



FINANCE AND PERFORMANCE COMMITTEE MEETING AGENDA

Thursday, October 19, 2017

1:00 p.m. – 3:00 p.m.

Business Services & Administration Office
5730 Chambertin Drive
San Jose, CA 95118
408.794.1100
www.work2future.biz

Susan Koepp-Baker, Chair
Joy Salandanan, Secretary
Katty Alvarez, Committee Staff

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For questions regarding this agenda, please call Joy Salandanan at (408) 794-1146. 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.

NOTICE TO THE PUBLIC

Good afternoon, my name is Susan Koepp-Baker, and in my capacity as Chair of the Finance and Performance Committee, I would like to welcome you to the **Finance and Performance Committee meeting of October 19, 2017.**

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

The procedure for this meeting is as follows:

- The Chair will read the opening remarks.
- Members of the public wishing to make a comment will then be given two (2) minutes each to comment.
- [work2future](#) staff and/or Committee Members will present recommendations for each action item on the agenda.
- Committee members may ask questions of [work2future](#) Staff and other Committee Members.
- The Committee 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](#) Committee members may only discuss items listed on the Agenda pursuant to the “Brown Act.”

FINANCE AND PERFORMANCE COMMITTEE

October 19, 2017

1:00 p.m. – 3:00 p.m.

ORDER OF BUSINESS

I. QUORUM VERIFICATION

II. OPENING REMARKS

III. CONSENT ITEMS

None

IV. AGENDA ITEMS

Anticipated Ending Times (an item may be heard before or after this ending time):

A. Old Business

1. Minutes Approval {Action}

Approval of the minutes of the June 6, 2017 work2future Joint meeting of the Finance and Executive Committees.

1:05p
5 min.

B. New Business

1. Approval of 2018 Meeting Schedule {Action}

Susan Koepp-Baker, Chairperson

Approval of the recommended work2future Finance and Performance committee meeting dates for 2018.

1:10p
5 min.

2. Program Performance Update {Discussion}

Monique Melchor, Director

Report on WIOA federal performance measures for the fourth quarter of FY 2016-2017, presentation of WIA performance measures and other related items.

1:25p
15 min.

3. Budget Variance Report as of August 31, 2017 {Discussion}

Joy Salandanan, Finance Manager

Discussion regarding work2future Budget Variance Report for August 31, 2017.

1:35p
10 min.

4. FY 2018-2019 Budget Scenarios {Discussion}

Joy Salandanan, Finance Manager

Staff presentation of preliminary scenarios for the FY 2017-2018 Operating Budget.

1:55p
20 min.

5. Facilities Update {Action}

Dhez Woodworth, Economic Development Officer

Approval to relocate the Youth program to work2future's comprehensive Job Center at Kirk Community Center.

2:05p
10 min.

6. Training Alignment with Priority Sectors {Action}

Colleen Brennan, Contracts Manager

Approval of the alignment of local ETPL training programs with in-demand occupations and local priority sectors.

2:20p
15 min.

7. One-Stop Certification {Discussion}

Monique Melchor, Director

Report on the state's approval of the work2future (San Jose Silicon Valley Workforce Investment Network) Board's application for certification of the America's Job Center of California in San Jose.

2:25p
5 min.

8. Flood Assistance Grant Update {Discussion}

Dat Luu, Recovery Manager

Update on the status of activities related to National Dislocated Worker Grant support for assistance following January 2017 flood in San Jose.

2:35p
10 min.

9. One-Stop Operator Update {Discussion}

Colleen Brennan, Contracts Manager

Report on the initial activities of work2future's new One-Stop Operator, Phoenix Consulting Group.

2:45p
10 min.

10. Discretionary Grants Update {Discussion}

Lawrence Thoo, Special Projects

Update on the status of activities related to the Sector Partnerships National Emergency Grant, which has been extended to June 30, 2018

2:55p
10 min.

V. Set Items for next Agenda

3:00p
5 min.

VI. Announcements

VII. Next Meeting

The next Finance and Performance Committee meeting is scheduled for **Thursday, February 15, 2018** at 1:00 p.m., Business Services and Administration Office, 5730 Chambertin Drive in San Jose, California.

VIII. PUBLIC COMMENT

IX. 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 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.

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

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.

<p>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 Business Services and Administration Office, 5730 Chambertin Drive San Jose, California at the same time that the public records are distributed or made available to the legislative body.</p>
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III

Consent Items

None

IV (A) (1)

Minutes Approval

[Action]

**DRAFT JOINT EXECUTIVE AND FINANCE AND PERFORMANCE COMMITTEE
MEETING MINUTES**

June 6, 2017

Called to Order: 3:08 p.m.

Minutes prepared by Katty Alvarez and reviewed by Joy Salandanan on October 6, 2017.

work2future WDB Staff: Monique Melchor, Joy Salandanan, Lawrence Thoo, Colleen Brennan, Dhez Woodworth, Kathryn Azevedo, and Katty Alvarez.

