



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

**Thursday, May 31, 2018
12:30 p.m.**

Business Services & Administration Center
5730 Chambertin Drive
San Jose, CA 95118
408.794.1200
www.work2future.biz

**Joseph Flynn, Chair
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**

**Joint Meeting
May 31, 2018
12:30 pm**

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, 2018**

*5 min
12:40 pm end*
- IV. BUSINESS ITEMS**
 - A. Old Business**
 - 1. Minutes Approval {Action}**

Approve the minutes of the February 15, 2018 Joint Meeting of the Executive Committee and the Finance & Performance Committee.

*5 min
12:45 pm end*
 - B. New Business**
 - 1. WIA/WIOA Performance as of March 31, 2018 {Discussion}**

Monique Melchor, Director

Report on Adult, Dislocated Worker and Youth Programs measured against WIA/WIOA performance benchmarks.

*5 min
12:50 pm end*
 - 2. San Jose Works 2018–19 (Action)**

Joy Salandanan, Finance Manager

Approval of a recommendation that the Board approve the acceptance of \$1.5 million in City of San Jose funds and \$120,000 in funds from other sources to support San Jose Works in FY2018–19, and the distribution of \$1,376,348 to work2future Foundation for San Jose Works services.

*20 min
1:10 pm end*
 - 3. FY2018–19 work2future Operating Budget (Action)**

Joy Salandanan, Finance Manager

Approval of a recommendation that the Board approve an initial operating budget

*25 min
1:35 pm end*

of \$10,269,411 for Fiscal Year 2018–19, based on the state’s estimated WIOA Adult, Dislocated Worker and Youth funding allocations for the fiscal year; approve authority for staff to transfer funds between Adult and Dislocated Worker programs based on the distribution of clients; and approve staff authority to transfer funds between budget line items without changing overall amounts for personnel and non-personnel expenses or the overall budget total.

- 4. Program Summary Update {Discussion}** 20 min
Monique Melchor, Director 1:55 pm end
Report on program outcomes to date, including a discussion on keeping track of and following up with WIOA clients, and the status of clients who exit the programs without employment.
- 5. Special Grants (Discussion)** 15 min
Lawrence Thoo, Special Projects Unit Manager 2:10 pm end
Updates on Prop 39, Storm NDWG, Ready to Work and Sector Partnership NEG Grants.
- 6. Business Services {Discussion}** 10 min
Dhez Woodworth, Economic Development Officer 2:20 pm end
Overview of and update on business services.
- 7. One-Stop Certification, Hallmarks of Excellence {Discussion}** 5 min
Colleen Brennan, Contracts Manager 2:25 pm end
Update on the second phase of the One-Stop Certification process.

V. PUBLIC COMMENT

VI. PROPOSED AGENDA ITEMS FOR NEXT MEETING

VII. ANNOUNCEMENTS

- A.** The next meeting of the Executive Committee is scheduled for July 19, 2018, 12:30 pm. The next meeting of the Finance and Performance Committee is scheduled for October 18, 2018, 1:30 pm. The Board meets next on June 21, 2018, 11:30 am.
- B.** Other announcements

VIII. ADJOURNMENT

2:30 pm end

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 afternoon, my name is Joe Flynn and, in my capacity as Chair of work2future, I welcome you to the May 31, 2018 Joint Meeting of the Executive Committee and the Finance and Performance Committee.

The procedure for this meeting is as follows:

- The Chair will introduce each item on the agenda.
- work2future staff will present each discussion item.
- 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.
- At the conclusion of committee members' questions and remarks on each agenda item, and prior to taking action on any action item, the Chair will invite remarks from any members of the public who wishes to address the specific item. Public remarks will be limited to two minutes each.
- The Committee may take action on any item designated as an action item. As this is a joint meeting of two committees, each committee will take its own action on the item. The Finance Committee will go first; the Executive Committee will follow.
- At the Public Comment agenda item following all Business items, members of the public wishing to make a comment on matters not on the agenda will be given two (2) minutes each to speak.
- 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."

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

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II.

Quorum Verification

III.

Consent Item(s)

[Action]

III.A

Financial Status as of
March 31, 2018

[Action]

FINANCIAL STATUS AS OF MARCH 31, 2018

Key Highlights

- Projecting that carry-over funding from FY 2016-2017 will be fully spent by the end of June 2018. There will be no funding returned to the State.
- Projecting to carry over \$2.2 million from the current Adult, Dislocated Worker, and Youth allocations. This carry-over amount includes the Board-mandated reserve account and Board-approved Unallocated Reserve account of \$1.4 million and additional savings of approximately \$732,000. This carry-over amount (excluding carry-over amount for Rapid Response) is included in the discussion of the three Proposed Budget Scenarios.
- Additional savings are projected to come from various expense budget line items as follows:

Funding Source	Amount
Staff retirement/Non-Renewal of Temporary Unclassified Positions Terming Out/Transfer to another grant	\$507,221
Projected/Realized Savings from Unspent Contracted Services	148,394
Closing Morgan Hill and Shirakawa locations and reducing space at Almaden site	77,018
Total Savings (Realized/Projected)	\$732,633

- In November 2017, the State sent notification of funding rescission to all local Workforce Development Boards. The funding impact to work2future is \$26,936 as follows: Adult program (\$12,541); Dislocated Worker program (\$13,046), and Rapid Response program (\$1,349). This rescinded amount is reflected in the adjusted allocation for FY 2017-2018 and could equate to a third of the salary and benefits of a temporary unclassified position.

Other Discretionary Funding

- Sector Partnership NEG grant has been extended to June 30, 2018. No additional funding has been awarded, just extension of time. With the time extension, work2future's target were increased from 120 to 175 for enrollment; from 75 to 100 for training and from 100 to 137 for placement in employments. To date, despite the organization retooling its approach to outreach and services, efforts have not produced intended results. Due to changes in labor market, there has been lower participation from long-term unemployed individuals and manufacturing employers. work2future staff is working closely with Foundation staff to institute a more robust strategy to reach out to both businesses and clients for On-The-Job (OJT) training. Funding spent on training for this grant can count as leverage for the SB 734 training requirement. To date, work2future has reached 72% (126) of the overall participant enrollment goal and 41 exited participants have found employment. Approximately \$415,000 of this grant will not be spent at the end of the grant term of June 30, 2018.
- work2future is projecting to carry over into the next fiscal year \$42,074 of the third round of Proposition 39 funding. This will support activities for July 2018-December 31, 2018. third round

of funding in the amount of \$468,750 for its Proposition 39 grant. As of March 2018, work2future through its partners, Working Partnerships USA (WPUSA) and San Mateo County Union-Community Alliance (SMCUCA), has enrolled 376 clients and conducted 15 MC3 pre-apprenticeship trainings in Santa Clara and San Mateo Counties. In Santa Clara County, where the program is called Trades Orientation Program (TOP), 175 individuals had graduated from the core training program, and 57% of graduates had been placed in apprenticeships, and an additional 28% in other employment or post-secondary education. Placement rates are likely to rise due to the one year or more that it commonly takes between graduation and placement. work2future expects to meet its goals and fully spend the grant by the end of the grant term of December 31, 2018.

