



BOARD MEETING AGENDA

Thursday, June 21, 2018

11:30 a.m. – 1:30 p.m.

Business & Administrative Services Center

5730 Chambertin Drive

San Jose, CA 95118

(408) 794-1200

www.work2future.biz

Joseph Flynn, Chair

Susan Koepp-Baker, Vice Chair

Monique Melchor, Secretary

Lawrence Thoo, Staff Liaison

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

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

For questions regarding this agenda, please call Lawrence Thoo at (408) 794-1170. To request an accommodation under the Americans with Disabilities Act to participate in this public meeting/event, please call Kathryn Azevedo at (408) 794-1176 or (408) 294.9337 (TTY) at least (3) three business days before the meeting/event.

Name/Company	WORKFORCE BOARD			
	Executive	Finance	Priv. Empl.	Youth
Amador-LeBeau, Rose <i>Center for Training and Careers</i>			M	
Auerhahn, Louise <i>Working Partnerships USA</i>				
Batra, Rajiv <i>PayPal</i>				
Boland, Denise <i>Social Services Agency, County of Santa Clara</i>	M			C
Burrill, Jeff <i>Pangenera LLC, a Panera Bread franchisee</i>				
Chao, George <i>Manex</i>				
Cimino, Carl <i>Pipe Trades Training Center, Local 393</i>		M		
Estill, Jack <i>San Jose State University</i>		M		
Flynn, Joseph <i>PRGX Global, Inc.</i>	C	M		
Gilroy, Leslie <i>CSDC/San Jose Job Corps</i>				
Gomez, Blanca <i>Wells Fargo</i>				
Koepp-Baker, Susan <i>Enviro-Tech Services</i>	M	C	M	
Le, Van <i>State Farm Insurance</i>			M	M
Lucero, Maria <i>California Employment Development Department</i>				
Moore, Pamela <i>California Department of Rehabilitation</i>			M	
Parmeter, Brynt <i>NextFlex</i>				
Preminger, Steve <i>Office of the County Executive, County of Santa Clara</i>	M			
Said, Rashad <i>Advanced Vocational Institute</i>	M		M	
Schoch, Mitch <i>Bentek, Inc.</i>			C	
Seaver, Derrick <i>San Jose Downtown Association</i>				
Villalovoz, Henri <i>Sourcewise</i>				
Uribe, Richard <i>East Side Union Adult Education</i>				
Wahl, David <i>Jabil, Inc.</i>				

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

WORKFORCE BOARD MEETING

June 21, 2018

11:30 am

AGENDA

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

5 min
11:40 am end

Approve the acceptance of:

 - A. **Financial Status as of April 30, 2018**
 - B. **San Jose City Council Community & Economic Development Committee Memo of April 9, 2018**
 - C. **Labor Market Information Update**
- IV. **BUSINESS ITEMS**
 - A. **Old Business**
 - 1. **Minutes Approval {Action}**

5 min
11:45 am end

Approval of the minutes of the March 15, 2018 Board meeting.
 - B. **New Business**
 - 1. **Performance Update {Discussion}**

5 min
11:50 am end

Monique Melchor, Director

Report on performance as of March 31, 2018 based on legacy WIA performance measures in the absence of WIOA performance data.
 - 2. **San Jose Works 2018–19 {Action}**

20 min
12:10 pm end

Joy Salandanan, Finance Manager

Approve the acceptance of \$1.5 million from the City of San Jose to support San Jose Works in FY2018–19, and the distribution of \$1,256,348 to work2future Foundation and \$95,000 to City’s Parks, Recreation and Neighborhood Services Department for San Jose Works services.
 - 3. **FY2018–19 work2future Operating Budget {Action}**

25 min
12:35 pm end

Joy Salandanan, Finance Manager

Approve an initial operating budget 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. **Programs Update {Discussion}** *20 min*
12:55 pm
end
 Monique Melchor, Director
 Report on program outcomes to date, including the status of and lessons learned from special grant-funded projects, keeping track of and following up with WIOA clients, and the status of clients who exit the programs without employment.

5. **Business Services {Discussion}** *10 min*
1:05 pm end
 Dhez Woodworth, Economic Development Officer
 Overview of and update on business services.

6. **One-Stop Certification, Hallmarks of Excellence {Discussion}** *5 min*
1:10 pm end
 Colleen Brennan, Contracts Manager
 Update on the second phase of the One-Stop Certification process.

7. **Silicon Valley Dichotomy II {Discussion}** *10 min*
1:20 pm end
 Lawrence Thoo, Special Projects Unit Manager
 Release of the Keen Independent Research study that takes a closer look at concerns underscored in 2017's Silicon Valley Dichotomy study.

V. **PUBLIC COMMENT**

VI. **SUGGESTED AGENDA ITEMS FOR NEXT MEETING**

VII. **ANNOUNCEMENTS**

- A. **Next meeting:** Thursday, September 20, 2018, 11:30 am
- B. **Other**

VIII. **ADJOURNMENT**

1:30 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 Board

- 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 Staff Liaison 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 Board business on the agenda, unless they are speaking during open forum.
- d) Speakers' comments should be addressed to the full body. Requests to engage Board Members 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 Staff Liaison 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 Board will be available for public inspection at the work2future Business and Administrative Services Center, Almaden Winery Community Center, 5730 Chambertin Drive, San Jose, CA at the same time that the public records are distributed or made available to the Board.

I.

Call to Order &
Opening Remarks

OPENING REMARKS

Good morning! My name is Joe Flynn and, in my capacity as Chair of work2future, I call this meeting to order.

Welcome to the June 21, 2018 meeting of the work2future Workforce Development Board.

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 Board members will present recommendations for each action item on the agenda.
- Board members may ask questions of work2future Staff and other Board members.
- At the conclusion of Board 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 Board may take action only on items designated as an action item.
- At the Public Comment agenda item following all Business items, members of the public 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.
- Board members may only discuss items listed on the Agenda pursuant to the "Brown Act."

Members of the public who wish to address the Board 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 Items

[Action]

III.A

Financial Status as of
April 30, 2018

[Action]

FINANCIAL STATUS AS OF APRIL 30, 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 \$2.7 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 projected savings of about \$1.3 million. Of this carry-over amount, \$732,000 is included in the Proposed Budget for FY 18-19 that was approved by the Finance and Performance Committee and the Executive Committee at their joint meeting on May 31, 2018. Majority of the additional projected savings of about \$500,000 comes from personnel savings generated from the Foundation contract due to hiring delays and major staff turnover. In addition, the State reinstated the amount rescinded in November 2017 of \$33,344.
- 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 Centers and reducing space at Almaden site	77,018
Total Savings (Realized/Projected)	\$732,633
Additional Sources (after Finance/Executive Committee approval of 5-31-18)	
Projected Savings from Foundation Unspent Personnel Budget	\$493,711
Reinstatement of Rescinded Funding	33,344
Total Additional Sources	\$527,055
Adjusted Savings (Realized/Projected) after Finance/Executive approval on 5-31-18	\$1,259,688