Service Providers: David Mirrione, work2future Foundation; Charlotte Johnson, Eckerd Workforce Development

I. QUORUM VERIFICATION

Executive:

Present: Joe Fynn, Rashad Said, Denise Boland

Absent: Steve Preminger

Finance and Performance:

Present: Sue Koepp-Baker, Jeff Pallin, Jack Estill

Absent: Carl Cimino, Leslie Gilroy

II. OPENING REMARKS: Read by Executive Committee Chair Joe Flynn.

III. CONSENT ITEMS

The Executive and Finance and Performance Committee unanimously accepted the Consent Items.

Executive:

Motion: Denise Boland

Second: Rashad Said

Finance and Performance:

Motion: Jack Estill

Second: Jeff Pallin

IV. AGENDA ITEMS

A. Old Business:

1. Minutes Approval (Executive Committee)

Rashad Said moved, Denise Boland seconded, and the committee unanimously approved the minutes of the February 17, 2017 work2future Executive Committee meeting.

2. Minutes Approval (Finance and Performance Committee)

Jack Estill moved, Sue Koepp-Baker seconded, and the committee unanimously approved the minutes of the February 17, 2017 work2future Finance and Performance Committee meeting.

B. New Business**1. Performance Update**

Director Monique Melchor reported on WIA/WIOA performance measures to date. CalJOBS, the State's database performance system, continues to undergo a transition from WIA to WIOA. CalJOBS is currently only tracking WIA data; WIOA performance measurements will not be available until 2020. As a result, staff is tracking WIOA's additional performance indicators outside of CALJOBS.

Ms. Melchor also reported on the 2017 State Fiscal Monitoring Review which was conducted in March 2017. work2future had a clean report (no findings). The State Monitor told Ms. Melchor that work2future is one of the very few workforce development boards statewide that consistently have no findings. Ms. Melchor recognized the hard work of Fiscal Manager, Joy Salandanan and her team.

2. Program Services Report

Director Monique Melchor reported on the Youth and Adult Program Services as of April 30, 2017. work2future Foundation is on track to meet Youth and Adult enrollment and training goals by June 30, 2017. Placement goals are expected to be met by the end of September 2017. The Youth Program's Corrective Action Plan (CAP) implemented in January has ceased as of this reporting period.

Eckerd is not expected to meet enrollment nor training goals by June 30, 2017. A CAP was instituted for Eckerd. Since this is Eckerd's first year providing Adult and Dislocated Worker services, the CAP addressed Eckerd's outreach strategy. As a result, Eckerd has shown a significant increase in enrollments which is expected to impact training and employment.

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

Fiscal Manager, Joy Salandanan, reported on three new grants from the State Employment Development Department (EDD):

- Up to \$1.0 million in National Dislocated Worker Grant (NDWG) for storm assistance. NDWG will be used primarily to hire temporary workers to help with various clean-up and repair projects on public and private lands. This grant is retroactive to March 1, 2017 and continues through September 30, 2018, and will be paid out in increments of \$333,333.

Director of Strategic Partnerships for the City Manager Jeff Ruster acknowledged BJ Sims and the Business Services Unit staff, and Nguyen Pham for their assistance at the Emergency Response Center.

- \$200,000 to fund a staff person to act as the Regional Training Coordinator (RTC) to support Bay-Peninsula Regional Planning Unit (RPU) activities. RPU consists of NOVA, San Francisco, San Benito County, and work2future. Term for the grant is March 1, 2017 through March 31, 2019.
- \$7,000 for the CalJOBS VOS Enhancement Touch Screen Technology Project. This one-time grant will be used to fund equipment for America's Job Center of California (AJCCs) to be used with the CalJOBS VOS Greeter Module. The VOS Greeter Module is a virtual check in system designed to replace paper sign-in sheets.

ACTION: The Executive and Finance Committees unanimously approved the EDD Grants: Storm Assistance, Regional Plan, and CalJOBS for forwarding to the Board for its approval.

Executive:

Motion: Rashad Said

Second: Denise Boland

Finance and Performance:

Motion: Jack Estill

Second: Jeff Pallin

4. Proposed FY 2017-2018 Budget

As of June 6, 2017, EDD has not released the final WIOA funding allocations for FY17-18. On February 8, 2017, EDD had notified work2future to plan on an estimated 6% reduction in funding. On May 22, 2017, EDD notified work2future to anticipate a higher reduction in funding than originally estimated in February.

Director of Strategic Partnerships Ruster reported that the March and June budgets were built on three key assumptions: no reduction in service levels, no reduction in staffing levels, and no reduction in Supportive Service levels. work2future has additional savings of \$1.0 million, resulting from savings in personnel costs due to retirements, reduction in temporary positions, and reduction in benefit rates. Mr. Ruster presented an analysis that shows that even *if* the funding allocation decreased by 25%, work2future could continue service, staffing and supportive service levels *with no reduction* by dipping into the contingency reserve account for client services. The 15% reserve account would stay intact.

Committees discussed procedures to follow in case funding allocation is decreased 20 -25%. Both committees agreed that the recommendation to the Board will be amended to provide staff flexibility to accommodate reductions down to 25%.

ACTION: The Executive and Finance Committees unanimously approved the Proposed FY 2017-2018 Budget for forwarding to the Board for its approval. Should

the allocation reduction be greater than 20%, the Executive Committee will reconvene in a special meeting to address the situation.