- work2future is projecting to fully spend the third round of Ready to Work (RTW) Initiative grant funds of \$191,829 from the City of Sunnyvale at the end of the grant term of October 31, 2018. For this new funding, work2future is expected to bring 18 new enrollments, six additional training completions, and six employment placements. As of April 30, work2future had 13 new enrollments and assisted five RTW participants find new jobs. Four had been enrolled in training, with no completions yet reported. As of June 30, 2018, work2future is expecting to carry over \$53,053 to support activities from July 1, 2018 to October 31, 2018.
- The Career Pathways Trust project had an initial funding of \$150,000. Another \$100,000 was added to the grant for a total grant of \$250,000. This grant ends in August 2019. The contract has been fully executed in December 2017. The amended contract with the Foundation which includes funding for the Career Pathways Trust project has been executed in March 2018. work2future through the Foundation has been providing services in the absence of a fully executed contract and will soon boost enrollments. It is expected to spend \$120,000 of the total grant as of June 30, 2018.
- work2future has fully spent the first installment—\$333,333—of the NDWG Storm grant and has received the second installment of \$333,333 in funding. The grant is for a total of \$1 million for a term of March 1, 2017 through September 30, 2018. With the initial \$333,333 in funding, work2future placed 30 clients on temporary employment performing storm/flood clean-up at the Japanese Friendship Garden at Kelly Park, and debris/street clean up in the Rocksprings and William Street Park Neighborhood, exceeding a goal of 22 placements. For the second round of funding, work2future's nominal goal is employment for 26 more individuals. To date, work2future has placed 45 against the total grant goal of 50. While work2future has met individual terms for requesting release of the final \$333,334 of the grant, it is required to wait for other project operators to reach mandated goals before such a request can be made. EDD has indicated that this potentially requires a six-month extension from the USDOL. With the release of the final installment, work2future may have sufficient funds to provide employment to additional clients and exceeding the original goal of 50.
- Regional Plan Development and Training Coordination Project for \$200,000 to cover the costs of the regional plan development and team development for the Bay-Peninsula Regional Planning Unit (RPU). Of this amount, approximately \$63,000 will be spent to cover salaries and benefits for a dedicated staff who has been transferred from the MIS unit, and for scheduling training events for the region. An additional grant of \$86,319 was received from the City of Sunnyvale (NOVA) to augment the \$200,000 received from the State to be used for the implementation of

the regional plan across the Bay-Peninsula RPU, which includes staff training.

- A grant of \$7,000 was received from the State to support implementation of the CalJOBS VOSGreeter module, an enhancement that will make it easier to track individual visits to the Job Centers. Staff is currently working with the State to identify the best tools for this purpose. This grant has been extended until September 30, 2018.
- A grant of \$1.5 million was received from the City of San Jose for the San Jose Works 3.0 Youth Jobs Initiative to provide subsidized and unsubsidized employment opportunities of 825 eligible youth. As of the last report for April 2018, 375 youth were provided with grant-subsidized internships and about 550 youth will have been placed in employer-paid job opportunities by the time the program ends in April 2018 (nearly 525 had been placed as of March 2018). Over 85% of the youth successfully completed their paid internships and to date 83% have completed their job placement period. In addition to recruitment, placement, and onboarding services, youth also accessed career counselling, job readiness training, supportive services (e.g. bus passes), and financial literacy education.

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Financial Status Report as of 3/31/2018

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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	
Available Funds for FY2017-2018	2,363,958	2,665,744	2,502,712	896,510	8,428,924
<i>Actual Expenditures as of June 30, 2017</i>	<i>(1,397,131)</i>	<i>(1,212,462)</i>	<i>(1,276,415)</i>	<i>(615,415)</i>	<i>(4,501,423)</i>
<i>Encumbrances/Spending Plan 2017</i>	<i>(130,337)</i>	<i>(111,763)</i>	<i>(84,839)</i>	<i>0</i>	<i>(326,939)</i>
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	836,490	1,341,519	1,141,458	281,095	3,600,562
% Remaining	35%	50%	46%	31%	43%
II. Actual Expenditures/Encumbrances					
(a) Available Funds from Carry over for FY2017-2018 (remaining plus enc.)	966,827	1,453,282	1,226,297	281,095	3,927,501
<i>Expenditures as of March 31, 2018</i>	<i>(966,827)</i>	<i>(1,235,476)</i>	<i>(1,226,297)</i>	<i>(281,095)</i>	<i>(3,709,695)</i>
<i>Encumbrances as of March 31, 2018</i>	<i>0</i>	<i>(217,806)</i>		<i>0</i>	<i>(217,806)</i>
Total Actual Expenditures/Encumbrances as of March 31, 2018	(966,827)	(1,453,282)	(1,226,297)	(281,095)	(3,927,501)
\$ Remaining	0	0	0	0	0
% Remaining	0%	0%	0%	0%	0%
(b) Current Allocation for FY 2017-2018	2,098,757	2,262,558	2,221,198	613,043	7,195,556
Increase/(Decrease)	375,000	(375,000)	0	0	0
Rescission	(12,541)	(13,046)	0	(1,349)	(26,936)
Adjusted Allocation for FY 2017-2018	2,461,216	1,874,512	2,221,198	611,694	7,168,620
<i>Expenditures as of March 31, 2018</i>	<i>(636,298)</i>	<i>(147,596)</i>	<i>(590,621)</i>	<i>(304,987)</i>	<i>(1,679,502)</i>
<i>Encumbrances as of March 31, 2018</i>	<i>(488,962)</i>	<i>(521,461)</i>	<i>(758,200)</i>	<i>(2,000)</i>	<i>(1,770,623)</i>
Total Actual Expenditures/Encumbrances as of March 31, 2018	(1,125,260)	(669,057)	(1,348,821)	(306,987)	(3,450,125)
\$ Remaining	1,335,956	1,205,455	872,377	304,707	3,718,495
% Remaining	54%	64%	39%	50%	52%
Total Available Funds for FY2017-2018	3,428,043	3,327,794	3,447,495	892,789	11,096,121
Total Cumulative Expenditures/Encumbrance as of March 31, 2018	(2,092,087)	(2,122,339)	(2,575,118)	(588,082)	(7,377,626)
\$ Remaining	1,335,956	1,205,455	872,377	304,707	3,718,495
% Remaining	39%	36%	25%	34%	34%
III. Projected Expenditures for Current Allocation FY 2017-2018					
<i>Projected Expenditures/Encumbrances through June 2018</i>	<i>(1,818,927)</i>	<i>(1,143,397)</i>	<i>(1,456,707)</i>	<i>(548,562)</i>	<i>(4,967,593)</i>
<i>Projected Carry Over through June 2018 (\$)</i>	<i>642,289</i>	<i>731,115</i>	<i>764,491</i>	<i>63,132</i>	<i>2,201,027</i>
<i>Projected Carry Over through June 2018 %</i>	<i>26%</i>	<i>39%</i>	<i>34%</i>	<i>10%</i>	<i>31%</i>

work2future

Financial Status Report as of 3/31/2018
PD 9 Stat 3Prepared 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	Regional Training Coordinator (Nova)	Customer Centered Design Project	NDWG Flood Event 2017	Total
I. Actual as of June 30, 2017							Closed			Closed		
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	03/01/2017-09/30/2018	06/01/16-03/31/2018	06/01/2017-03/31/2019	03/01/2018-06/30/2019	06/01/2016-03/31/2018	03/01/2017-9/30/18	
Original Allocation	1,000,000	900,000	232,007	1,677,000	150,000	7,000	166,569	200,000	86,319	20,000	333,333	4,772,228
Increase/(Decrease)	0	468,750	328,969	1,518,000	100,000	0	0	0	0	0	333,333	2,749,052
Adjusted Allocation	1,000,000	1,368,750	560,976	3,195,000	250,000	7,000	166,569	200,000	86,319	20,000	666,666	7,521,280
Expenditures as of June 30, 2017	(422,451)	(892,935)	(386,101)	(1,671,483)	0	0	(106,121)	0	0	(7,072)	(12,553)	(3,498,716)
Encumbrances as of June 30, 2017	(326,931)	(185)	(37,991)	(5,517)	0	0	0	0	0	0	0	(370,624)
Total Actual Expenditures/Encumbrances as of June 2017	(749,382)	(893,120)	(424,092)	(1,677,000)	0	0	(106,121)	0	0	(7,072)	(12,553)	(3,869,339)
Available Funds for FY 2017-2018	250,618	475,630	136,884	1,518,000	250,000	7,000	60,448	200,000	86,319	12,928	654,113	3,651,941
% Remaining	25%	35%	24%	48%	100%	100%	36%	100%	100%	65%	98%	49%
Available Funds for FY2017-2018	577,549	475,815	174,875	1,523,517	250,000	7,000	60,448	200,000	86,319	12,928	654,113	4,022,564
Expenditures as of March 31, 2018	(11,988)	(253,633)	(55,195)	(546,980)	0	0	(60,448)	(12,551)	0	(12,928)	(526,673)	(1,480,396)
Encumbrances as of March 31, 2018	(220,529)	(180,108)	(72,889)	(887,569)	0	0	0	0	0	0	0	(1,361,095)
Cumulative Expenditures/Encumbrances as of March 31, 2018	(232,517)	(433,741)	(128,084)	(1,434,549)	0	0	(60,448)	(12,551)	0	(12,928)	(526,673)	(2,841,491)
Remaining	345,032	42,074	46,791	88,968	250,000	7,000	0	187,449	86,319	0	127,440	1,181,073
% Remaining	60%	9%	27%	6%	100%	100%	0%	94%	100%	0%	19%	29%
III. Projected Expenditures/Carry Over												
Projected Expenditures through June 2018	(162,397)	(433,741)	(121,822)	(1,023,517)	(120,000)	(7,000)	(60,448)	(62,996)	(9,204)	(12,928)	(654,113)	(2,668,166)
Projected Carry Carry Over through June 2018 (\$)	415,152	42,074	53,053	500,000	130,000	0	0	137,004	77,115	0	0	1,354,398
Projected Carry Over through June 2018 (%)	72%	9%	30%	33%	52%	0%	0%	69%	89%	0%	0%	34%

