue card now and give it to a staff member.
- 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.
- At its discretion, the Committee may take action on the item.
- At the Public Comment agenda item following the Business item, 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.
 - 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 move now to Agenda Item 2—Quorum Verification ... For the record, do we have a quorum?

III.

BUSINESS

III.A

**WIOA Career Services
In Fiscal Year 2019-20**

[Action]



Memorandum

TO: EXECUTIVE COMMITTEE

FROM: Monique Melchor

SUBJECT: **WIOA Career Services in FY 2019-20**

DATE: June 5, 2019

Approved

Date

RECOMMENDATION

Approve on behalf of the work2future Board:

1. Revision of the Eckerd Youth Alternatives, Inc. (Eckerd) scope of services for WIOA Adult and Dislocated Worker Programs so as to include career services throughout the San Jose Silicon Valley Local Workforce Development Area (LWDA);
2. Authority for staff to establish a new agreement with Eckerd for WIOA Youth Program services throughout the LWDA; and
3. Distribution of \$2,414,059 to Eckerd to support the services mentioned above.

In light of time constraints described below, staff recommends that the Board take the actions above using the authority delegated to the Executive Committee by the Board on June 16, 2016 to act on the Board's behalf in certain circumstances.

The actions above would apply to Fiscal Year (FY) 2019-20.

BACKGROUND AND ANALYSIS

On June 4, 2019, work2future Workforce Development Board (WDB) staff received a letter from an attorney writing on behalf of the work2future Foundation's Board of Directors advising the workforce board that the Foundation's Board had voted to dissolve the organization. The letter further advised that the Foundation will cease providing WIOA-funded services effective June 28, 2019 and cease providing San Jose Works services effective September 30, 2019. The Foundation, an independent 501(c)(3) not-for-profit corporation, would subsequently be dissolved.

The letter asserted that, in deciding to dissolve the organization, the Foundation Board's was responding to intractable financial challenges that they believed make the organization unsustainable.

Continuity of Service

In the face of the Foundation Board's decision, WDB staff's priority is to ensure the continuity of WIOA services to the community and key stakeholders, especially employer partners and job seekers, with as little interruption as possible—preferably none.

To that end, and as the Code of Federal Regulations under 2CFR 200.320 and City of San José Municipal Code section 4.12.215 allow WDB staff to bypass the Request for Proposals process and utilize a sole source procurement, staff reached out to Eckerd, the WDB's South County service provider, to inquire about Eckerd's capacity for and interest in assuming responsibility for the WIOA services currently provided by the Foundation, i.e., Adult and Dislocated Worker Program services north of Morgan Hill and Youth Program services throughout the LWDA. Eckerd responded affirmatively to staff's inquiry.

The committee's approval of items 1 and 2 of the recommendation above will authorize staff to conclude negotiations expeditiously with Eckerd and enter into the necessary agreements and amendments to formalize a transition of services from the Foundation to Eckerd. Item 3 of the recommendation above will authorize the reallocation of WIOA resources in the amount of \$2,185,824 identified in the proposed FY 2019-20 WIOA Operating Budget for distribution to the Foundation to Eckerd instead. This action will bring the total FY19-20 allocation of WIOA funds to Eckerd to \$2,414,059, instead of the \$228,235 stipulated in the budget recommendation that the committee approved May 16, 2019 during its joint meeting with the Finance & Performance Committee. The Board will consider approval of the proposed FY19-20 WIOA Operating Budget at its scheduled June 20, 2019 meeting.

As the negotiations include Eckerd hiring the vast majority of Foundation employees to remain in their existing roles, at least for an interim period, staff believes the approach it has taken has a very high probability of maintaining continuity of service and minimizing any potential negative impact on customers and partners.

San Jose Works

As the Foundation intends to continue to service the San Jose Works program (SJ Works) until September 30, 2019, WDB staff's first priority has been to address the continuity of WIOA services. Staff will review further with the Board the best means for ensuring the seamless continuation of SJ Works.