Executive:

Motion: Denise Boland

Second: Rashad Said

Finance and Performance:

Motion: Sue Koepp-Baker

Second: Jeff Pallin

5. Morgan Hill Satellite Job Center

Economic Development Officer Dhez Woodworth reported on the Morgan Hill Satellite Job Center. The possibility of consolidating South County services at the Gilroy Job Center has been raised at Board and Committee meetings since June 2016. In May 2017, EDD vacated the Morgan Hill Job Center and relocated to the Gilroy Job Center. With the departure of EDD from the Morgan Hill Job Center, the current model for providing client and business services in Morgan Hill is no longer effective. Staff has been working with City of Morgan Hill to develop an alternative service plan for the South County. City of Morgan Hill has offered to waive the required 180-day written notice to terminate the lease.

ACTION: The Executive and Finance Committees unanimously approved the Morgan Hill Satellite Job Center lease termination for forwarding to the Board for its approval.

Executive:

Motion: Rashad Said

Second: Denise Boland

Finance and Performance:

Motion: Jack Estill

Second: Jeff Pallin

6. San Jose Works

Director of Strategic Partnerships Ruster, reported on the San Jose Works 3.0 program. SJ Works 3.0 will provide 775 youths, ages 14-29, with subsidized and unsubsidized employment opportunities. work2future Foundation will provide case management, job readiness, leadership training, and supportive services for these youth. Mr. Ruster noted key changes in SJ Works 3.0. Of the 375 youth in subsidized employment, 230 will be recruited from Career Technical Education programs in San Jose high schools. These youth will be placed in the IT, Healthcare, Construction, Business & Finance, and Advanced Manufacturing sectors, or related demand occupations. work2future is partnering with key employer associations, such as The Silicon Valley Organization, to promote increased private sector internships in these five sectors. The Silicon Valley Organization has agreed to source 200 internships from their private members. A new initiative, San Jose Promise, may be able to assist

SJ Works youth to continue their education with a \$3,000 scholarship to attend a local community college.

ACTION: The Executive and Finance Committees unanimously approved for forwarding to the Board for its approval acceptance of funding in the amount of \$1,500,000 for SJ Works 3.0 and distribution of \$1,281,600 to work2future Foundation to provide services for the 2017 SJ Works program.

Executive:

Motion: Denise Boland

Second: Rashad Said

Finance and Performance:

Motion: Sue Koepp-Baker

Second: Jack Estill

7. Regional and Local Plans and Phase II MOU Updates

Special Projects Manager Lawrence Thoo provided an update on the Regional and Local Plans. The California State Workforce Board notified work2future that the Local Plan submitted in March has been approved with no changes required. The State Board has not yet sent notice of approval for the draft Regional Plan. The Local Plan is available online for committee members review.

Finance Manager Joy Salandanan reported on the Phase II MOU update. Nine of the 13 partners have agreed to co-locate at Kirk and share in the infrastructure costs. Two partners have not made a final decision and two others have decided not to co-locate but will be participating as “referral agencies”. Costs to partners are minimal and will have a small financial impact on work2future’s budget. The greatest impact to co-located partners will be the sharing of services and ability to help clients in a more strategic and streamlined manner.

8. Discretionary Grants Follow-up

Special Projects Manager Thoo provided a performance update as of April 30, 2017 on two discretionary grants: Ready to Work and Sector Partnerships National Emergency Grant (SPNEG). Ready to Work performance measures are on target or have exceeded goals. SPNEG performance measures are below target and staff is not expecting to meet goals when the grant ends June 30, 2017. The challenge with meeting performance goals is that long term unemployment has decreased, making it more difficult to find qualified individuals. Statewide, overall performance on this grant is 40%. EDD has applied to the Federal government for a one-year extension to continue this grant. If extension is approved, work2future can use the remainder of this grant; staff is estimating balance at June 30, 2017 to be approximately \$500,000

9. The Silicon Valley Dichotomy

Josh Williams from BW Research Partnership (BW) gave a presentation entitled Silicon Valley Dichotomy. BW’s research objectives were to identify drivers and non-traditional metrics of economic distress, communities more likely affected by

poverty, financial distress, and financial insecurity, and understand the specific challenges to economic mobility in Santa Clara County. BW's research concluded that high median and average incomes conceal 40% of households in economic distress and individuals in low to mid-skill jobs are most affected by high costs and low wages and reduced career pathways. BW found that economic distress is most keenly felt in certain communities - Filipino, Latino, and Vietnamese immigrants, and youth and young adults. Future research is needed to identify the support mechanisms for policymakers and workforce development programs.

10. One-Stop Operator RFP

Contracts Manager Colleen Brennan provided an update on the One-Stop Operator Request for Proposal. WIOA mandates a One-Stop Operator be in place by July 1, 2017. The One-Stop Operator will not oversee the day-to-day operations but will monitor and facilitate implementation of required partner onsite services at the One-Stop. The original RFP was released Mid-March 2017 and proposals were due Mid-April 2017. No proposals were submitted at that time. The RFP was revised to clarify that the scope was not to oversee operations at the One-Stop but to facilitate partner participation. The revised RFP was released mid-May 2017 and proposals were due early June 2017. One proposal was received and is currently under review.