work2future

Financial Status Report as of 3/31/2018

PD 9 Status 3

Prepared by: Joy Salandanan

Approved by: Monique Melchor

Other Funds	CWDB	Wells Fargo (BOS)	Bank of America (BOS)	BOS General	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 March 31, 2018	0	(5,308)	(1,997)		(7,305)
Encumbrances as of March 31, 2018	0				0
Cumulative Expenditures as of March 31, 2018	0	(5,308)	(1,997)	0	(7,305)
\$ Remaining	5,000	0	8,003	15,454	28,457
% Remaining	100%	0%	80%	100%	80%
III. Projected Expenditures and Encumbrances/Carry Over					
Projected Expenditures through June 2018	0	(5,308)	(1,588)	0	(6,896)
Projected Carry Over through June 2018	5,000	0	8,412	15,454	28,866
Projected Carry Over (%) through June 2018	100%	0%	84%	100%	81%

IV.A.1

Minutes Approval

[Action]

DRAFT JOINT EXECUTIVE and FINANCE & PERFORMANCE COMMITTEE MEETING MINUTES

February 15, 2018

Called Order: 12:40 p.m.

Draft minutes prepared by Kathryn Azevedo

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

I. OPENING REMARKS: Read by Sue Koepp-Baker

II. QUORUM VERIFICATION

Executive:

Present: Sue Koepp-Baker, Rashad Said (left at 1:34 pm.), Denise Boland

Absent: Joe Flynn, Steve Preminger

Finance & Performance Committee:

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

Absent: Carl Cimino

III. CONSENT ITEMS

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

Motion: Denise Boland

Second: Rashad Said

IV. AGENDA ITEMS

A. Old Business

1. Minutes Approval

a) Executive Committee

Mr. Said moved, Ms. Boland seconded, and the Committee unanimously approved the minutes of the November 16, 2017 work2future Executive Committee meeting.

b) Finance & Performance Committee

Ms. Leslie Gilroy moved, Mr. Jack Estill seconded, and the Committee unanimously approved the minutes of the October 19, 2017 Finance & Performance Committee. Mr. Jack Estill asked about the date of the next meeting of the Finance & Performance Committee. Per Mr. Thoo, the next meeting of the Finance & Performance Committee will be another Joint meeting with the Executive committee in order to approve the next fiscal year budget after allocation notification from the state. Most likely date will be May 31st, 2018, not June 7th, 2018 as was previously scheduled, since neither Denise Boland or Jack Estill can attend on June 7th. Mr. Thoo will be polling committee members to confirm a date.

B. New Business

1. Facilities Update

Economic Development Officer Dhez Woodworth reported on completing the relocation of the WIOA Youth Program to the comprehensive Job Center at Kirk Community

Center and the consolidation of Business Services & Administration space at Almaden Winery Community Center.

2. Budget Scenarios for Fiscal Year 2018-19

Finance Manager Joy Salandanan asked the Joint Executive and Finance & Performance Committee to approve three preliminary budget scenarios for Fiscal Year 2018-19 based on estimated 5%, 10% and 15% reductions in the WIOA allocation, and related authorizations to provide staff the flexibility to manage the budget. For both the 10% and 15% funding cut budget scenarios, the funding for Unallocated Contingency Reserve Account is fully eliminated. The Board-mandated Reserve Account is reduced from 15% to 12.5% in the 15% funding reduction budget scenario. Mr. Rashad Said recused himself from this agenda item. All budget scenarios were unanimously approved.

Motion: Jack Estill

Second: Denise Boland

3. Single-Audit Report for Fiscal Year 2016-17

Finance Manager Joy Salandanan reported on the results of external audits of work2future for the most recent fiscal year, 2016-17. Both work2future and the work2future Foundation received clean audit reports.

4. WIA/WIOA Performance Update

Director Monique Melchor presented a report on the Job Centers' performance as of December 31, 2017 based on legacy WIA performance measures, in the absence of WIOA performance data, which are projected to be unavailable until early 2020. WIOA standards are 90% not 80% like WIA. We exceeded all WIA measures. We are still tracking WIOA measures even though we are not able to get WIOA performance data from the state.

5. Outcome Measures

Director Melchor recommended Board approval of a methodology and first-year targets for Career Pathways Outcome Measures and related Matrix of Placements in Priority Sectors and In-Demand Occupations which we call our "Pie Chart." There was extensive discussion among the joint committee members regarding the Outcome Measures, particularly for our Youth Participants who receive training but do not secure employment or those who exit our program without employment or credentials. The Executive and Finance & Performance Joint Committee unanimously decided to:

- A) Approve Outcome Measures for Adult and Dislocated Workers and
- B) Defer the Youth Program Outcome Measures to the Youth Council

Motion: Jack Estill

Second: Rashad Said

6. Return on Investment

Director Melchor proposed a work2future methodology for determining Return-on-Investment based on work2future's #8 ranking out of 47 California Workforce Boards. The methodology used is based on total yearly earnings for Adult and Dislocated Worker clients and the total allocation for Adult/DW. Extensive Joint Committee discussion ensued regarding how work2future placed in the state rankings of workforce boards. The Executive and Finance & Performance Joint Committee voted unanimously to adopt this methodology.

Motion: Jack Estill
Second: Rashad Said

7. One-Stop Certification Update

Director Melchor updated the Joint Committee on recent actions completed in work2future's One-Stop Certification process. The State Board will evaluate work2future's Baseline Review, which was submitted on December 31, 2017, and address challenges before March 31, 2018. work2future is working on Phase II of the certification process, the Hallmark of Excellence Criteria Matrix, which will be due on June 30, 2018.

8. San Jose Works Update

Director Melchor presented an update on SJ Works, a City of San Jose funded partnership between, work2future, City of San Jose's PRNS, and the Silicon Valley Organization (SVO). The SJ Works 3.0 program, which ends March 2018, provided 375 subsidized employment opportunities for youth aged 14-18 and 461 unsubsidized employment opportunities for youth aged 16-29. To date, 85% of the subsidized and 83% of the unsubsidized youth have completed their employment opportunity.

The SJ Works 4.0 program will start in April 2018 and is expected to serve 1000 youth, ages 14-29, with 375 subsidized employment opportunities and an estimated 625 unsubsidized employment opportunities. Subsidized opportunities with private-sector employers will be aligned with career pathways in priority sectors. There was extensive committee discussion on the value of this program which allows youth to climb the first rung of the career ladder and get in-demand occupation experience.