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. Foundation's effort to institute a more robust strategy to reach out to both businesses and clients for On-The-Job (OJT) training has had minimal results. To date, work2future has reached 72% (126) of the overall participant enrollment goal and 41 exited participants have found employment. Approximately \$360,000 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 April 2018, work2future through its partners, Working Partnerships USA and San Mateo County Union-Community Alliance, has enrolled 425 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), 199 individuals had graduated from the core training program, and 54% of graduates had been placed in apprenticeships and 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 in 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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WIOA Formula Funds	Adult	Dislocated Worker	Youth	RR	TOTAL WIOA
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
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	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
Expenditures as of April 30, 2018	(966,827)	(1,363,573)	(1,226,297)	(281,095)	(3,837,792)
Encumbrances as of April 30, 2018	0	(89,709)	0	0	(89,709)
Total Actual Expenditures/Encumbrances as of April 30, 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
Transfer between Adult and Dislocated Worker Program	375,000	(375,000)	0	0	0
Additional Funding	10,577	11,403	11,364	6,338	39,682
Rescission	(12,541)	(13,046)		(1,349)	(26,936)
Adjusted Allocation for FY 2017-2018	2,471,793	1,885,915	2,232,562	618,032	7,208,302
Expenditures as of April 30, 2018	(846,355)	(172,596)	(729,746)	(396,959)	(2,145,656)
Encumbrances as of April 30, 2018	(661,546)	(703,075)	(804,333)	(62,596)	(2,231,550)
Total Actual Expenditures/Encumbrances as of April 30, 2018	(1,507,901)	(875,671)	(1,534,079)	(459,555)	(4,377,206)
\$ Remaining	963,892	1,010,244	698,483	158,477	2,831,096
% Remaining	39%	54%	31%	26%	39%
Total Available Funds for FY2017-2018	3,438,620	3,339,197	3,458,859	899,127	11,135,803
Total Cumulative Expenditures/Encumbrance as of April 30, 2018	(2,474,728)	(2,328,953)	(2,760,376)	(740,650)	(8,304,707)
\$ Remaining	963,892	1,010,244	698,483	158,477	2,831,096
% Remaining	28%	30%	20%	18%	25%
III. Projected Expenditures for Current Allocation FY 2017-2018					
Projected Expenditures/Encumbrances through June 2018	(1,703,800)	(948,249)	(1,273,271)	(548,562)	(4,473,882)
Projected Carry Over through June 2018 (\$)	767,993	937,666	959,291	69,470	2,734,420
Projected Carry Over through June 2018 (%)	31%	50%	43%	11%	38%

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	06/01/2014-10/31/2018	11/01/2014-12/31/2018	07/01/2017-6/30/2018	07/01/2015-08/31/2019	07/01/2015-8/31/2019	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 April 30, 2018	(62,294)	(271,044)	(64,447)	(620,433)	(99,162)	(3,436)	(60,448)	(22,815)	0	(12,928)	(565,698)	(1,782,705)
Encumbrances as of April 30, 2018	(473,439)	(164,650)	(83,798)	(856,313)	(125,838)	0	0	(6,250)	0	0	(66,603)	(1,776,891)
Cumulative Expenditures/Encumbrances as of April 30, 2018	(535,733)	(435,694)	(148,245)	(1,476,746)	(225,000)	(3,436)	(60,448)	(29,065)	0	(12,928)	(632,301)	(3,559,596)
Remaining	41,816	40,121	26,630	46,771	25,000	3,564	0	170,935	86,319	0	21,812	462,968
% Remaining	7%	8%	15%	3%	10%	51%	0%	85%	100%	0%	3%	12%
III. Projected Expenditures/Carry Over												
Projected Expenditures through June 2018	(201,207)	(435,694)	(148,245)	(1,023,517)	(225,000)	(7,000)	(60,448)	(62,996)	(9,204)	(12,928)	(654,113)	(2,840,352)
Projected Carry Over through June 2018 (\$)	376,342	40,121	26,630	500,000	25,000	0	0	137,004	77,115	0	0	1,182,212
Projected Carry Over through June 2018 (%)	65%	8%	15%	33%	10%	0%	0%	69%	89%	0%	0%	29%

work2future

Financial Status Report as of 4/30/2018

PD 10 Status 3

Prepared by: Joy Salandanan

Approved by: Monique Melchor

BOARD: 06-21-18
AGENDA ITEM: III.A
Attachment 3 of 3

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)
<i>Total Actual Expenditures/Encumbrances as of June 2017</i>		(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
<i>Expenditures as of April 30, 2018</i>	0	(5,308)	(1,997)		(7,305)
<i>Encumbrances as of April 30, 2018</i>	0				0
Cumulative Expenditures as of April 30, 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					
<i>Projected Expenditures through June 2018</i>	0	(5,308)	(1,997)	0	(7,305)
<i>Projected Carry Over through June 2018</i>	5,000	0	8,003	15,454	28,457
<i>Projected Carry Over (%) through June 2018</i>	100%	0%	80%	100%	80%

III.B

Community and Economic Development Committee Memo of April 9, 2018

[Action]



Memorandum

**TO: COMMUNITY & ECONOMIC
DEVELOPMENT COMMITTEE**

**SUBJECT: UPDATE ON work2future
FY 2016–2017**

FROM: Monique Melchor

DATE: April 9, 2018

Approved

Date

Apr 16, 2018

RECOMMENDATION

Accept staff's annual report on work2future activities and accomplishments in support of employers and job seekers.

BACKGROUND

work2future, the federally authorized Workforce Development Board (WDB) administered by the City of San Jose, has again met all its federally mandated performance outcomes (see Attachment A), while maintaining full compliance with a complex array of federal and state program and fiscal requirements. With federal and City of San Jose support, a total of 3,087 youth, adults and dislocated workers secured employment between July 1, 2016 and June 30, 2017 after utilizing work2future services.

In addition to San Jose, work2future's service area includes seven other cities and unincorporated areas comprising approximately two-thirds of the population and workforce of Santa Clara County.

work2future has a private sector-led Board of Directors (Board) comprised of 24 members, many of whom are drawn from the business community and represent the diversity of Silicon Valley's employers, including large companies such as Intel, PayPal, and Jabil; key business intermediaries like NextFlex and Manex; and small, high-growth companies. The Board also includes required representation from key partners such as the California Employment Development Department (EDD), Department of Rehabilitation, community colleges, universities, and labor.

The Board is empowered through the Workforce Innovation and Opportunity Act (WIOA) to oversee and ensure adherence to federal regulations and an annually adopted budget. The Board provides guidance and direction to staff and approves the federally mandated Five-Year Local, and Regional Strategic plans. The latter was developed jointly by work2future, NOVA, San Benito County Workforce Development Board, and the San Francisco Workforce Development

Board. Both the Local and Regional plans were approved by the State of California in Spring 2017.

Local Plan: http://www.work2future.biz/images/w2f_LocalPlanWIOA_2017-20_signed_POST.pdf

Regional Plan: <http://www.work2future.biz/images/DraftBPRRegionalPlan.pdf>

The Mayor of San Jose is the federally designated local Chief Elected Official (CEO), and the City of San Jose is the fiscal agent for the program. The CEO's responsibilities include the appointment of members to the Board of Directors and approving, along with the Board, the previously referenced Strategic Plans.

Key Highlights

This section provides an overview of work2future's employment outcomes (including the results of a recently implemented career pathways strategy), federal performance outcomes, funding, and other key operating highlights.

Employment Outcomes

Nearly 3,100 clients secured employment

Over the last fiscal year, work2future services assisted a total of 3,087 youth and adults and dislocated workers in securing employment. This included 2,137 individuals served through the WIOA-funded Youth and Adult and Dislocated Worker programs. For these WIOA clients, aggregated annual wages totaled \$69.3 million. In addition, and as described further below, approximately 950 youth secured employment through the San Jose Works program funded by the City of San Jose.

In keeping with WIOA's mandate, most individuals work2future served were "at risk," meaning experiencing one or more of the following barriers: recipients of public assistance, low income individuals, and individuals who are basic skills deficient; older individuals; long-term unemployed, and/or have English language fluency challenges or other barriers to being fully competitive in the employment market. Many of the individuals faced multiple challenges to employment success.

San Jose Works focuses increasingly on career pathways

During FY 17-18 San Jose Works, a collaboration among work2future, the work2future foundation, the City's Parks, Recreation, and Neighborhood Services Department (PRNS), the Mayor's Gang Prevention Task Force (MGPTF), and The Silicon Valley Organization (SVO), provided 375 youth with paid-internships supported with General Fund monies provided by the City of San Jose. An additional 550 youth will have been placed in employer-paid job opportunities by the time the program ends in April 2018 (nearly 525 in the fiscal year to-date). 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 counseling, job readiness training, 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 is Bentek Inc., a San Jose-based solar energy company. Bentek provided 35 paid internships to San Jose Works youth. In addition to the 20 hours/week funded by the City, Bentek concurrently hired the same San Jose Works 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.