C. Items for next Agenda: None

D. Announcements: None

E. Next Meeting

The next regular meeting of the Executive Committee meeting is scheduled for Thursday, July 20, 2017 at 1:00 p.m.

The next regular meeting of the Finance and Performance Committee meeting is scheduled for Thursday, October 19, 2017 at 1:00 p.m.

IV. PUBLIC COMMENT: None.

V. ADJOURNMENT: The meeting was adjourned at 5:00 p.m.

IV (B) (1)

Approval of 2018 Meeting Schedule

[Action]



Memorandum

TO: work2future Finance and
Performance Committee

FROM: Susan Koepp-Baker, Chairperson

SUBJECT: Finance and Performance
Committee Meeting Schedule
for Calendar Year 2018

DATE: October 19, 2017

RECOMMENDATION

The Committee Members approve the Calendar Year 2018 work2future Finance and Performance Committee meeting schedule.

PROPOSED SCHEDULE

The Calendar Year 2018 proposed schedule for the Finance and Performance Committee Meeting are as follows:

- February 15, 2018
- June 7, 2018 *
- October 18, 2018

The February and October meeting dates take place on the 3rd Thursday of the month. Meetings will be held from 1:00 p.m. – 3:00 p.m unless there would be a need for a Joint Finance and Executive Committee meeting. In that case the time of the meeting could change to accommodate the availability of the members from both committees.

* The June meeting is scheduled for the 1st Thursday of the month to accommodate the June board meeting.

Susan Koepp-Baker, Chairperson

IV (B) (2)

Program 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— CalJOBS—only has the WIA performance reports at present. These can be used for informational purposes only. The benefit is that we can still see how our WIOA participants are performing under the old WIA measures, which are partially aligned with the new WIOA measures. The drawback is that our Program model has been adapted to align with the new WIOA measures, so our WIA outcomes may change slightly.

Below is the WIA 4th quarter performance information being presented while EDD prepares information for WIOA.

work2future - *WIA Performance Outcomes Report 4th Quarter - (Run date: 9-17-17)

PY 2016 (2016-2017) 4th Quarter – With Base Wage			
Performance Measures	Perf. Goals /a	Actual	Success Rate
ADULT			
Entered Employment Rate	51.50%	56.33%	109.38%
Average Earnings	\$14,200	\$18,324.71	129.05%
Employment Retention Rate	79.00%	82.70%	104.68%
DISLOCATED WORKERS			
Entered Employment Rate	58.50%	66.71%	114.03%
Average Earnings	\$20,100	\$24,341.28	121.10%
Employment Retention Rate	83.00%	87.62%	105.57%
YOUTH			
Placement in Employment or Education	60.00%	60.22%	100.37%
Attainment of a Degree or Certificate	64.00%	70.00%	109.38%
Literacy and Numeracy Gains	63.50%	61.70%	97.17%*
Overall Performance - Local Target (100%)	Exceeded 8/9		
Overall Performance - State Target (80%)	Exceeded 9/9		
Projected Overall Performance - Local Target (100%)	Exceed 8/9		
Projected Overall Performance - State Target (80%)	Exceed 9/9		

*Literacy and Numeracy Gains, did not reach target as a result of the following:

- Transition from WIA to WIOA— Literacy/Numeracy is no longer a performance measure under WIOA
- State Clarification—The State clarified that Lit/Num MAY OR MAY NOT be incorporated into the measurable skill gains measure.
- No Incentives were provided to youth during a short time period due to the WIA/WIOA transition
- 4th quarter enrollments caused denominator to increase rapidly with no time to adjust.

IV (B) (3)

Budget Variance Report as of August 31, 2017

[Discussion]

FINANCIAL STATUS AS OF AUGUST 2017

Key Highlights:

- Work2future carried over approximately \$3.6 million of FY 16-17 Adult, Dislocated Worker, Youth, and Rapid Response allocations into FY 17-18. 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. We are projecting that this carry-over funding will be fully spent prior to the end of the Fiscal Year of June 30, 2018.
- work2future is projecting to carry-over approximately \$1.5 million into the next Fiscal Year 2018-2019, comprised of \$987,378 in the Board-Mandated Reserve Account, \$417,884 in the Board-Approved Contingency Reserve Account and approximately \$100,000 in projected savings, a majority of which is projected to be saved from moving out of the Shirakawa site. It is important to note that, historically, this is the lowest carry-over amount that we would have going into the next fiscal year. This is approximately \$2.2 million—or 68%—lower than the carry-over funding from FY 16-17.
- Rapid Response Budget includes carry-over 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.” All Rapid Response funding is expected to be spent fully at the end of June 2018.