9. One-Stop Operator Update

Contracts Manager Colleen Brennan reported on the activities to date of the One Stop Operator, Phoenix Consulting Group. They have held three meetings with the nine partners and the fourth and final meeting is scheduled for Tuesday, May 8, 2018. Ms. Brennan reported that Phoenix Consulting Group has gone "above and beyond" their contractual obligations by creating a virtual meeting place on SharePoint which allows for easier collaboration among the partners.

V. Public Comment: None

VI. Proposed Agenda Items for Next Meeting

1. Finance & Performance Chair Sue Koepp-Baker asked for an update on the status of the work2future Foundation.
2. Ms. Boland asked for information on how we track and follow up with clients under WIOA.

VII. Announcements: None

VIII. Next Meeting

- A. Executive Committee
The next meeting is scheduled for April 19, 2018, 12:30 pm.
- B. Finance & Performance Committee
The next meeting is tentatively scheduled for May 31, 2018, 1:00 pm.

IX. Adjournment: The meeting was adjourned at 2:03 pm.

IV.B.1

WIA/WIOA Performance
as of March 31, 2018

[Discussion]

WIA*/WIOA PERFORMANCE UPDATE

WIOA Participants

1st Quarter

(Run date: 11-28-17)

PY 2017 (2017-2018) 1st Quarter – With Base Wage			
Performance Measures	Perf. Goals /a	Actual	Success Rate
ADULT			
Entered Employment Rate	51.5%	53.2%	103.3%
Average Earnings	\$14,200	\$20,353.29	143.3%
Employment Retention Rate	79.0%	80.5%	101.9%
DISLOCATED WORKERS			
Entered Employment Rate	58.5%	54.4%	93.0%
Average Earnings	\$20,100	\$28,223.84	140.4%
Employment Retention Rate	83.0%	85.7%	103.3%
YOUTH			
Placement in Employment or Education	60.0%	62.9%	104.8%
Attainment of a Degree or Certificate	64.0%	93.8%	146.6%
Overall Performance - Local Target (100%)	Exceeded 7/8		
Overall Performance - State Target (80%)	Exceeded 8/8		
Projected Overall Performance - Local Target (100%)	Exceed 7/8		
Projected Overall Performance - State Target (80%)	Exceed 8/8		

/a - Negotiated Performance Levels for 2016-2017.

*WIA performance, WIOA unavailable per State with no estimate on availability

work2future continues to track WIA performance outcomes for WIOA participants. Staff have participated extensively in State policy task forces supporting the transition from WIA to WIOA, including those aspects related to performance measures.

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IV.B.2

San Jose Works
2018-19

[Action]



Memorandum

TO: Executive Committee
Finance & Performance Committee

FROM: Joy Salandanan

SUBJECT: **See Below**

DATE: May 25, 2018

Approved

Date

SUBJECT: San Jose Works 2018–19 Funding

RECOMMENDATION

Approve a recommendation that the work2future Board approve the following:

1. Accept funding in the amount of \$1,620,000 for the San Jose Works 4.0 program, of which \$1,000,000 is new funding from the City of San José General Fund, \$500,000 is projected carry-over General Fund funding from the San Jose Works 3.0 program (FY 17-18), and \$120,000 is funding raised from private sector sources.
2. Approve funding distribution to work2future Foundation in the amount of \$1,376,348, of which \$1,256,348 comes from the City and \$120,000 has been raised and retained by the Foundation to provide services for San Jose Works 4.0.

If approved, the recommendation will go to the Board at its June 21, 2018 meeting.

OUTCOME

San José Works 4.0 will provide 375 youth with paid internships subsidized by the City and serve 625 youth with employer-paid job opportunities. 500 of the latter will be fully case-managed, and the remaining 125 will be assisted with job placement but will not be closely monitored, thereby reducing the operating burden on staff. work2future Foundation will provide case management, job readiness, leadership training and supportive services for the youth. Subsidized youth will be placed with priority-sector employers, as well as in community centers, libraries, and non-profit agencies.

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. The objective of the program was to augment the long-standing and successful record of accomplishment of the Mayor's Gang Prevention Task Force (MGPTF) by providing at-risk youth with employment services, including training in

critical life skills (leadership development, financial literacy, job readiness) required to secure gainful employment opportunities.

During FY 2017-2018, San Jose Works 3.0, a collaboration between work2future, work2future Foundation, the City's Parks, Recreation, and Neighborhood Services Department (PRNS), the MGPTF, and The Silicon Valley Organization (SVO), provided 375 youth with paid internships supported with General Fund monies provided by the City of San José. 550 additional youth had been placed in employer-paid job opportunities by the end of April 2018. Over 85% of the youth successfully completed their paid internships, and 83% have completed their job placement period. In addition to recruitment, placement, and onboarding services, youth also received career counseling, job readiness training, and sexual harassment training, which has been provided for the last two years and will continue to be provided, along with supportive services (e.g. bus passes), and financial literacy education.

During this past year, internships focused increasingly on private-sector placements with employers in high-growth sectors and in-demand occupations. Of the 375 internships, 235 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 140 youth were placed in internships with community centers, library branches, City departments, Council offices, and nonprofit organizations.

One notable example of a participating private-sector employer is Bentek, Inc., a San Jose-based solar energy company. Bentek provided placements for 35 subsidized internships to San Jose Works youth. In addition to the 20 hours/week funded by the City, however, Bentek concurrently hired the same youth directly for another 20 hours/week, thereby allowing them to work a total of 40 hours/week during the summer. All youth successfully completed their paid internships, with most receiving experience relating to light manufacturing and warehouse operations.

ANALYSIS

In partnership with PRNS, work2future conducted outreach in February and March 2018 for the upcoming San Jose Works 4.0 program. The program will provide 375 youth with subsidized internships and serve 625 youth with employer-paid job opportunities.

Improvements in the use of technology and expanded partnerships will be the drivers for the more than 55% planned increase in the number of youth who will be served with employer-paid job-placement opportunities. Examples include on-campus high school job fairs and specialized recruitments during the school day.

The program will continue its focus on career pathways in priority sectors and the partnership with the SVO to recruit employers to provide internship positions. The NextFlex high school advanced manufacturing curriculum that has trained nearly 3,000 youth since its launch in 2017 will also be a partner. San Jose Works is also developing partnerships with San Jose Promise, the Network for Training in Entrepreneurship (NFTE), and others to enhance the experience for participating youth.

work2future, in collaboration with the MGPTF, is working towards a pilot Construction Career Pathways Program in June 2018. This initiative will leverage WIOA funding and BEST agency partnerships to provide gang-involved youth with career pathway opportunities in the trades.

work2future will be the lead agency for San Jose Works. work2future through work2future Foundation will conduct youth outreach, develop job sites, provide job readiness and youth case management and supportive services for all younger and older youth participating in the program. PRNS will support younger youth outreach through high schools and BEST agencies, develop job-site opportunities at community centers and libraries and provide youth intervention and leadership development services.