Over 350 Pre-Apprenticeship Placements through the Clean Energy Job Creation Initiative

Since 2014, work2future has secured \$1.37 million from the California Workforce Development Board to support the Proposition 39 pre-apprenticeship training program. The Clean Energy Job Creation Initiative is a collaboration with Working Partnerships USA, the San Mateo County Union and Community Alliance and the building trades who together support job training and placement programs through green-focused, multi-craft pre-apprenticeship career pathway training in Santa Clara County and San Mateo County. The training is based on the Multi-Craft Core Curriculum (MC3) approved by the National Building and Construction Trades Council.

As of March 2018, the Prop 39 Program had enrolled 376 clients and conducted 15 MC3 pre-apprenticeship trainings in both counties. In Santa Clara County, where the program is called the Trade Orientation Program (TOP), 175 individuals have graduated from the core training program and the most recent cohort is in session. To date, 85% of graduates have been placed in apprenticeships (57% in the trades--mostly construction), 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.

For FY 17-18, TOP added a focus on homeless individuals through a partnership with Destination Home and financial support from the County of Santa Clara. The partnership has a goal of serving 75 homeless individuals by December 2018, and had enrolled 49 clients through March 2018.

Career Pathways Focus

work2future's Five-Year Local and Regional Strategic plans signal the shift in work2future's strategic emphasis from a broad and generalized approach to employment placement, to one that places clients in priority, high-growth industries and in-demand occupations that can provide the foundation for career pathways that lead to economic self-sufficiency.

In June 2017, and based on the sector-strategies and career-pathways focus, the Board approved staff's recommendation to redirect resources to a more focused and robust employer engagement approach, a more intensive career-advising and case-management methodology, more focused training options, and supportive services to better guide and support work2future clients toward high growth sectors and occupations.

This strategy represents a dramatic shift from the 2009 California Employment Development Department initiative that required enrollment of all eligible and interested adult clients. This "open entry" requirement saw work2future's client case management ratios increase dramatically to as much as 500:1, versus an industry standard of 80:1. Though work2future still met or exceeded all its State-mandated performance goals between 2009 and 2017, it simply did not have the staffing nor the training resources to implement a concerted career pathways model for its adult and dislocated worker clients.

Accordingly, the work2future Board has redirected resources to support the development and implementation of a new service model for its youth and adult and dislocated worker clients. As described below, work2future has developed new benchmarks to assess its performance and set a new standard for success in a career pathways framework.

As part of the transition to the career pathway strategy, the Board established the following goals for the WIOA Youth and the Adult and Dislocated Worker programs:

- 75% of clients served secure employment (versus the State-mandated targets of 62.4% for youth and 64% for adult participants). To reach this goal:
 - a minimum of 50% of clients served secure employment in high-growth sectors/occupations or continue onto post-secondary education, and
 - no more than 25% of all clients served secure employment in other occupations.
- The remaining 25% who did *not* secure employment be tracked as those who either:
 - completed a training that results in a nationally recognized credential, or
 - exited the program without completing any training program.

Youth Program Career Pathway Strategy

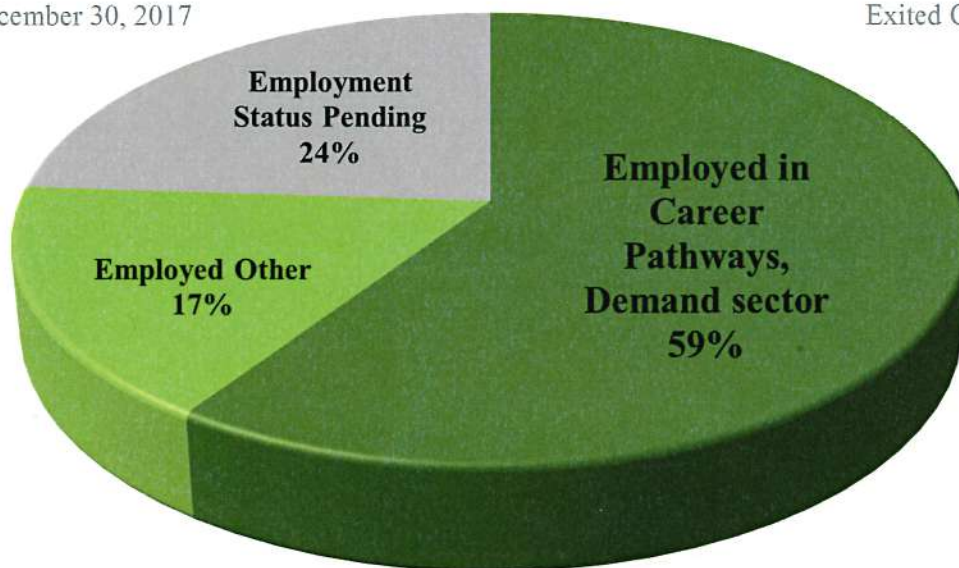
The WIOA-funded Youth Program serves at-risk, primarily out-of-school, 18-24-year-olds. Virtually all come from low-income households and face at least one additional barrier to employment such as a basic-skills deficiency or the lack of a high school diploma.

As highlighted in the pie chart below, work2future secured employment for 76% of WIOA Youth Program clients, reaching its 75% goal. With 59% placed in high growth sectors/occupations, work experience, or continuing to post-secondary education, the Program exceeded its 50% goal. Twenty-four percent of exited clients remain in the Employment Status Pending category. Staff expects that some of these remaining clients will secure employment, whether in demand or non-demand sectors/occupations.

Youth Client Outcomes FY 17-18

July 1, 2017- December 30, 2017

Exited Clients 82



An initiative that illustrates the growing career-pathway focus is a new partnership with PeopleShores, a for-profit social-enterprise, and Opportunity Youth Partnership (OYP). PeopleShores provides technology and business process outsourcing services to corporate clients while employing disadvantaged young adults and developing and enhancing their professional skills. Participants are all low-income and many are foster youth or have a learning disability.

To date, OYP has referred 20 youth to work2future which then serves as their employer of record for work experience opportunities with PeopleShores where they learn skills related to Coding, Big Data, and Data Visualization. Following the initial training period, youth are employed by PeopleShores on full-time basis with benefits, including medical insurance. PeopleShores directly hired 10 youth from the first cohort, and a second now has 8 participating youth.

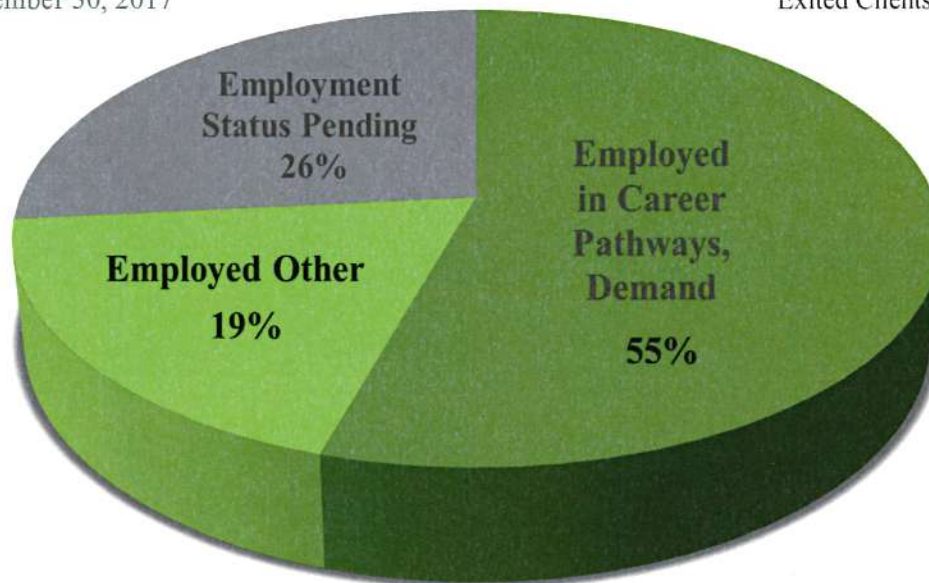
Adult and Dislocated Worker Program Career Pathway Strategy

The pie chart below represents outcomes for the Adult and Dislocated Worker Program after the introduction of the new career pathway model. To date, 74% of exited clients have secured employment; 55% have been placed in high-growth sectors/occupations.