Other Discretionary Funding

- Sector Partnership 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 term period of 24 months ending December 31, 2018 from the original end date of March 31, 2017.
- work2future is awaiting approval of the release of Ready to Work Initiative grant funds of \$191,829 for FY 2017-2018 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 from 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 VOS CALJobs Enhancement tool of \$7,000 to use the VOS Greeter module that will allow to track 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 8/31/2017

Pd 2 Stat 3

Prepared by: Joy Salandanan

Approved by: Monique Melchor

WIA/WIOA Formula Funds	Adult	Dislocated Worker	Youth	RR	Total WIA
I. Actual as of June 30, 2017					
Grant Period	07/01/16-06/30/18	07/01/16-06/30/18	04/01/16-06/30/18	07/01/16-06/30/18	
Original Allocation for FY2016-2017	2,538,958	2,490,744	2,502,712	896,510	8,428,924
Actual Expenditures as of June 30, 2017	(1,397,131)	(1,212,462)	(1,276,415)	(615,415)	(4,501,423)
Encumbrances/Spending Plan 2017	(130,337)	(111,763)	(84,839)	0	(326,939)
Total Actual Expenditures/Encumbrances/Spending Plan as of June 2017	(1,527,468)	(1,324,225)	(1,361,254)	(615,415)	(4,828,362)
Available Funds for FY2017-2018	1,011,490	1,166,519	1,141,458	281,095	3,600,562
% Remaining	40%	47%	46%	31%	43%
II. Actual Expenditures/Encumbrances					
(a) Available Funds from Carry over for FY2017-2018 (remaining plus enc.)	1,141,827	1,278,282	1,226,297	281,095	3,927,501
Expenditures as of August 2017	(113,089)	(186,442)	(266,034)	(29,837)	(595,402)
Encumbrances as of August 2017	(996,349)	(1,255,480)	(960,263)	(5,000)	(3,217,092)
Total Actual Expenditures/Encumbrances as of August 2017	(1,109,438)	(1,441,922)	(1,226,297)	(34,837)	(3,812,494)
\$ Remaining	32,389	(163,640)	0	246,258	115,007
% Remaining	3%	-13%	0%	88%	3%
(b) Current Allocation for FY 2017-2018	2,098,757	2,262,558	2,221,198	613,043	7,195,556
Increase/(Decrease)	0	0	0	0	0
Rescission	0	0	0	0	0
Adjusted Allocation for FY 2017-2018	2,098,757	2,262,558	2,221,198	613,043	7,195,556
Expenditures as of August 2017	(20,224)	(15,834)	(295,957)		(332,015)
Encumbrances as of August 2017	0	(416,843)	(235,804)		(652,647)
Total Actual Expenditures/Encumbrances as of August 2017	(20,224)	(432,677)	(531,761)	0	(984,661)
\$ Remaining	2,078,533	1,829,881	1,689,437	613,043	6,210,895
% Remaining	99%	81%	76%	100%	86%
Total Available Funds for FY2017-2018	3,240,584	3,540,840	3,447,495	894,138	11,123,057
Total Cumulative Expenditures/Encumbrance as of August 2017	(1,129,661)	(1,874,599)	(1,758,058)	(34,837)	(4,797,155)
\$ Remaining	2,110,923	1,666,241	1,689,437	859,301	6,325,902
% Remaining	65%	47%	49%	96%	57%
III. Projected Expenditures for Current Allocation FY 2017-2018					
Projected Expenditures/Encumbrances through June 2018	(1,662,541)	(1,753,633)	(1,736,773)	(613,043)	(5,765,990)
Projected Carry Over through June 2018 (\$)	436,216	508,925	484,425	0	1,429,566
Projected Carry Over through June 2018 %	21%	22%	22%	0%	20%

work2future

Financial Status Report as of 8/31/2017

PD 2 Stat 3

Prepared by: Joy Salandanan

Approved by: Monique Melchor

Other Discretionary Funds	Sector Partnership NEG	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 Plan Development & Training Coordination	Regional Training Coordinator	Customer Centered Design Project	NDWG Flood Event 2017	Total
I. Actual as of June 30, 2017											
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	03/01/2017-09/30/18	
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
Expenditures as of June 30, 2017	(422,451)	(892,935)	(386,101)	(1,620,024)	0	0	(106,121)	0	(7,072)	(12,553)	(3,447,257)
Encumbrances as of June 30, 2017	(326,931)	(185)	(37,991)	(5,517)	0	0	0	0	0	0	(370,624)
Total Actual Expenditures/Encumbrances as of June 2017	(749,382)	(893,120)	(424,092)	(1,625,541)	0	0	(106,121)	0	(7,072)	(12,553)	(3,817,880)
Available Funds for FY 2017-2018	250,618	475,630	136,884	1,551,459	250,000	7,000	60,448	200,000	12,928	320,780	3,265,748
% Remaining	25%	35%	24%	49%	100%	100%	36%	100%	65%	96%	46%
II. Actual Expenditures											
Available Funds for FY2017-2018	577,549	475,815	174,875	1,556,976	250,000	7,000	60,448	200,000	12,928	320,780	3,636,371
Expenditures as of August 31, 2017	(31,560)	(23,188)	(815)	(530,099)	0	0	(3,223)	0	(6,775)	(34,695)	(630,355)
Encumbrances as of August 31, 2017	(383,616)	(64,526)	(134,731)	(803,559)	0	0	0	0	0	0	(1,386,432)
Cumulative Expenditures/Encumbrances as of August 31, 2017	(415,176)	(87,714)	(135,546)	(1,333,659)	0	0	(3,223)	0	(6,775)	(34,695)	(2,016,787)
Remaining	162,373	388,101	39,329	223,317	250,000	7,000	57,225	200,000	6,153	286,086	1,619,584
% Remaining	28%	82%	22%	14%	100%	100%	95%	100%	48%	89%	45%
III. Projected Expenditures/Carry Over											
Projected Expenditures through June 2018	(577,549)	(475,815)	(131,482)	(1,450,000)	0	(7,000)	(60,448)	0	(12,928)	(320,780)	(3,036,002)
Projected Carry Over through June 2018 (\$)	0	0	43,393	106,976	250,000	0	0	200,000	0	0	600,369
Projected Carry Over through June 2018 (%)	0%	0%	25%	7%	100%	0%	0%	100%	0%	0%	17%