The table below shows the projected San Jose Works 2018-2019 Program budget:

BUDGET DETAIL	
PRNS	
Program Staff	\$95,000
work2future	
Facilities, Employment Verification, Indirect Costs	148,652
work2future Foundation	
Youth Salaries 14-18 (6-week program-20 hours/week-375 youth	600,693
Program Staff (Client Services, Financial Literacy, Payroll, etc.)	583,396
Client-related Expenses (supportive services, fingerprinting, incentives, job fairs)	64,063
Other Expenses (supplies, mileage, facilities, utilities, copier rental, etc.)	13,500
Administrative Oversight & Management	114,696
Total Projected Budget	\$1,620,000

Joy Salandanan
Finance Manager

IV.B.3

FY2018-19

work2future

Operating Budget

[Action]



Memorandum

TO: Executive Committee
Finance & Performance Committee

FROM: Joy Salandanan
Finance Manager

SUBJECT: **See Below**

DATE: May 31, 2018

Approved

Date

SUBJECT: Proposed work2future Workforce Development Board (WDB) Program Operating Budget for FY 2018–2019

RECOMMENDATION

Recommend that the Board approve staff's Proposed Budget for FY 2018-19, as follows:

- Proposed Adjustment of \$143,035 to the March 15, 2018 Board-Approved WIOA Program Operating *base* Budget for FY 2018-19, reflecting a revised estimated 7% reduction from the current-year allocation, instead of 10%, for a total WIOA Program Operating Budget of \$6,724,126;
- WIOA Administrative Budget in the amount of \$611,498 based on EDD planning estimate;
- Proposed WIOA Rapid Response Funding for FY 2018-19 of \$674,826 which includes both the *estimated* allocation for FY 2018-19 and a projected carry-over funding from FY 2017-18 of \$63,132;
- Discretionary funding from Other Sources representing projected carry-over funds from FY 2017-18 of \$2,258,962; and
- Approve authority for the staff to:
 - Transfer funds between budget line items, so long as there is no change to the overall amounts for personnel and non-personnel expenditures, and the transfer falls within the Board-approved Operating Budget; and
 - 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

Included in the Proposed WIOA Operating Budget for FY 2018-19 is the recommendation for the distribution of \$1,975,921 to work2future Foundation (Foundation) and \$244,216 to Eckerd Workforce Development (Eckerd) for a total funding of \$2,220,137 that was approved by the Board on March 15, 2018. Staff may adjust the distribution to the service providers once the final allocation has been received from the State.

If approved by the Finance and Executive Committees, the recommendation will be forwarded to the Board at its meeting of June 21, 2018.

BACKGROUND

On April 26, 2018, the State of California Employment Development Department (EDD) released *estimated allocations* for WIOA Adult, Dislocated Worker, and Youth funding streams for FY 18-19. These allocations are based on the estimated levels issued by the Department of Labor's Employment and Training Administration to the states as recognized in Training and Employment Guidance Letter 13-17 dated March 23, 2018. These

estimated allocations are provided for planning purposes and will change based on the enacted FY 18-19 full-year appropriation expected in June 2018. The State's estimated combined allocation for work2future of \$6,114,976 is 7% less than the current allocation, and is close to the proposed *base* case scenario of \$5.9 million (10% less than the current-year allocation) submitted and approved by the Board in March 2018 for WIOA Adult, Dislocated Worker, and Youth programs.

On May 21, 2018, work2future was informed that the Department of Labor had released its Training and Employment Guidance Letter No. 16-17 to EDD regarding the final FY 18-19 allotments for WIOA Adult, Dislocated Worker and Youth programs. Overall, the numbers do not change much from the planning estimated that were released by EDD on April 26, 2018. The WIOA allocation to California increases overall by a total of approximately \$3.0 million.

In March 2018, work2future staff presented to the Board three Proposed Adult, Dislocated Worker, and Youth Program Budget Scenarios: 5% funding reduction, 10% funding reduction, and 15% funding reduction. Assuming there are no major increases or decreases enacted by Congress, it is safe to assume that the percentage of funding reduction to the local workforce investment areas will stay the same as the April estimates. Thus, for budget purposes, work2future is submitting a proposed adjustment to the 10% funding *base* case scenario to reflect a net funding increase of an \$143,035, the difference between 10% and 7% funding cuts. Staff will bring to the Board in October 2018 a reconciliation of the Proposed Budget to the final funding allocation and the actual carry-over funding for FY 17-18 after the year-end close in June 2018.

The adjustments to the Proposed Allocation are as follows:

Proposed Sources	FY 17-18 \$6.6m Adopted Budget	Base Budget 10% Reduction Mar 2018 Board Approved	Planning Estimate 7% Reduction April 2018 EDD Notification	FY17-18 vs. FY 18-19 Base Budget Change (in \$)	FY17-18 vs. FY 18-19 7% Reduction Change (in \$)	Base Budget 10% vs 7% (in \$)
	a	b	c	d (b-a)	e (c-a)	f (c-b)
Formula Allocation	\$6,582,513	5,924,262	\$6,114,976	(\$658,251)	(\$467,537)	\$190,714
+ Carry Over from FY 16-17	1,129,550	987,377	987,377	(142,173)	(142,173)	0
+ Projected Carry Over FY 16-17	1,864,607	1,150,517	1,150,517	(714,090)	(714,090)	0
+ Other Discretionary Sources	93,058	0	0	(93,058)	(93,058)	0
- Carry Over to FY 17-18	(987,377)	(888,639)	(917,246)	98,738	70,131	(28,607)
- Admin (10% of allocation)	(658,251)	(592,426)	(611,498)	65,825	46,753	(19,072)
Proposed Sources	\$8,024,100	\$6,581,091	\$6,724,126	(\$1,443,009)	(\$1,299,974)	\$143,035

The table below shows where the additional funding is applied:

Proposed Uses	2017-2018 Approved Budget	2018-2019 Approved Base (10%) Budget	2018-2019 Proposed Estimate (7%) Budget	Change 18-19 vs 17-18	Change 10% vs 7% (in \$)	Change 10% vs 7% (in %)
	a	b	c	d (b-a)	d (c-b)	e (d/b)
Personnel Costs *	\$2,375,136	\$2,269,337	\$2,056,942	(105,799)	(\$212,395)	(9%)
Non-Personnel Costs	782,704	508,128	508,128	(274,576)	0	0%
Adult Client Services	1,155,843	1,017,662	949,626	(138,181)	(68,036)	(7%)
Youth Client Services	589,815	565,827	548,534	(23,988)	(17,293)	(3%)
IT/Client Tracking Database	60,000	0	0	(60,000)	0	0%
ADA Concerns	75,000	0	0	(75,000)	0	0
One Stop Certification	0	0	35,000	0	35,000	100%
Contracted Services	2,567,718	2,220,137	2,220,137	(347,581)	0	0%
Client Services Contingency	417,884	0	405,759	(417,884)	405,759	100%
Total Proposed Uses	\$8,024,100	\$6,581,091	\$6,724,126	\$1,443,009	(\$143,035)	(2%)

As shown in the tables above, a total of: a) \$143,035 additional funds was generated by the adjustment from a 10% to 7% funding reduction in WIOA formula funds; b) \$212,395 in personnel savings from reducing the portion of the Executive Director's salary and benefits charged to WIOA from 40% to 20% and the net savings generated from filling vacated regular positions at lower steps and reinstating one temporary position; and c) a corresponding funding reduction in the SB 734 requirement and Youth Work Experience of \$85,329, which created additional funding in the amount of \$440,759. This additional funding amount of \$440,759 is redirected to the following uses: a) \$35,000 to fund professional fees for the One-Stop Coordinator consultant to manage the implementation of the One-Stop co-location and delivery of services and conduct customer service satisfaction surveys; and b) re-establish the Client Services Contingency Account for \$405,759.

SB 734-TRAINING ALLOCATIONS

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

Since FY 2016-17, SB734 requires 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 the next fiscal year, as this will create a gap in the work2future Board 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, 2020 as in previous years.

The table below shows the Training Budget relative to the SB 734 training expenditure requirement, if the WIOA Adult and Dislocated Worker funding is 7% less than the current allocation.

WIOA ADULT AND DISLOCATED WORKER PROGRAM	Proposed Budget
Projected Adult and Dislocated Worker Program Allocation FY 18-19	\$4,123,128
Training Requirement (30% of Projected Allocation)	1,236,938
Training Budget at 20%*	\$824,626
Leverage Funds at 10% to be raised by Service Providers	412,312
Total Training Funds for FY 18-19	\$1,236,938

*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 Foundation and Eckerd to fund On-the-Job Training (OJT) services for eligible clients.