Adult/Dislocated Worker Outcomes FY 17-18

July 1, 2017- September 30, 2017

Exited Clients 328



The Career Pathway strategy provides a new and focused approach that informs programming, employer recruitment and success outcomes. However, the needs and aspirations of all clients who are eligible and enroll in work2future may not align necessarily with this new focus, but are nonetheless respected and supported.

A couple of examples are noted below:

- Many clients need a job immediately: Approximately 40% of adult clients are low-income. Quite often these clients cannot avail themselves of the full array of workforce training and counseling services given the time constraints they face and the fact that they simply need a job now to make ends meet. work2future is still committed to connecting these individuals to a job, but by the nature of their personal circumstances they will not have the training and hence the skills needed for high demand occupations.
- Many of our clients specifically come to us seeking a career change: Personal passion and interest drive their quest more than market demand. They may want to be entrepreneurs rather than employees; they may want to pursue careers in less stressful areas; or they may simply be winding down careers and seeking part-time employment in such areas as retail or hospitality. While this falls outside the central focus of work2future's new direction under WIOA, staff will seek to support these individuals to the extent possible.

Federal Performance Outcomes

Attachment A presents the Federal Performance Outcomes for the first 2 years of WIOA and for the first two quarters of the fiscal year. As noted, work2future once again met or exceeded all its required measures. These included outcomes of clients securing employment, six-months retention and average earnings. It is important to note that the EDD has informed local workforce development boards that the first WIOA performance data may not be available until 2019-2020. In the interim, work2future staff and board continue to track performance outcomes associated with the previous federal requirements.

work2future's Reduction in Funding

work2future's WIOA annual allocation for FY 17-18 was \$6,582,513, a 13% decrease from the prior year. For upcoming FY 18-19, work2future is planning for an additional 15% reduction in its operating budget compared to FY 17-18.

It should be noted that for FY 17-18 EDD did not inform work2future of its allocation until June 27, 2017, three days prior to the start of the new program year. Though there was no interruption in services, this partial delay did result in significant additional workload for staff and contractors.

Historically, work2future has managed funding reductions by drawing from additional discretionary state and federal resources and leveraging the services of its partners to mitigate the impact on client service levels. However, given an anticipated 8th consecutive year of reductions in federal funding, work2future expects having to partially draw from its carry-over reserve to mitigate service delivery reductions.

Nonetheless, work2future will still provide an estimated \$418,000 to PRNS for FY 2017–2018 supporting the City's General Fund. Overall, work2future will contribute to the City a projected amount of approximately \$1.1 million to cover costs associated with rent, staffing and overhead.

Return on Investment (ROI)

In the face of declining federal budgets, work2future has focused on efficiency and outcomes. work2future's Board adopted a 2017 California Workforce Association study (<http://calworkforce.org/>) on Workforce Investment Board return on investment (ROI) study to benchmark performance.

The study focused on ROI results for FY 15-16. The results for Bay Area and adjacent workforce boards presented below ranked work2future 8th in the State and 2nd among Bay Area workforce boards. As noted, aggregate per-client annual wages surpassed work2future's annual WIOA funding by 38%, meaning that for every federal dollar spent by the program, clients earned \$1.38.

Local Workforce Boards	ROI	Statewide Ranking
North Valley Job Training Consortium (NOVA)	\$3.33	2
work2future	\$1.38	8
City of Oakland Workforce Investment Board	\$1.34	10
San Francisco Workforce Board	\$1.14	11
Alameda County Workforce Investment Board	\$1.13	12
Workforce Development Board of Contra Costa County	\$0.86	20
Santa Cruz County Workforce Investment Board	\$0.50	34
Monterey County Workforce Investment Board	\$0.44	38
San Benito Health & Human Services Agency - CSWD Division	\$0.09	47

For FY16-17, work2future's ROI increased to 50% -- for every federal dollar spent, client income was \$1.50. While this 35% increase is notable, EDD has not released statewide ROI data for benchmarking and staff does not have access to the required information to calculate the ROI for other workforce boards for FY 16-17.

It is important to emphasize that calculating ROIs for workforce development programs requires considerable data and careful analysis of benefits and costs. Each local workforce board is unique, with many different factors affecting each, including and most importantly the number and severity of client barriers to employment. In addition, work2future is intentionally investing a significant amount of resources to direct its clients towards high-growth sectors with career pathways. It should also be noted that other workforce boards received large discretionary grants that were not included in the ROI calculation, thereby in certain instances overstating the ROI for those boards. Currently, the overall cost per WIOA Youth client is \$4,980. The direct service delivery cost per client is \$3,840. The overall cost per Adult and Dislocated Worker clients is \$1,222. The direct service delivery cost per client is \$952.

Note: The direct costs are those that can be specifically and easily identified with an activity associated with WIOA such as Case Management, Training, or Supportive Services. Overall Costs are also sometimes called "facilities and administrative costs or overhead costs."

Other Key Operational Highlights

Service Delivery Operations

work2future client services are provided in San Jose at the Kirk Community Center, and in Gilroy at the County Social Services Agency offices. In addition, services are also provided at the EDD Job Services office in North San Jose. work2future business services are provided at the Almaden Winery Community Center,

In December 2017, work2future reduced its operations footprint from three City-owned re-use community centers to two. This allowed the Shirakawa Community Center to be fully used for the new Vietnamese American Community Center.

The work2future Foundation delivers services for the Youth program in the South County and in the San Jose-Central County, Adult and Dislocated Worker programs are delivered in the San Jose-Central County area. Eckerd Workforce Development Services offers Adult and Dislocated Worker Program in the South County area. work2future provides career advising, work readiness and vocational training, and skills upgrade workshops for youth and adults, including dislocated workers who have been laid-off or have been out of the workforce for an extended time.

Emergency Responses for the 2017 Winter Flood: \$1M from Department of Labor

In May 2017 work2future was awarded a \$1 million grant from the Department of Labor to provide temporary employment to 50 long-term unemployed individuals to assist with emergency work and repair of facilities damaged by the severe winter storm and floods in February 2017. The project has employed 43 participants at an hourly wage of \$22.00 to provide flood clean-up work at the Japanese Friendship Garden at Kelley Park, as well as the Rocksprings and Williams Street neighborhoods.

In March 2018 work2future received the 2nd installment of funding for the continuation of services. Given the results already achieved, work2future will far exceed the employment goal of 50 participants.

Employer Recruitment and Rapid Response Served over 250 employers

work2future served more than 250 employers last fiscal year through a broad range of support services including specialized recruitments, job fairs, on-the-job training, and layoff aversion services.

Employer recruitment services are supported under work2future's rapid response funding. This funding is distinct from the WIOA Adult and Dislocated Worker allocation and represents less than 4% of work2future's WIOA operating budget. Rapid Response funds support other services such as labor market studies and small business support activities including BusinessOwnerSpace.com and Doing Business in San Jose Workshops.