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Financial Status Report as of 8/31/2017

PD 2 Status 3

Prepared by: Joy Salandanan

Approved by: Monique Melchor

Other Funds	CWDB	Wells Fargo (BOS)	Bank of America (BOS)	W2F Foundation	Total
I. Actual as of June 30, 2017					
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 2017	0	(4,692)	0	0	(4,692)
Total Actual Expenditures/Encumbrances as of June 2017	0	(4,692)	0	0	(4,692)
Available Funds for FY 2017-2018	5,000	5,308	10,000	15,454	35,762
% Remaining	100%	53%	100%	100%	88%
II. Actual Expenditures					
Available Funds for FY 2017-2018	5,000	5,308	10,000	15,454	35,762
Expenditures as of August 2017		0			0
Encumbrances as of August 2017					0
Cumulative Expenditures as of August 2017	0	0	0	0	0
\$ Remaining	5,000	5,308	10,000	15,454	35,762
% Remaining	100%	100%	100%	100%	100%
III. Projected Expenditures and Encumbrances/Carry Over					
Projected Expenditures through June 2018	0	(2,000)	0	0	(2,000)
Projected Carry Over through June 2018	5,000	3,308	10,000	15,454	33,762
Projected Carry Over (%) through June 2018	100%	62%	100%	100%	94%

IV (B) (4)

FY 2018-2019 Budget Scenarios

[Discussion]

WORK2FUTURE'S FINANCIAL OUTLOOK 2018 AND BEYOND

I. Projected Changes in WIOA Formula Allocation

FISCAL YEAR	2017-2018 BASE	2018-2019 AS IS	2018-2019 5% reduction	2018-2019 10% Reduction
Allocation	\$6,582,513	\$6,582,513	\$6,253,387	\$5,924,262
Shortfall in Funding		0	\$329,126	\$658,251
Shortfall in %		0%	5%	10%

II. Assumptions: Sources

- Assumes 3 scenarios: As Is; 5% reduction; 10% reduction;
- Assumes a 20% carry over from FY 17-18 (Board mandated/Board approved Contingency Reserve), which is approximately \$2.2 million or 68% lower than the carry-over funding from FY 16-17;
- Assumes 15% carry-over funds to FY 18-19; and
- Proposed Scenarios excludes Admin and Rapid Response Allocation; strictly WIOA program operating budget only.

FISCAL YEAR	2017-2018 BASE	2018-2019 AS IS	2018-2019 5% reduction	2018-2019 10% Reduction
Allocation	\$6,582,513	\$6,582,513	\$6,253,387	\$5,924,262
Proposed Budget	\$8,211,047	\$6,342,146	\$6,095,301	\$5,848,457
Shortfall in Operating Budget		\$1,868,901	\$2,115,746	\$2,362,590
Shortfall in %		23%	26%	29%

III. Assumptions: Uses

- Assumes the same staffing level as FY 17-18, which excludes 3 vacant positions. No provision for COLA;
- Assumes 20% of Youth program allocation will be spent on work experience programs;
- Assumes 20% of Adult and Dislocated allocation will be spent on SB 734 training; 10% will be sourced from other leveraged resources;
- Assumes no Unallocated Reserve account;
- Assumes no CMTI/ADA costs (one-time costs in FY 17-18); and
- Assumes the same funding distributions to the Service Providers.

IV. Budget Impact

FISCAL YEAR	2017-2018 BASE	2018-2019 AS IS	2018-2019 5% reduction	2018-2019 10% Reduction
Proposed Budget	\$8,211,047	\$6,342,146	\$6,095,301	\$5,848,457
Proposed Uses	8,211,047	7,460,363	7,263,417	7,199,813
Shortfall in \$	0	(1,118,217)	(1,168,116)	(1,351,356)
Shortfall in %	0%	-18%	-20%	-24%

Depending on scenarios, financial impact resulted in a deficit of \$1.1million to \$1.4 million.

Staff will be looking into possible ways to mitigate the impact such as:

- Eliminating one-time expenses;
- Reducing Board-mandated reserve from 15% to 10%;
- Spreading SB 734 funds over two years, spending only 10% rather than 20% on the first years;
- Reducing staffing level and client service delivery.

V. Looking Ahead

- The improving economy will likely result in decreased funding for Workforce Development Boards.
- Carry Over funds will continue to decrease as a result of lower allocations unless new funding streams are generated.

VI. Next Steps

- Staff will present three Budget Scenarios at the Finance and Executive Committees in February and at the subsequent Board meeting.

###

IV (B) (5)

Facilities Update

[Action]



Memorandum

TO: Finance Committee

FROM: Dhez Woodworth

SUBJECT: **Facilities Update**

DATE: October 12, 2017

Approved

Date

RECOMMENDATION

Approval to relocate the Youth program to work2future's Comprehensive Job Center at Kirk Community Center.