/s/
MONIQUE MELCHOR
work2future Director

cc: J Ruster

Attachment: work2future Foundation Letter



ATTORNEYS AT LAW

530 San Benito Street
Suite 202
Hollister, CA 95023
831.630.9444
JRGattorneys.com

PARTNERS

Jeff R. Gilles
Founding Partner

Aaron P. Johnson

Paul A. Rovella
Managing Partner

Jason S. Retterer

Robert E. Rosenthal

Stephan A. Barber
Ren Nosky

ATTORNEYS

David W. Balch

Peter D. Brazil

Patrick S. M. Casey

Kendra L. Clark

Rudolph P. Darken

Cathleen M. Giovannini

David LaRiviere

Jeffrey S. Lind

J.R. Parker

Sergio H. Parra

Ronald A. Parravano

Matthew R. Rankin

Nelson T. Rivera

Logan R. Walter

OF COUNSEL

Soren E. Diaz

Doug K. Dusenbury

June 4, 2019

Ms. Monique Melchor, Director
City of San Jose Office of Economic Development
San Jose Silicon Valley Workforce Development Board
5730 Chambertin Drive
San Jose, CA 95118

Re: work2future Foundation

Dear Ms. Melchor:

This office represents work2future Foundation, a California nonprofit tax exempt corporation (“W2FF”), which currently services as the “contractor” in the WIOA Youth Services Agreement dated June 12, 2018 for the Workforce Innovation and Opportunity Act (the “WIOA Youth Contract”), the WIOA Youth Services Agreement dated June 12, 2018 for the San Jose Works program (the “SJWorks Contract”), and the WIOA Adult and Dislocated Worker Services Agreement dated June 12, 2018 (the “WIOA Adult Contract”).

W2FF has provided services under these programs to the City of San Jose (the “City”) since 2014. Unfortunately, the City has utilized increasing proportions of funds from the WIOA and SJWorks programs each year for internal administration, which has left less funding available for W2FF to provide the required services under the WIOA Youth Contract, SJWorks Contract, and WIOA Adult Contract. Negotiations between W2FF staff and the City for the next program year were unsuccessful in freeing up additional funding for program services or in aligning program goals with the proposed funding.

Johnson, Rovella, Retterer, Rosenthal & Gilles, LLP
SALINAS MONTEREY HOLLISTER PASO ROBLES KING CITY

The severity of these budget constraints has placed W2FF in the difficult position of having to choose between two ominous options: 1) proceed with the next program years under the contracts despite an imminent default as the funding available is insufficient to meet performance criteria of the respective programs; or 2) discontinue services and dissolve W2FF to allow the City to find alternative service providers for the respective programs, participants to prepare for alternative arrangements, and staff to find new employment.

In light of this grim situation, on May 31, 2019, the Board of Directors of W2FF (the "Board") decided to withdraw from providing services under the WIOA Youth Contract and WIOA Adult Contract effective at the end of the current program year and to authorize staff to take all steps necessary to dissolve W2FF. W2FF understands that the SJWorks program will begin this week and is offering to provide services through September 30, 2019. Enclosed with this Letter is a copy of the resolutions approved by the Board. PLEASE TAKE NOTICE THAT BY WAY OF THIS LETTER, W2FF HAS DECIDED TO DISCONTINUE SERVICES UNDER THE WIOA YOUTH CONTRACT AND WIOA ADULT CONTRACT EFFECTIVE AND THE CONCLUSION OF THE CURRENT PROGRAM YEARS. W2FF HAS DECIDED TO OFFER SERVICES UNDER THE SJWORKS CONTRACT EFFECTIVE AND THE CONCLUSION OF SEPTEMBER 30, 2019.

Staff has met with employees to discuss the Board's decision as well as the permanent conclusion of WIOA Adult and Youth operations effective June 28, 2019 and SJWorks on September 30, 2019. Staff has commenced dissolution of W2FF. The Board and staff of W2FF remain committed to providing services under the contracts and intend to continue to utilize Rooms 19 and 20 at their current location to wind down the business through September 30, 2019.

W2FF desires to undertake an organized approach to service delivery and transition of the WIOA and SJWorks services back to the City. W2FF is prepared to provide a proposed budget and goals for SJWorks for services rendered from July 1, 2019 through September 30, 2019. In the event that you are interested in a warm handoff of program materials and information, please feel free to

Ms. Monique Melchor

June 4, 2019

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contact Acting Executive Director Kim McCoy, MPA, at (408) 794-1175 or our offices at the offices in the margin of page 1 of this letter. Thank you for your prompt attention to this letter.