Rapid Response funds supported 29 employers with layoff mitigation services and included 16 Rapid Response presentations attended by 338 individuals. Topics covered include work2future's job-search and career-planning services, accessing unemployment insurance and healthcare options. Thirty-seven participants enrolled in work2future's Dislocated Worker Program. Nearly all of these clients are still receiving work2future dislocated worker services.

Looking Ahead

San Jose Works 4.0: 1,000 Internship Placements and Employer-paid Job Opportunities

In partnership with PRNS, work2future is now conducting outreach for the upcoming San Jose Works 4.0 program. The program will provide 375 youth with 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-high school-campus job fairs and specialized recruitments during the school day.

The program will continue with the focus on career pathways and the partnership with the SVO to recruit employers in providing internship positions. The NextFlex high school advanced manufacturing curriculum that has trained nearly 3,000 youth since its launch in 2017. 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 Mayor's Gang Prevention Task Force (MGPTF) will be launching a pilot Construction Career Pathways Program Spring of 2018. This initiative will leverage WIOA funding and BEST agency partnerships to provide gang-involved youth with career pathway opportunities in the trades.

San Jose Works Data & Performance Project Planning for Improved Outcomes and Impact Assessment

In collaboration with the Mayor's Office, the Library's Education and Digital Literacy Initiative, and PRNS's Mayor's Gang Prevention Task Force, work2future is working with the Santa Clara County Office of Education (SCCOE) to better track program outcomes and assess program impact across a variety of student data such as truancy, attendance and grades as well as interaction with the juvenile justice system. SCCOE has two data initiatives working on this collaboration: Data Zone and the Silicon Valley Regional Data Trust.

Advanced Manufacturing Initiative: Building a Talent Pipeline for 20 Employers

work2future is working with 20 advanced manufacturing employers to address shared industry challenges: (i) attracting more talent to the industry, and (ii) building a sustainable pipeline of better prepared talent. Companies large and small, from multi-nationals like Jabil, Foxconn and Cobham, to mid-size and small employers like Bestronics, Vander-Bend, Creative Manufacturing Solutions, and Rose Batteries, have collectively identified workforce challenges as the key to success.

Employers formed Action Teams to focus on each of the two priorities. Results include an Ambassador Program kit to empower employers to spread the word about career opportunities in the sector for both youth and adult audiences, and a shared skills assessment tool that employers, work2future, and community colleges can use to assess job seekers skills gaps and training needs.

work2future is also reaching out to these 20 employers to identify immediate opportunities for action. Chief among these is integrating San Jose Works to raise awareness and attract more talent to the industry by providing youth and young adults hands-on exposure to career opportunities in advanced manufacturing.

Youth Entrepreneurship Summit

On May 4, 2018 at the City Hall Rotunda, 150 Eastside Union High School District students interested in business and entrepreneurship will participate in a business competition hosted by the City of San Jose's Office of Economic Development and organized by work2future in partnership with NFTE. Teams of students will pitch their business ideas and receive feedback from judges regarding their concept and presentation. Winners will earn a prize of \$1,000 and a chance to move forward to state and national contests. This event challenges students to learn what it takes to become prosperous in business and, through workshops led by successful business professionals, provides strategies, business basics, and best practices. Participants will be encouraged to interact and network with participating business people serving as mentors to the next generation of emerging business leaders. eBay, EY, PayPal, and Citi Foundation have joined the City of San Jose as early sponsors.

Anticipated Budget Reductions for FY 2018-2019

work2future expects to be notified of its FY 2018-19 WIOA allocation in May or June this year, and has prepared for as much as a 15% reduction in its operating budget compared to last year.

work2future expects to manage funding reductions by accessing its 15% mandated carry-over reserve, tapping additional discretionary resources, and leveraging the services of its partners. work2future will pursue additional discretionary resources and partnerships, and leverage technology where possible to minimize the service delivery impact on its clients.

/s/

MONIQUE MELCHOR
Director
work2future

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

Subject: work2future Annual Program Update

April 9, 2018

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For more information, please contact Monique Melchor, work2future Director, at (408) 794-1108.

Attachment A: work2future WIA Performance Summary for WIOA Participants: 2015-2017

Attachment B: Brief Examples of Individuals Served by work2future

Attachment A

Federal Performance Results

[illegible]

Attachment B

Examples of Individuals Served by work2future

Youth Client 1

TW began his journey with work2future by taking advantage of and earning his customer service, ServSafe certificate. TW then went on take advantage of an advanced Certified Logistics Associate Training, which ultimately led to his work experience opportunity. TW became an associate at Bentek a manufacturing company. TW said one of the best experiences working at Bentek, was the staff around him was always willing to help. He appreciated their patience because he wanted to learn as much as he could. One of his lead supervisors was especially helpful and encouraged him to try new things. TW's interest in working with his hands started in High School. He enjoyed all the shop classes such as wood and metal. Working at Bentek provided him the perfect opportunity to continue is doing what he like to do the most. Another highlight for TW was meeting the Mayor of San Jose. He enjoyed a conversation with the Mayor because they have something in common, which is biking. TW said he shared some of his biking stories with the Mayor and the Mayor did the same. Overall, TW has had a few challenges in life however, it has not stopped his determination to achieve.

Youth Client 2

WD is a young adult with a child born in 2016. The child's arrival, coupled with the fact that WD was homeless, made it difficult for her to continue her education in Long Beach, CA. WD had to drop out of college and move around different housing options because they were not necessarily conducive for the healthy development of her child. To support the child, WD took a series of jobs, many of which were not permanent, and not of skilled-employment nature. Finally, WD went to the Bill Wilson Center and met Sai Ashraya (PeopleShores' community partner that works with the homeless population), WD was referred to the work2future program which she joined in mid-January and graduated in March. WD was selected to be a member of the second cohort of 8 employees at PeopleShores, WD is currently being trained on Microsoft Excel and Python programming. Once employed, WD will move to transition housing for her and her child. In a few months, WD says she can move to her own place. WD would like to pursue her passion in the areas of gaming software.

Adult Client

DP was referred to work2future for truck driver training. DP had previously worked in the trucking field but was just released from a 21 prison, wanting to get his life together. He had already been to the DMV to prepare for approval for training. D P showed himself to be extremely organized and willing to complete all the tasks related to being approved for training. DP took public transportation daily from San Jose to Watsonville to complete his driving training. Part of DP's positive attitude includes having supportive adult children who were eager

to see their dad succeed. work2future subsidized only part of the cost of traveling to Watsonville to get the necessary driving hours. DP came up with the remainder.

He passed all his physical and driving tests on the first try. DP's attitude was very positive, inspiring and resulted in a job with One Way Installations the moment he was eligible to be hired. Shortly after being hired and before receiving his first paycheck, the rent at his housing was increased accordingly due to his new employment. DP immediately came to work2future with his desire to retain his employment and was provided transportation assistance. The car was on loan to DP from his new boss at One Way Installations. DP has been working hard since he was hired and has maintained that patience and great attitude all along the process. As DP puts it "I am paying my bills and am a productive person in the community."

III.C

Labor Market Information Update

[Action]

APRIL 2018 SNAPSHOT FOR SAN JOSE-SUNNYVALE-SANTA CLARA MSA

- **Total employment:** 1,130,400
- **Number of unemployed:** 26,100
- **Unemployment rate:** 2.4%
- **Year-over-year employment growth:** 3.5%

Lowest Unemployment Rate since December 1999 in Silicon Valley

According to EDD's latest April 2018 data, the economy is growing and employment in growth-driving industries is increasing. Between April 2017 and April 2018, employment in the San Jose-Sunnyvale-Santa Clara MSA grew by 38,100 jobs, or 3.5%. The number of unemployed has decreased by 8,100 or 23.7%. The unemployment rate is down from 3.2% to 2.4% which is the **lowest since December 1999**. The Information sector led the year-over-year job expansion, adding 9,700 jobs from the prior April. Manufacturing followed with net gains of 7,800 jobs, primarily in computer and electronic products. This means that Information and Manufacturing industries created 46% of the total job gain over the last year. Private Educational and Health Services grew by 6,800 jobs, with majority of the growth occurring in Health Care and Social Assistance. Professional and Business Services added 6,000 jobs followed by Leisure and Hospitality (up 3,300 jobs) and construction (up 3,000 jobs). There were no major year-over-year job losses from the prior April. However, with all the retail close-outs, employment in retail electronics and appliance stores; and clothing and clothing accessories stores decreased by 6.7% and 2.6%.