As work to accomplish the relocation would need to begin before the Board's next scheduled meeting on December 7, it is recommended that the Executive Committee approve this action using its authority to act on behalf of the Board when timeliness is a pressing concern.

BACKGROUND AND ANALYSIS

In order to allow for an expansion of the Vietnamese Community Center at the Shirakawa Community Center, the City of San Jose is unable to accommodate a renewal of work2future's Youth Training Center lease of that same facility. Although the lease is scheduled to end in June 2018, staff is seeking early Committee approval to move to a new location to avoid service disruptions during the peak summer period. Leases at work2future's other sites will be renegotiated and renewed.

Following a search assisted by the City of San Jose's Parks, Recreation, and Neighborhood Services Department (PRNS) and the Office of Economic Development's Real Estate Team, work2future staff recommends that the Youth program be consolidated with the Adult and Dislocated Worker programs at the Comprehensive Job Center at the Kirk Community Center facility. Other locations explored were unsatisfactory due to their location, or ongoing or upfront costs.

Despite the more constrained operating environment necessitated by the move, staff anticipates being able to continue to deliver service levels which reflect client, partner, and Board priorities within budget constraints.

The cost of the relocation is anticipated to be less than \$60,000 including tenant improvements, cubicle installation, moving of equipment, and updating signage. As part

of the move, staff will also undertake substantial community outreach to facilitate a smooth transition.

The monthly rent, utilities, custodial, maintenance, and security costs for the use of the Shirakawa Community Center is approximately \$8,500. While the exact timing is still being developed, the move will be completed no later than the Spring of 2018.

work2future has also begun work to consolidate Business and Administrative Services Center staff at the Old Almaden Winery Community Center on the second floor of the facility. The City of San Jose has not determined if an outside group would occupy the 1st floor or if staff from the Parks, Recreation, and Neighborhood Services would use that space.

Dhez Woodworth
Economic Development Officer

IV (B) (6)

Training Alignment with Priority Sectors

[Action]



Memorandum

TO: Finance Committee

FROM: Colleen Brennan

SUBJECT: SEE BELOW

DATE: October 12, 2017

Approved

Date

SUBJECT: **Finance Committee Approval of Alignment of work2future Training Programs with In-demand Occupations and Local Priority Sectors**

RECOMMENDATION

Approve the alignment of work2future's local Eligible Training Provider List (ETPL) programs with in-demand occupations and local priority sectors.

If approved, the recommendation will go to the Board at its December 7, 2017 meeting.

BACKGROUND

WIOA Requirements:

The Workforce Innovation and Opportunity Act (WIOA) requires that training be provided in an in-demand industry sector or occupation, as defined by each state (WIOA sec. 134(c)(3) (23)).

State Requirements:

The State of California ETPL Policy and Procedures (Workforce Services Directive 15-07) states: "Local Boards should provide ITAs for training programs that support a career pathway for the client in growing, in-demand, and/or priority industry sectors identified in the local plans."

Work2future's priority sectors are Finance & Business, Information and Communications Technology, Construction, Advanced Manufacturing, and Healthcare. Additionally, work2future has identified over 200 in-demand occupations. In-demand occupations are those which have high median wages, many annual openings, and a high annual growth rate. These priority sectors and in-demand occupations are the foundation for placing

clients into jobs in growing industries that provide an opportunity to earn a living wage in this area.

ANALYSIS

work2future has been providing clients with the opportunity to obtain training in any of our provider's programs that were approved to be listed on the State ETPL. The State ETPL does not limit programs to any particular sector or occupation, as it is intended to serve the entire state. work2future has stressed the importance of training in our priority sectors, but we have not prohibited clients from obtaining training in other sectors.

To ensure compliance with WIOA law and State ETPL Policy and Procedures, and to provide our clients with the best possible outcomes from their training, work2future plans to provide training to our clients in occupations which align with our priority sectors and in-demand occupations.

work2future's Special Projects team conducted extensive research to identify in-demand occupations. The initial list includes over 200 occupations which provide median wages of near \$21/hour and at least one of the following three criteria: at least 91 openings per year; 6% growth from 2014-2017; or growth by 130 jobs over the same time period.

To begin the alignment process, work2future is analyzing programs on its local ETPL. Each program is being examined to determine the certifications that the program results in and the occupations that the program can lead to. To align our training offerings with the priority sectors and in-demand occupations, work2future will no longer offer our clients training programs that do not provide a path to employment in one of our priority sectors or in-demand occupations.

work2future will continue to examine the ETPL training programs in our area to ensure that all the programs we offer provide our clients with the best possible career path in priority sectors and in-demand occupations in accordance with WIOA law and State Policy and Procedures.

Colleen Brennan
Contracts Manager

IV (B) (7)

One-Stop Certification

[Discussion]

WIOA ONE-STOP CERTIFICATION

Under the Workforce Innovation and Opportunity Act (WIOA), local Workforce Development Boards (WDB) must conduct an independent review and objective evaluation to certify the comprehensive and affiliate (including specialized) America's Job Center of California (AJCC) within its local area once every three years using criteria and procedures established by the California Workforce Development Board (State Board).