WIOA Youth Job Readiness/Work Experience Training Program

At 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 18-19	\$1,991,848
Less: 10% Administration	(199,185)
Youth Program Allocation @ 90%	\$1,792,663
Total Proposed Youth Job Readiness/Work Experience (20% of Youth Program Allocation)	\$358,533

The full amount of \$358,533 will be distributed to Foundation to cover the Youth work experience program, a WIOA requirement. A portion of this amount can be used to fund staffing to administer the work experience program for Foundation. 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 18-19	\$6,114,976
Total Proposed Administrative Budget (10% of Projected Allocation)	611,498
Personnel Costs (3.0 FTE)	\$366,316
CAO	136,258
Non-Personnel Cost	29,802
City Overhead @ effective rate of 4.5%	17,972
Distribution to Service Providers	61,150
Total Proposed Administrative Budget	\$611,498

Since 2015, staff has been working with the City Finance Department and the Budget Office 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 mechanism on administrative services, considering the fluctuating nature of work2future's funding. While this effort has yielded a lower overhead rate for FY 18-19 of 29.45%, compared to the previous year's 75.06%, work2future still cannot pay the full City Overhead amount estimated at \$400,000. As shown above, work2future can only pay approximately \$18,000 which translates to a higher effective rate of 4.5% 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 \$674,826, which includes an estimated base funding of \$611,694, the same as the base funding for the Rapid Response program for FY 17-18, and a projected carry-over funding of \$63,132 from FY 17-18. The projected funding will be allocated as shown in the table below:

WIOA RAPID RESPONSEADMINISTRATIVE	Proposed Budget
Projected Adult, Dislocated Worker and Youth Program Allocation FY 18-19	\$611,694
Total Proposed Administrative Budget (10% of Projected Allocation)	63,132
Total Rapid Response Funding	\$674,826
Personnel Costs (3.5 FTEs)	\$477,199
Non-Personnel Cost	61,458
City Overhead @ 10% Admin Rate	61,169
Distribution to Service Providers	75,000
Total Proposed Administrative Budget	\$674,826

As part of strategically positioning Rapid Response activities, work2future recommends shifting \$75,000 to Foundation from the Rapid Response funding to cover the costs of one full-time position for job development and employer outreach services. This will continue the operational activities that were started in FY 17-18 as part of the recommendation approved by the Board in September 2017 to fund additional staffing to help with business outreach and placement activities. This strategic decision to deliberately shift the business outreach and placement activities to the service-provider level eliminated two filled temporary unclassified positions at the work2future Board this current year.

It is also important to note that the budgetary decision *not* to fill a managerial position in the Business Services Unit vacated due to retirement has allowed work2future to fund one full-time Analyst position and one full-time temporary unclassified position for rapid response, oversight, placement and outreach activities for the work2future Board.

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

Despite the anticipated 10% funding reduction for WIOA Adult, Dislocated Worker and Youth programs, work2future Board is able to distribute at least 33% of the overall program operating budget to the service providers, as follows:

Funding Distribution to Service Providers	Adult	Dislocated Worker	Youth	Total
All Service Providers	\$506,108	\$619,858	\$1,094,171	\$2,220,137

work2future staff maintains the same level of funding distribution as approved by the Board in March 2018 of \$1,975,921 to Foundation and \$244,216 to Eckerd. Similar to FY 17-18 contracts, the service providers are still expected to provide a funding-match of 10% for the Adult program and 5% for the Youth program. In addition

to this amount is the funding for On-the-Job (OJT) training services, which will be decided during negotiation with the service providers depending on the estimated number of employers that are willing to provide OJT training services to eligible clients. Funding for additional staffing to administer and implement the Youth Work Experience program and Rapid Response-related business outreach and placement services will be distributed to service providers, including their share of the administrative budget as explained elsewhere in this memo.

WORK2FUTURE SERVICE PROVIDERS FUNDING DISTRIBUTION SUMMARY

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

Funding	Foundation	Eckerd	Total
WIOA Base Budget	\$1,975,921	\$244,216	\$2,220,137
Rapid Response	75,000	0	75,000
Youth Work Experience	358,533	0	358,533
Administrative	54,423	6,727	61,150
Total	\$2,463,877	\$250,943	\$2,714,820

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. Rapid Response funding distribution is based on strategic positioning of the business and placement outreach activities. While this funding would rest with the Foundation, the outreach and placement activities encompass the South area under Eckerd's contractual jurisdiction

Special Funding.

Aside from the WIOA Adult, Dislocated Worker, Youth and Rapid Response allocations, work2future is projecting to carry-over funds into FY 18-19 from existing discretionary grants in the amount of \$2,258,962. Each grant funding is restricted to its purpose, as follows:

- Projected carry-over funding from the Ready to Work Initiative grant of \$53,053 for FY 2018-2019 from a total grant funding of \$560,976 with a grant period from November 1, 2014 to October 31, 2018 to provide employment and training services to long-term unemployed individuals;
- Projected carry-over funding from the Regional Training Coordinator grant of \$137,004 to fund one full-time equivalent position to continue the implementation and comply with the requirements of Regional Plan of the Bay Area Peninsula Unit (RPU), which is comprised of the City of Sunnyvale (NOVA), San Francisco and San Benito Workforce Development Boards and work2future, development of a training plan for staff and Board members of the RPU, and ensure that the work2future Board is in compliance with the One-Stop Certification requirements. Total grant amount is \$200,000 with a grant term period from June 1, 2017 to March 31, 2019.
- Projected carry-over funding of \$77,115 for the Regional Training Coordinator Grant from the City of Sunnyvale to augment the \$200,000 Regional Training Coordinator Grant received from the State. This grant funds a part-time Regional Training Coordinator position who helps with the implementation of the regional plan geared towards business development around industry clusters within the Bay Area Peninsular Unit The grant term is from March 1, 2018 to June 30, 2019.
- Projected carry-over miscellaneous funding of \$28,457 to assist BusinessOwnerSpace.com (BOS) business and outreach activities and other general purpose work2future activities;
- Projected carry-over funding of \$130,000 from the San Jose Evergreen Community College District Career Pathways grant from the California Department of Education to provide career services to all eligible WIOA eligible clients enrolled in the Career Pathways program including one-on-one counselling, job-search workshops, labor market information and work-based learning experiences at participating employer sites with a grant term period from July 1, 2015 to August 31, 2019.

- New grant funding of \$333,333 for the National Dislocated Worker Grant for the Storm Event, which is the third and last 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 to help restore the flood-impacted areas in San Jose, including debris clearance, vegetation removal, landscape repair and repainting, and material sorting for repair of public and private sites.
- New grant funding for San Jose Works 4.0 Youth Jobs Initiative (SJW 4.0) of \$1,000,000 million plus \$500,000 from FY 17-18 of which may be spent in May and June 2017 to initiate the implementation of SJW 4.0 to serve and provide subsidized and unsubsidized employment opportunities for up to 925 eligible youth.

BUDGET SUMMARY

Overall, work2future's combined Proposed Budget for FY18-19 is \$10,269,412, broken down by the following sources:

- WIOA formula funding including Board-mandated reserve accounts and projected savings of \$6,724,126;
- WIOA Administrative funding of \$611,498;
- WIOA Estimated Rapid Response funding of \$674,826; and
- New and Projected Carry Over funding from other funding sources of \$2,258,962.

OTHERS

Staff requests that the Executive and Finance Committees 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 Operating Budget.

Staff also requests that the Executive and Finance 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.

Joy Salandanan
Finance Manager

cc: Monique Melchor

/js

IV.B.4

Program Summary Update

[Discussion]

PROGRAM SUMMARY UPDATE

Adult/Dislocated Worker Services

Overall, the Adult and Dislocated Worker Programs (A/DW) are meeting and exceeding expectations. Of particular note, with respect to the career pathways initiatives, 64% of clients have found employment in priority demand sectors or in-demand career pathway occupations outside priority sectors. The board-mandated goal is 50%.

Enrollments

work2future Foundation and Eckerd Workforce Development will reach their goals by the end of the year.

Training

- work2future Foundation is exceeding its ETPL goal.
- Eckerd ETPL is on track to meet its ETPL goal by the end of June.
- work2future Foundation is exceeding its OJT goal.
- Eckerd has no OJT goal for this year. Eckerd will have an OJT goal for PY 2018-19, effective July 2018.