Between March 2018 and April 2018, the total employment in the MSA expanded by 10,000 jobs. Construction led with month-over job gains of 2,300 jobs, largely from specialty trade contractors. Leisure and hospitality followed, adding 1,800 jobs, with 94 percent of the gains from food services and drinking places.¹

Dichotomy among the Populations of Different Tiers of Occupations Continues to Hold True

work2future's Silicon Valley Dichotomy studies, which have been conducted by BW Research and Keen independent Research, have shown us that despite a high median household income, about three in ten households in the County live in poverty or financial distress, with another one in ten households at the edge of financial insecurity. The major drivers of financial distress in Silicon Valley are income inequality, unsustainable cost of living and changing employment opportunities.

- **Silicon Valley has greater wage inequality than the nation.** While the average occupational wage in Silicon Valley is significantly higher than the national average, **it is unevenly distributed across the region's workers.**

¹ Data above released by EDD on May 18, 2018.

- **Federal poverty rate of 8 percent undercounts individuals unable to afford regional cost of living in Silicon Valley** where rents are 185 percent higher, housing prices 250 percent higher, and the cost of goods and services six percent higher than the national average.
- **The Self-Sufficiency Standard for a single adult in Santa Clara County (\$33,111) is 269 percent higher than the federal poverty estimate (\$12,331).** Those who are most affected by the cost of living are the mid- to low-income workers, as these individuals earn well below the region's Self-Sufficiency Standard.
- **The middle class is shrinking, and employment growth is concentrated at either the high- or low-end of the wage scale.** Between 2006 and 2016, high-skill and low-skill jobs have grown by 26 and 23 percent while mid-skill employment opportunities have only grown by 10 percent
- With relatively fewer mid-wage employment opportunities, individuals at the low end of the income bracket, **especially those with lower educational attainment, do not have access to as many career pathways and skill development opportunities as prior generations.**
- **Latino, Vietnamese, and Filipino immigrants as well as young adults** are most affected by financial distress.
- **The region's high cost of living and bifurcated workforce** (declining job quality and career pathways) disproportionately affected these vulnerable population.
- **Many are unable to achieve career goals** due to either financial, educational or attention constraints.

work2future's subsequent analysis to occupational breakdown introduced by the Silicon Valley Dichotomy studies shows that Tier-3 occupations and a substantial portion of workers in Tier 2 occupations are very likely to be in the economically distressed households continues to hold true.

High-skill, high-wage Tier-1 jobs, which constitute 41% of total employment (463,472 jobs) in the San Jose MSA, have grown by 2.7% and added 12,553 jobs over the last year. Median hourly earnings of Tier-1 occupations are \$54 in the San Jose MSA in comparison to \$35 in the nation.

Tier-1 occupations such as software developers, computer systems analysts, network and computer systems engineers, marketing managers, web developers, registered nurses etc. are mostly employed in the electronic computer manufacturing; custom compute programming services; internet publishing and broadcasting and web search portals; computer systems design services; and software publisher industries. Average monthly hires of Tier-1 occupations between April 2017 and 2018 was 15,092. 64% of Tier-1 employees are male and 62% of them are younger than 45. Asians (43%) and Whites (42%) make up the largest racial groups. Hispanics or Latinos are only represented by 10% in Tier-1 occupations.

Mid-skill, mid-wage Tier-2 occupations comprise 35% of total employment and have grown by 2.2% (less than with Tier-1 occupations), 8,628 jobs added over the last year. Median hourly earnings of Tier-2 occupations are \$24.98 in the San Jose MSA in comparison to \$19.24 in the nation.

First-line supervisors of retail sales workers; first-line supervisors of office and administrative support workers; customer service representatives, sales representatives of services; maintenance and repair workers; sales representatives of manufacturing and wholesale; secretaries and administrative assistants are some examples from this cohort. Tier-2 occupations are mostly found in the colleges, universities and professional schools; local government elementary and secondary schools; local government; internet publishing and broadcasting and web search portals; and semi-conductor and related device manufacturing industries. Average monthly hires of Tier-2 occupations between April 2017 and 2018 was 17,398 (higher than Tier-1 occupations). 49% of Tier-2 employees are female and 52% of them are younger than 45. Whites (46%), and Hispanics and Latinos (26%) make up the largest racial and ethnic groups.

Low-skill, low wage Tier-3 occupations employ 280,433 people and have grown by 2.8% (7,881 new jobs) over the last year, a rate faster than both Tier-1 and Tier-2 occupations). Median hourly earnings in the MSA are \$12.73, as opposed to \$10.92 in the nation, about half that of the Tier-2 occupations. The majority of Tier-3 jobs are service jobs including retail salespersons, stock clerks, security guards, cashiers, maids and housekeeping cleaners, etc. Tier-3 occupations are mostly employed in the full and limited services restaurants; supermarkets and other grocery stores; services for the elderly and persons with disabilities; and janitorial services industries.

Average monthly hires of Tier-3 occupations between April 2017 and 2018 were 17,794, higher than Tier-1 and Tier-2 occupations. Tier-3 occupations are 58% female and the category has a higher proportion of both younger and older workers than Tier-1 or Tier-2. Hispanics and Latinos constitute the biggest ethnic group (37.5%) which clearly indicates their vulnerability in the regional economy.

From the Press ...

Startling Poll Finds 46% Of Bay Area Residents Want to Leave

June 4, 2018 at 9:56 am

<http://sanfrancisco.cbslocal.com/2018/06/04/bay-area-council-poll-46-percent-want-to-leave/>

SAN JOSE (KPIX 5) – As Bay Area housing prices continue to climb, a new poll from the Bay Area Council finds nearly half of those surveyed have considered leaving.

The poll found more people than ever, 46 percent, have plans on moving out of the Bay Area. In 2016, 34 percent of survey respondents said they had plans on moving out. Last year, the number crept up to 40 percent.

Where are they going? 61 percent said they plan to move out-of-state, with 10 percent saying Texas. Meanwhile, 24 percent said they plan to move elsewhere in California.

The housing crisis was cited as the top reason why so many desire to leave for the fourth year in a row.

For Kevin and Julie Jensen of San Jose, it's been a good 30 year run in the Bay Area. But with housing prices skyrocketing, they are as ready as they'll ever be for the next chapter of their lives.

"We're going to leave some things behind hopefully, in order to stay close to our children and build new memories and never forget these," Kevin Jensen told KPIX 5.

The Jensens' kids have all moved away to look for more affordable housing.

"We figured, that it's about family, it's time to be close to family. So that's when you know, when family has to leave for the prices," Jensen said.

The Jensens' think their 2,000 square foot, 4 bedroom, 3 bath home will sell for \$1.5 million. The family bought the home in 2005 for \$805,000.

"We just thought we were stretched to the max. And then, you look 12 years down the road, and it's going for double that," Jensen said. "I feel sorry for some of the people who are growing up in this area who can't afford to stay here. For us, we'll take what the market brings and be thankful for it. But it does seem like it's getting a little crazy right now."

The Bay Area Council poll cited in the story above can be found online at

<http://www.bayareacouncil.org/economy/bacpoll-more-people-looking-to-leave-bay-area-as-housing-traffic-problems-mount/>

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IV.A.1

Minutes Approval

[Action]

work2future Board Meeting
Thursday, March 15, 2018
ACTION MINUTES
CTO: 11:42 a.m.