- Initial Self-Assessment Review
 - In process through October 2017
- Submit AJCC Certification Process to the State Regional Advisor
 - Completed September 30, 2017
- Receive State Decision on AJCC Certification Process
 - November 1, 2017
- Conduct Baseline Review
 - November 1, 2017 through November 30, 2017
- Submit Completed Baseline Criteria Matrix
 - December 31, 2017
- Hallmark of Excellence Review
 - Starting January 1, 2018

###

IV (B) (8)

Flood Assistance Grant Update

[Discussion]

FLOOD ASSISTANCE GRANT UPDATE

Performance Factors

Current enrollment is at 30 participants, surpassing the targeted goal of 27.

Targeted Grant expenditure is at least 70% of the \$333,333 first installment. Projected expenditure by the end of October is 81%.

Status of Second Installment from DOL through EDD

EDD will request second funding installment from DOL as soon as all 11 project operators reach a cumulative 70% expenditures from the first installment. EDD will determine if the 70% threshold has been reached at the end of October when all Quarterly Reports have been submitted. If the 70% threshold is not reached, possible options include a redirection of funds from underperforming Project Operators to Performing Operators.

If 70% is reached, EDD will immediately submit request to release Second Installment of Grant. The process typically takes a couple of weeks, and Project Operators are expected to continue administration of Grant as normal during the time it takes for the second installment to be released.

Current and Future Worksites and Projects

Parks, Recreation, and Neighborhood Services (PRNS) staff have expressed great appreciation for the work the participants have provided. The Storm Program was acknowledged by PRNS in the City Manager's Weekly Report the week of September 15, 2017 for its help in getting the Japanese Friendship Garden reopened.

Work projects will continue to focus on the Japanese Friendship Garden at Kelley Park and adjacent Coyote Creek section. Additionally, we have successfully collaborated with City's Environmental Services Department to do Storm/Flood Debris Street Cleanup at Rocksprings and Williams Street Park Neighborhood. We will continue to work with ESD and Public Works to identify more Coyote Creek locations for debris cleanup.

###

IV (B) (9)

One-Stop Operator Update

[Discussion]

ONE-STOP OPERATOR UPDATE

work2future's One-stop Operator, Phoenix Consulting Group, has begun to fulfill its responsibility to engage work2future's partners and ensure they are providing the services agreed upon in their MOU.

Phoenix held their first of four required partner meetings on August 8th at the comprehensive AJCC.

All partner agencies were represented at the meeting:

- California Employment Development Department
- Campbell Union High School District
- Center for Employment Training
- California Department of Rehabilitation
- East Side Union High School District
- Eckerd Youth Alternatives
- Foothill DeAnza Community College District
- Job Corps
- Metropolitan Education District
- San José Evergreen Community College District
- Santa Clara County Social Services
- Sourcewise Community Resource Solutions
- work2future Foundation

Agenda:

- Introductions
- Overview of each partner organization's services
- Review of the current AJCC partner referral process
- Desktop Reference containing a brief description of each partner's key services and eligibility requirements
- Draft Team Charter – Purpose, plan and key players
- Schedule for remaining 3 meetings.

Phoenix has been contacting the partners for input, clarifications, and updates to their Desktop Reference entries.

Phoenix has submitted a partner engagement strategy which has been approved by the work2future Director. It describes key elements to bring the partners together to create a consistent system that results in quality referrals between partners.

work2future is also working with Phoenix CG to provide recommendations on streamlining the grant cycle processes and aligning them with customer-centered design.

###

IV (B) (10)

Discretionary Grants Update

[Discussion]

DISCRETIONARY GRANTS UPDATE

The US Department of Labor approved the extension of the California Employment Development Department's (EDD) Sector Partnerships National Emergency Grant (SPNEG) through June 2018 from its original end date of June 30, 2017. work2future continues as one of EDD's eight local partners to the grant.

The extension does not include additional funds. Instead, it enables EDD and its partners to spend the balance of the grant while increasing the participation targets for the project. work2future's share of unspent grant funds is approximately half a million dollars. Its increased participation targets are listed below. The new targets are ambitious, especially as EDD's local partners were already struggling to achieve the original ones.

work2future Foundation staff, who are implementing the bulk of SPNEG-funded activities, will do their best to achieve the new targets but will continue to have to contend with a significant impediment, the change in client flow that evolved following the original development of the project, when the proportion of Dislocated Workers among job-seeker clients was significantly higher.

The Foundation has revamped and increased the number of staff working on the project, and has redesigned its enrollment, intensive services and participant training plans in order to meet the new targets. However, not achieving the targets fully should not have a negative impact on future grants.

Targets	Original	Extension
Participants	120	175
Training	75	100
Employment	100	137

The SPNEG grant also supports work2future's Sector Strategies Initiative project, which is focused initially on employers in the Advanced Manufacturing sector.

###

V

Set Items for Next Agenda

VI

Announcements

VII

Next Meeting

The next Finance and Performance Committee meeting
is currently scheduled for **Thursday, February 15, 2018** at 1:00 p.m.

Business Services & Administration Office

5730 Chambertin Drive

San Jose, CA 95118

408-794-1100

VIII

Public Comment

IX

Adjournment