Sincerely,



Paul A. Rovella

CC: Jeff Ruster

Joe Foster

Frank Romero

**RESOLUTION NO. 2019-3 OF THE BOARD OF DIRECTORS OF
WORK2FUTURE FOUNDATION,
a California nonprofit public benefit corporation (the "Foundation")**

WHEREAS, the Foundation was founded as a charity under the Internal Revenue Code §501(c)(3) on September 2, 2011 for the purpose of “creating and advancing new opportunities to connect workforce and economic development and to promote small business development, growth and sustainability”;

WHEREAS, the in furtherance of the Foundation’s purpose, the Foundation and the City of San Jose have entered into several contracts pursuant which the Foundation provides employment related services to persons in need under various grant programs (the “Services”);

WHEREAS, on June 12, 2018, the Foundation and the City entered into a WIOA Youth Services Agreement in which the Foundation agreed to provide Youth services, including specialized pre- and post-employment services to youth participants eligible for programs, including Workforce Innovation and Opportunity Act (“WIOA Youth Agreement”);

WHEREAS, on June 12, 2018, the Foundation and the City entered into a WIOA Youth Services Agreement in which the Foundation agreed to provide Youth services, including specialized pre- and post-employment services to youth participants eligible for the San Jose Works program, including Workforce Innovation and Opportunity Act (“SJWORKS Agreement”);

WHEREAS, on June 12, 2018, the Foundation and the City entered into a WIOA Adult and Dislocated Worker Services Agreement pursuant to which the Foundation agreed to provide workforce services and job placement assistance to adult and dislocated workers eligible for, among others, the Workforce Innovation and Opportunity Act, Basic Career Services, and Individualized Career Services (“WIOA Adult Agreement”);

WHEREAS, the WIOA Youth Agreement was a 1-year contract, commencing on July 1, 2018 and ending on September 30, 2019;

WHEREAS, the SJWORKS Agreement was a 2-year contract, commencing on July 1, 2018 and ending on June 30, 2020, however, the budget approved by the City and the Foundation was only for the 2018-2019 fiscal year;

WHEREAS, the WIOA Adult Agreement was a 2-year contract, commencing on July 1, 2018 and ending on September 30, 2020, however, the budget approved by the City and the Foundation was only for the 2018-2019 fiscal year;

WHEREAS, the City and the Foundation have engaged in negotiations for the contract amounts for the WIOA Youth Agreement and the WIOA Adult and Dislocated Worker Agreement, but have not been able to reach an agreement;

WHEREAS, the Foundation will not be able to sustain its operations and provide the

contractual services at the contract amounts that are acceptable to the City of San Jose;

WHEREAS, the Foundation is currently operating on minimum staffing levels necessary to provide the contractual services and the contract amounts being negotiated by the City of San Jose for the 2019-2020 fiscal year for the WIOA Youth Agreement and WIOA Adult and Dislocated Worker Agreement services would require significant budgetary and staffing cuts and thus result in a violation of the WIOA Youth Agreement and WIOA Adult Agreement; and

WHEREAS, the City has informed the Foundation that they will not agree to contract amounts for the WIOA Youth Agreement and WIOA Adult and Dislocated Worker Agreement that will allow the Foundation to maintain staffing levels and meet all performance criteria in those contracts for the second year of the terms thereof;

IT IS THEREFORE RESOLVED, that effective immediately Foundation staff is hereby directed to cease negotiations with the City of San Jose and to commence preparations to dissolve the Foundation in accordance with its Bylaws;

RESOLVED FURTHER, that the Foundation will continue to provide services under the WIOA Youth Agreement, WIOA Adult and Dislocated Worker Agreement up to June 30, 2019, and SJWORKS Agreement in accordance with their terms through the end of September 2019;

RESOLVED FURTHER, that Kim McCoy is hereby authorized to notify the City of San Jose of the Board's decision to terminate negotiations of the WIOA Youth Agreement and WIOA Adult and Dislocated Worker Agreement, and unless contractual amounts for those programs can be negotiated with the City of San Jose that will allow the Foundation to provide the contractual services thereunder and meet all performance criteria, then to perform all acts and take all steps necessary to dissolve the Foundation in accordance with the Bylaws, and to keep the Board informed of such processes;

Adopted this 31 day of May 2019 by the following vote:

AYES: 2

NOES: 0

Dated: 5-31-19



Kimberley B. McCoy, Secretary

IV.

PUBLIC COMMENT

V.

ANNOUNCEMENTS

VI.

ADJOURNMENT