Prepared by Nguyen Pham; reviewed by Kathryn Azevedo, Lawrence Thoo; approved by Monique Melchor

WDB STAFF: Kathryn Azevedo, Sarbjeet Kaur, Monique Melchor, Nguyen Pham, Lawrence Thoo, Dhez Woodworth.

I. CALL TO ORDER & OPENING REMARKS

Read by Board Chair Joe Flynn, who also introduced a new Board member, Mr. Richard Uribe, Director of East Side Adult Education.

II. QUORUM VERIFICATION

Present: Rose Amador, Louise Auerhahn, Denise Boland, Jack Estill, Joe Flynn, Leslie Gilroy, Blanca Gomez, Susan Koepp-Baker, Maria Lucero, Van Le, Brynt Parmeter, Rashad Said, Richard Uribe, Henri Villalovoz. Jeff Burrill arrived at 11:50 a.m, Mr. Flynn departed at 12:54 p.m., Mr. Said at 12:55 p.m., and Mr. Parmeter at 1:02 p.m.

Absent: Rajiv Batra, George Chao, Carl Cimino, Pam Moore, Steve Preminger, Mitch Schoch, Derrick Seaver, David Wahl.

III. CONSENT ITEMS

ACTION: It was moved by Mr. Estill, seconded by Ms. Gomez, and approved unanimously to accept the following:

- (a) Labor Market Information Update
- (b) Financial Status as December 31, 2017

IV. BUSINESS ITEMS

A. Old Business

1. Minutes Approval

ACTION: Upon a motion by Ms. Gilroy, seconded by Mr. Estill, the minutes of the December 7, 2017 Board meeting were approved unanimously. Ms. Gomez abstained.

B. New Business

1. State Performance Update

Director Monique Melchor reported on performance as of December 31, 2017

based on legacy WIA performance measures in the absence of WIOA performance data. Ms. Melchor reported that it still appears that the EDD may not have WIOA performance data available until 2020.

2. Single-Audit Report for FY 2016-17

On behalf of Finance Manager Joy Salandanan, Director Melchor reported that there were no findings in the annual external audit of work2future for the most recently completed fiscal year.

3. Facility Update

Economic Development Officer Dhez Woodworth reported on the completion of the relocation of the work2future's Youth Program staff from the Shirakawa Community Center to the America's Job Centers of California One-Stop at Kirk Community Center and on the consolidation of Business and Administrative Services staff and equipment to the upper floor of the Almaden Winery Community Center.

4. Budget Scenarios for Fiscal Year 2018-19

On behalf of Finance Manager Salandanan, Director Melchor presented the recommendation 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, all as approved unanimously by the Executive Committee and the Finance & Performance Committee at a joint meeting on February 15, 2018.

ACTION: Upon a motion by Mr. Estill, seconded by Ms. Gomez, the recommendation was approved unanimously . Mr. Said recused himself from this item.

5. Outcome Measures

Director Melchor presented the recommendation of a methodology and first-year targets for Career Pathways Outcome Measures related Matrix of Placements in Priority Sectors and In-Demand Occupations, including referrals to the Executive Committee and the Youth Committee for consideration of secondary outcome targets for persons who exit without employment, as approved unanimously by the Executive Committee and the Finance & Performance Committee at a joint meeting on February 15, 2018.

ACTION: Upon a motion by Ms. Koepp-Baker, seconded by Mr. Burrill, the recommendation was approved unanimously.

6. Return on Investment

Director Melchor presented the recommendation of a proposed work2future methodology for determining Return-on-Investment measures for the Adult/Dislocated Worker Program, as approved unanimously by the Executive Committee and the Finance & Performance Committee at a joint meeting on February 15, 2018.

ACTION: Upon a motion by Ms. Koepp-Baker, seconded by Mr. Estill, the recommendation was approved unanimously. Ms. Auerhahn abstained from the vote.

7. One-Stop Certification Update

Regional Training Coordinator Sarbjeet Kaur reported on work2future's One-Stop Certification process.

8. San Jose Works Update

Director Melchor reported on the activities of San Jose Works 3.0 (PY 2017) and plans for San Jose Works 4.0 (PY 2018).

9. Meeting Schedule

Staff Liaison Lawrence Thoo presented the following schedule for the next four work2future Board meetings:

- Thursday, June 21, 2018
- Thursday, September 20, 2018
- Thursday, December 6, 2018
- Thursday, March 21, 2019

ACTION: It was moved by Ms. Le, seconded by Mr. Uribe, and unanimously approved to accept the schedule as presented.

10. Brown Act and Conflict of Interest:

Senior Deputy City Attorney Neelam Naidu provided the work2future Board members with a presentation on (i) requirements of the California Brown Act and (ii) City and State conflict-of-interest rules, as they apply to the work2future Board.

V. PUBLIC COMMENT: None

VI. SUGGESTED AGENDA ITEMS FOR NEXT MEETING

Ms. Le suggested a report on Business Owner Space (BOS) outreach in the next meeting.

VII. ANNOUNCEMENTS

- a. Mr. Thoo reminded the Board that the deadline for Board members to file Form 700 is April 2, 2018.
- b. The next Board meeting is scheduled for Thursday, June 21, 2018 at 11:30 a.m.
- c. Ms. Koepp-Baker announced that there would a small business event on May 3, 2018 at the County Administration Building, but that she did not yet have any details.

VIII. ADJOURNMENT: The meeting was adjourned at 1:29 p.m.

DRAFT

IV.B.1

Performance Update

[Discussion]

work2future
***WIA Performance Outcomes Report 2nd Quarter**
 (Run date: 03-06-18)

PY 2017 (2017-2018) 2nd Quarter – Finalized			
Performance Measures	Perf. Goals /a	Actual	Success Rate
ADULT			
Entered Employment Rate	51.5%	57.85%	112.3%
Average Earnings	\$14,200	\$19,287.71	135.8%
Employment Retention Rate	79.0%	83.74%	106.0%
DISLOCATED WORKERS			
Entered Employment Rate	58.5%	65.78%	112.4%
Average Earnings	\$20,100	\$27,049.88	134.6%
Employment Retention Rate	83.0%	86.22%	103.9%
YOUTH			
Placement in Employment or Education	60.0%	60.45%	100.8%
Attainment of a Degree or Certificate	64.0%	81.58%	127.5%
Literacy & Numeracy	N/A	N/A	N/A
Overall Performance - Local Target (100%)	Exceeded 8/8		
Overall Performance - State Target (80%)	Exceeded 8/8		
Projected Overall Performance - Local Target (100%)	Exceed 8/8		
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. Furthermore, on June 5, 2018 EDD notified staff that WIA data is also no longer available and has recommended the use of CalJOBS predictive reports to estimate performance.

IV.B.2

San Jose Works 2018-19

[Action]



Memorandum

TO: WORKFORCE DEVELOPMENT BOARD

FROM: Joy Salandanan

SUBJECT: **See Below**

DATE: June 11, 2018

Approved

Date

SUBJECT: San Jose Works 2018–19 Funding

RECOMMENDATION

Approve the following:

1. Accept funding in the amount of \$1,500,000 for the San Jose Works 4.0 program, of which \$1,000,000 is new funding from the City of San Jose General Fund, and \$500,000 is projected carry-over General Fund funding from the San Jose Works 3.0 program (FY 17-18).
2. Approve funding distribution to work2future Foundation in the amount of \$1,256,348, and City's Parks, Recreation and Neighborhood Services Department (PRNS) in the amount of \$95,000 to provide services for San Jose Works 4.0.

The Finance & Performance Committee and the Executive Committee each unanimously approved this recommendation at their joint meeting, May 31, 2018.