Placements

64% of work2future clients have been placed in priority demand sector or other in-demand career pathways thus far, surpassing the Board's goal of 50%. Including the 13% of clients who found employment outside work2future's priority sectors or in-demand career pathways, 77% of work2future's A/DW clients are employed after leaving the programs. The transition to a case management model has allowed work2future Foundation to work more closely with individuals enrolled in the programs to aid in placing them in employment.

Youth Services (work2future Foundation only)

The Youth Program has experienced a significant transformation during the year. Of note, 54% of youth clients have been placed in priority demand sectors or in-demand career pathways, compared to the board-approved goal of 50%.

Enrollments

On the other hand, work2future, like multiple local workforce boards around California, has experienced a "strange phenomenon" of low enrollment. It is causing local areas, including work2future, to re-think strategies for reaching WIOA-eligible youth.

work2future Foundation has already implemented a more collaborative approach with other CBOs, government entities, and employers. However, these outreach strategies will take more time than the current program year allows. The relocation of the Youth Center from Shirakawa to the Kirk Community

Center likely contributed to the Foundation's low enrollment of youth, despite measures to advertise the move. Restructuring the Youth Program to be more aligned to a "career pathways" model also required re-marketing services to appeal to a different subset of youth, further contributing to lower-than-expected Youth enrollment results. Staff estimates that Foundation will enroll approximately 160–170 youth this program year.

To increase enrollments, the following measures are being taken:

San Jose Area

- San Jose Conservation Corps and Opportunity Youth Academy participants will be co-enrolled based on processes agreed upon mutually with work2future.
- Case managers have added outreach duties every week.
- Silicon Valley Career Technical Education/MetroED — potentially 20 enrollments
- Amigos de Guadalupe — potentially 10–14 enrollments
- Growth Sector/Silicon Valley Engineering Technology Pathways — potentially 55-65 enrollments

South County

- New staff assignment for outreach in the South County
- Eckerd (A/DW services in South County) will work cooperatively with work2future Foundation to refer 18–24-year-old walk-ins who may be better suited to Youth services.

Training

Traditional Youth training (cohorts) has been unsuccessful. Foundation has re-focused its efforts to Work Experience (WEX) and On the Job Trainings (OJT). The potential for income while learning job skills has been more appealing to clients. Also, transitioning from a WEX experience to an OJT has been helpful to employers. Clients are more "job ready" and, therefore, more likely to be retained.

Placements

Attaining 54% of Youth clients placed in in-demand career pathways and/or priority sector employment has exceeded the Board-approved goal of 50%. Including the 27% of clients that were employed beyond priority sectors/in-demand career pathways, 81% of work2future's Youth clients are employed after leaving the program.

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ADULT/DISLOCATED WORKER PROGRAM - PROGRAM SERVICES AS OF 04/30/18

Prepared by Meredith Studebaker. Approved by Monique Melchor 05/22/18

Reporting Period: July 1, 2017 - April 30, 2018

Number of Carryover Participants:	943
Total Enrollments as of July 1, 2017 (April = 98 participants):	1,002
Participants Provided Services:	1,945
Participants Exited:	1,181
Active Participants:	764

ADULT/DISLOCATED WORKER PROGRAM ENROLLMENTS FY 2017-2018

Program	POP as of 04/30/18	Actual	% of Goal	YEAR END - June 30, 2018	
				Goal	% of Projection
Foundation	900	868	96%	1,080	80%
Eckerd	188	134	71%	190	71%
Total	1,088	1,002	92%	1,270	79%

work2future Foundation

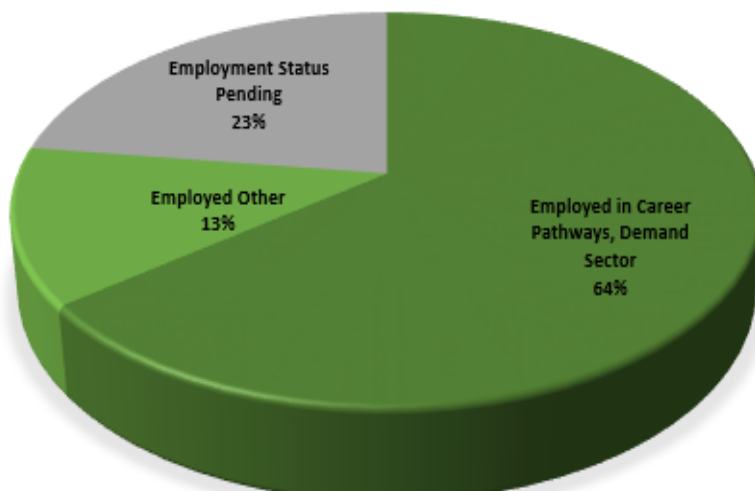
	Actuals	Year-End Goal	% of Year-End Goal
Participants in Training	99	129	76.7%

Eckerd

	Actuals	Year-End Goal	% of Year-End Goal
Participants in Training	14	26	53.8%

Adult/Dislocated Worker Outcomes FY 17-18 July 1, 2017 – March 31, 2018

Total Exited Clients: 351





YOUTH PROGRAM - PROGRAM SERVICES AS OF 04/30/18

Prepared by Meredith Studebaker Approved by Monique Melchor 05/22/18

Reporting Period: July 1, 2017 - April 30, 2018

Number of Carryover Participants:	168
Total Enrollments as of July 1, 2017 (April = 7 participants):	99
Participants Provided Services:	267
Participants Exited:	195
Active Participants:	72

YOUTH PROGRAM ENROLLMENTS

	POP as of 04/30/18	Actual	% of Goal	YEAR END - JUNE 30, 2018	
				Goal	% of Projection
San Jose	175	82	46.9%	185	44.3%
South County	46	17	37.0%	50	34.0%
Total	221	99	44.8%	235	42.1%

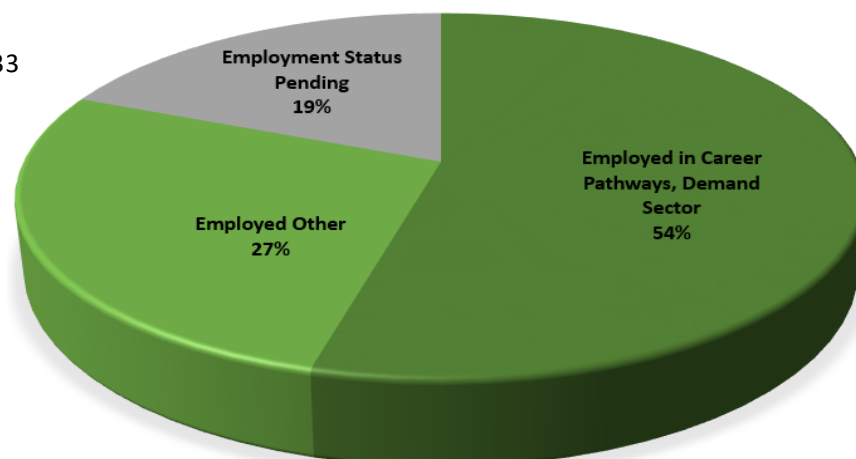
WORK EXPERIENCE FY 2017-2018

	Actual - APR 30, 2018		Goal - Year End		% of Year-End Goal
	Participants	Amount	Participants	Amount	
San Jose	48	\$214,838.63	71	\$295,050.94	72.8%
South County	1	\$75,483.84	1	\$104,765.06	72.1%
Total	49	\$290,322.47	72	\$399,816.00	68.1%

Youth Clients Outcomes FY 17-18

July 1, 2017 – March 31, 2018

Total Exited Clients: 133



IV.B.5

Special Grants

[Discussion]

SPECIAL GRANTS

By the end of calendar 2018, work2future is scheduled to wind down four special grants for specific program purposes:

- **Prop 39 Clean Energy Jobs Creation Fund grant (Prop 39):** \$1.37 million; term ends December 31, 2018.
As of April 30, 2018, work2future through its partners, Working Partnerships USA and San Mateo County Union-Community Alliance, had enrolled 425 participants and graduated 377 from 15 MC3 pre-apprenticeship trainings in Santa Clara and San Mateo Counties. Two additional training cohorts are scheduled during the grant period. In Santa Clara County, where the program is called the Trades Orientation Program (TOP), 199 individuals had graduated from the core training program, and 54% of graduates had already been placed in apprenticeships, with an additional 28% in other employment or post-secondary education. Staff expect that grant targets will be fully met, and the partners are focused on seeking additional resources to sustain the programs after the grant ends.
- **National Dislocated Worker Grant for the 2017 Storm Event (NDWG):** \$1 million; term ends September 30, 2018.
work2future has received two of three installments for a total of \$666,666. Performance, measured in the number of individuals provided temporary employment to assist with several storm clean-up and restoration projects, is well ahead of planned milestones, with 45 employed. Staff are confident that the overall goal of 50 will be met, if not exceeded. This grant is work2future's share in a larger NDWG grant awarded to the state. Several other partners are not meeting their milestones, and the state may seek a six-month extension from the US Department of Labor.
- **Ready to Work grant (RTW):** \$561,000; term ends October 31, 2018.
After lagging significantly in the third year of this four-year grant, work2future's performance has picked up recently as the San Jose Job Center staff revised and reinforced substantially their efforts on behalf of this project to provide re-employment assistance to long-term unemployed job seekers with a focus on H-1B visa-related occupations. Enrollments to-date are 133 long-term unemployed job seekers against a project target of 138. 76 have found new employment, against a project target of 77. Note that these project targets reflect renegotiated goals that were agreed with NOVA, the lead recipient of the grant, which also includes the Alameda County Workforce Development Board and the San Francisco Office of Economic and Workforce Development.
- **Sector Partnership National Emergency Grant (SPNEG):** \$1 million; term ends June 30, 2018.
work2future is one of eight local/regional partners in a one-year federal grant to the California Employment Development Department (EDD) to provide sector-focused re-employment assistance to long-term unemployed job seekers. EDD requested and received a no-cost one-year extension due to lagging performance statewide. work2future performance has been subpar. Enrollments to date are 72 percent of target, and employment placements are at 38 percent of target.

Lessons Learned

Drawing on recent experience with special—or discretionary—grants, especially the four of substantial size above, staff intends to choose from among the following measures, as appropriate, to improve the likelihood of successful performance with future discretionary grants:

- Identify project partners in advance of the grant application whose mission and experience are well aligned with the purpose of the grant, and work with the partner(s) in the design of the project and development of the grant application.
- Consult with others in possession of expertise appropriate to the purpose of the grant and assess work2future's capacity to undertake the grant successfully prior to applying for the grant.
- Ensure that the grant plan and budget include a dedicated project manager, who will either implement or oversee the implementation of the grant, as appropriate, and be responsible for reporting on the grant to the grantor and internally.
- Use the competitive Request for Proposals process to select a project operator with proven expertise and a documented record of success in carrying out the type of project that the grant is intended to support.
- Monitor progress and the external environment closely so that any changes in the external case for the grant or any indications of difficulty operating the grant project are detected early and aggressive corrective measures can be developed and put in place promptly.

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IV.B.6

Business Services

[Discussion]

BUSINESS SERVICES

work2future continues to provide business assistance effectively. So far this fiscal year, work2future Board staff have provided over 200 entrepreneurs with business services to help them with their companies. On the employer front, together with the staff of work2future Foundation and Eckerd Workforce Development, nearly 2,000 services were provided to nearly 670 employers.

Broadly, direct services for businesses include job postings and events, business outreach, job placement, on-the-job training (OJT) and work experience (WEX) placements, entrepreneurship, layoff aversion, and rapid response activities addressing Workforce Adjustment and Retraining Notices (WARN). work2future staff will be working increasingly closely with Foundation and Eckerd staff to ensure that these direct services further program outcome goals. Some highlights include:

- To date this fiscal year, nearly 200 clients have been placed in employment, OJT or WEX opportunities.
- For the 12 months ending in March 2018, work2future responded to 31 layoff events impacting 2,735 employees. Thirty-four workshops covering unemployment insurance, Covered California (health insurance), and work2future services were held for 432 attendees (nearly 16% of impacted employees; well over the state average of 8%).
- Staff visited 41 employers as part of layoff aversion and business engagement efforts since the beginning of the fiscal year. Two examples of success in this area were the speed at which work2future was able to respond to the closure of a daycare center due to a fire, contributing to the saving of 12 positions there, as well as providing a manufacturing employer with linkages to the EDD's workshare program, allowing them to retain two employees who would otherwise have been laid off.

work2future also worked with nearly 30 BusinessOwnerSpace.com (BOS) partner organizations to assist small business with free or low-cost services to provide nearly 100,000 service transactions to entrepreneurs. BOS offerings include a wide range of services: technical assistance, access to capital, avenues for procurement, international trade, and many more ways to start and grow a business.

BusinessOwnerSpace.com special events include the following:

- **Doing Business in San Jose workshops**—these quarterly activities feature topics suggested by small businesses are held at rotating locations throughout San Jose, with assistance provided to limited-English speakers to maximize awareness of the wide variety of services available through the BOS network. Over the fiscal year, over 65 aspiring entrepreneurs were able to get information on topics ranging from starting as a consultant to the types of legal structures available to businesses.
- **San Jose Youth Entrepreneurship and Innovation Summit**—through a joint event work2future and the Network for Teaching Entrepreneurship (NFTE) challenged over 150 high school students, many from East Side Union High School District, to learn what it takes to become a successful entrepreneur and then to compete in a business plan pitch competition. The winners earned a prize of \$1,000 and advanced to State competitions with the potential to go to New York nationals.

- **7th Annual Summit on Entrepreneurship and Innovation** – This year work2future’s signature BusinessOwnerSpace.com business event was organized in conjunction with the Small Business Development Center and the County of Santa Clara. Over 400 attended at the County Administration Building and were treated to workshops on securing funding for business expansion, how to sell to government and corporate organizations, and other business-growth topics.

work2future’s focus on developing sector strategies, another form of business support, engages employers in targeted sectors in working to address issues of common concern. Initial efforts have been in the Advanced Manufacturing industry and many of the job placements discussed previously were with employers in this sector.

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IV.B.7

One-Stop Certification,
Hallmarks of Excellence

[Discussion]

Hallmarks of Excellence Update

- The AJCC recertification process for the Job Center at Kirk Community Center began with a baseline certification, completed in December 2017. The second phase is the “Hallmarks of Excellence”, a matrix of eight items, each to be ranked on a scale of 1–5.
- The Hallmarks of Excellence assessment will result in a comprehensive assessment of our strengths and opportunities in key areas of AJCC quality.
- work2future is in the process of assessing the AJCC’s current level of quality in the following areas:
 - Physical Layout
 - Universal Access
 - Effective Partnerships
 - Customer-centered Design
 - Credential Attainment in Targeted Sectors
 - Business Services
 - Well Trained Staff
 - Data-driven Continuous Improvement
- After completing the Hallmarks of Excellence assessment, work2future will submit it to the State by the deadline of June 30, 2018. Once approved, work2future will shift into the continuous improvement phase when it will put into place elements to improve in each category for the next Hallmarks of Excellence assessment in 2021.
- One key element of the Hallmarks of Excellence is universal physical access to the AJCC. The work to bring the AJCC into compliance with the Americans with Disabilities Act of 1990 (ADA) is complete and the AJCC is ready to serve all those who come to the AJCC with equal accessibility to benefit from the services provided.

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V.

Public Comment

VI.

Proposed Agenda Items
for Next Meeting

VII.

Announcements

VII.A

The next meeting of the Executive Committee is scheduled for July 19, 2018, 12:30 pm. The next meeting of the Finance and Performance Committee is scheduled for October 18, 2018, 1:30 pm.

The Board meets next on June 21, 2018, 11:30 am.

VII.B

Other announcements

VIII.

Adjournment