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, 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. Five hundred and fifty 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/or 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, or with employers in other sectors in positions with career pathways leading to quality in-demand occupations. 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:

SOURCES:	
City of San Jose General Fund FY 18-19	\$1,000,000
City of San Jose General Fund 17-18 (Carry-Over Funds from SJ Works 3.0)	500,000
Funds raised from Other Sources (Foundation)	120,000
Total Funding for SJ Works 4.0	\$1,620,000
BUDGET DETAIL	
PRNS	
Program Staff	\$95,000
work2future	
Staffing, 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

Note: PRNS Program Staff represents one dedicated staff person year-round (\$95,000).
work2future staffing includes one dedicated temporary unclassified position and a portion of the Director's time.

Joy Salandanan
Finance Manager

IV.B.3

FY 2018-19 work2future
Operating Budget

[Action]



Memorandum

TO: WORKFORCE DEVELOPMENT BOARD

FROM: Joy Salandanan

SUBJECT: **See Below**

DATE: May 31, 2018

Approved

Date

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

RECOMMENDATION

Approve staff's Proposed Program Operating Budget for FY 2018-19, as follows:

- Total WIOA Program Operating Budget of \$6,724,126, including a 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%;
- 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.

This recommendation was approved unanimously by the Finance & Performance Committee and by the Executive Committee in a joint meeting on May 31, 2018.

BACKGROUND AND ANALYSIS

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 Operator	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 Operator 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.

On June 5, 2018, EDD released the final allocation for the WIOA Youth, Adult and Dislocated Worker programs. EDD released this notice for planning and budget purposes only since the State has not yet received the federal Notice of Award (NOA) for any of the funding streams. Based on this notice, the final allocation for work2future for FY 18-19 is \$6,322,486, a 4% decrease compared to the current allocation, and a positive increase of 3% based on the projected funding reduction of 7% that was approved by the Finance & Performance and Executive Committees on May 31, 2018. In addition, work2future is projecting an additional savings from the Foundation contract of about \$500,000 due to personnel savings from major staff turnover and delay in hiring. These additional funding amounts will be re-budgeted, and a reconciled Operating Budget will be presented to the Board at its September 20, 2018 meeting. work2future intends to re-budget the majority of the additional funding to the Client Services Contingency Reserve Account to bring it back to the 2016-2017 fund level of approximately \$1.0 million. The remaining funds will be re-directed to training services, supportive services, and staffing.

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.

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.

Service Providers are expected to meet their goals as indicated in their Program Operating Plan which is written into their contractual agreements. If during the first quarter of FY 18-19, service providers do not meet their goals, work2future Board reserves the right to renegotiate their contractual agreements or terminate in accordance with Section 10 of their respective contractual agreements.

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 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 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

Programs Update

[Discussion]

PROGRAMS 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

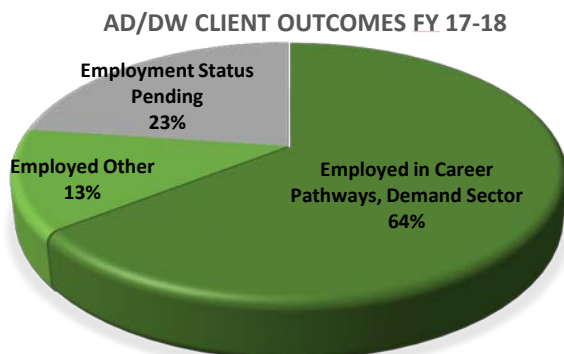
work2future Foundation and Eckerd Workforce Development will reach their goals by the end of the year.

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.



July 1, 2017–March 31, 2018
 Exited Clients: 351

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/Metropolitan Education District (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.

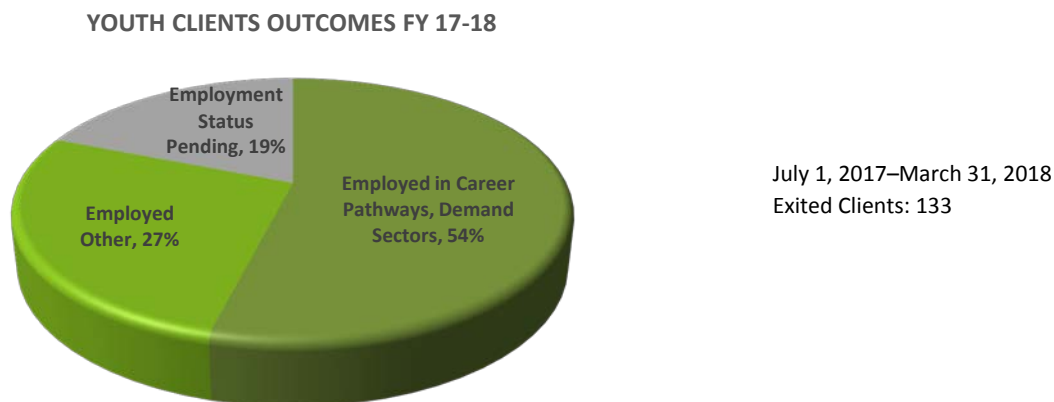
Training

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.



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.

Improving Results

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.

IV.B.5

Business Services

[Discussion]

BUSINESS SERVICES

work2future continues to provide business services effectively and will continue to do so despite staffing changes.

The nature of business assistance has changed over time, beginning with the addition of the small business assistance collaborative BusinessOwnerSpace.com (BOS) to the basic rapid response and other employer service activities, for instance. More recently, BusinessOwnerSpace.com increased its emphasis on immigrant business owners in recognition of the role that entrepreneurship plays in immigrant communities. As work2future moves forward this year, additional emphasis will be placed on career pathways, sector strategies, and other approaches to prioritize positive outcomes discussed in the Program Outcomes Update (Item IV.B.4).

So far, this fiscal year, work2future Board staff have provided services to over 200 entrepreneurs to help with company development. They, together with work2future Foundation and Eckerd Workforce Development staff, provided nearly 670 employers with about 2,000 services.

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, providing 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. Even as this work begins to bear fruit, work has already begun on expanding work2future’s efforts into developing relationships with leaders from Information and Communication Technologies (ICT) companies. Better connections with these expanding industries will improve work2future’s ability to align services and prepare clients to meet the needs of businesses.

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IV.B.6

One-Stop Certification,
Hallmarks of Excellence

[Discussion]

One-Stop Certification 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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IV.B.7

Silicon Valley Dichotomy II

[Discussion]

SILICON VALLEY DICHOTOMY II

At the September 21, 2017 Board meeting, David Keen and Annette Humm Keen, principals of Keen Independent Research, presented a preliminary report on their team's work to analyze further the circumstances of communities identified as most impacted by economic distress in the original Silicon Valley Dichotomy study by BW Research, which work2future published in spring 2017.

This month, work2future publishes Silicon Valley Dichotomy II, Keen Independent's completed report of their research and analysis. The report confirms key findings from the original Silicon Valley Dichotomy study—the scale and scope of economic distress in Santa Clara County and key factors that contribute to it—then digs deeper into the struggles of young adults in the county, especially those from immigrant families in the Latino, Vietnamese, Filipino and African American communities, which have the greatest concentrations of economic distress.

The report identifies a number of implications for work2future and links them to the strategic direction that the Board adopted when it approved the Local Plan and Regional Plan for the 2017–2020 program years.

Staff are working with Keen Independent to schedule an opportunity for board and AJCC staff to discuss at length the findings and their implications on work2future's workforce development mission. The working target is Monday, June 25 at a time to be determined.

Silicon Valley Dichotomy II is available on-line at
http://www.work2future.biz/images/SiliconValleyDichotomyII_rel062118.pdf

The original Silicon Valley Dichotomy report is on-line at
http://www.work2future.biz/images/SiliconValleyDichotomy_rel061517.pdf

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V.

Public Comment

VI.

Suggested Agenda Items

for Next Meeting

VII.

Announcements

VIII.

Adjournment