

FINANCIAL STATUS AS OF JUNE 30, 2018

(Note: This document includes updated San Jose Works information)

Key Highlights

- At the preliminary close of June 30, 2018, carry-over funding from FY 2016-2017 is fully spent as projected. Therefore, there will be no funding returned to the State.
- Similarly, the projected carry-over at year-end close of \$2.7 million from the current Adult, Dislocated Worker, and Youth allocations is just \$25,000 shy, approximately, of the projected carry-over funding. The \$2.7 million carry-over funding includes the Board-mandated reserve account and Board-approved Unallocated Reserve account of \$1.4 million and actual savings of about \$1.3 million. Of this carry-over amount, \$732,000 is included in the Budget for FY 18-19 that was approved by the Board at its June 21, 2018 meeting. The majority of 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 In addition, the State reinstated the amount rescinded in November 2018 of approximately \$33,000 and distributed approximately \$6,000 more in funding.
- 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 Termination/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)	
Additional Funding (after Finance/Executive Committee approval of 5.31.18)	\$732,633
Projected Savings from unspent Foundation Personnel Budget	\$493,711
Reinstatement of Rescinded Funding	33,344
Total Savings (Realized/Projected) after Finance/Executive approval on 5.31.18	\$1,259,688
Additional Savings at FY ending June 30, 2018	25,895
Total Actual Savings at FY ending June 30, 2018	\$1,285,583

- In November 2017, the State sent notification of a funding rescission to all local Workforce Development Boards. The funding impact to work2future was \$26,936 as follows: Adult program (\$12,541); Dislocated Worker program (\$13,046), and Rapid Response program (\$1,349). This rescinded amount is reflected in the adjusted allocation for FY 2017-2018 and could equate to a third of the salary and benefits of a temporary unclassified position.
- As discussed at the Board meeting of June 21, 2018, work2future will submit a reconciled budget to the Board in September 2018 which includes additional savings generated at fiscal year ending June 30, 2018.

Other Discretionary Funding

- Sector Partnership NEG grant ended on June 30, 2018. At the close of the grant, work2future had reached 75% (131) of the overall participant enrollment goal and 44 exited participants have found employment. The Job Center's efforts at retooling its approaches to outreach and services did not overcome changes in the labor market that led to reduced numbers of long-term unemployed individuals and to a lower-than-anticipated interest in manufacturing employment. work2future Foundation's attempt at a more robust strategy to reach out to both businesses and clients for On-The-Job (OJT) training had minimal results. As a result, at the end of the grant term, work2future fell short of projected spending by \$50,271, despite having renegotiated the original grant of \$1,000,000 down to \$640,000.
- At the preliminary close of June 30, 2018, work2future carried over \$39,986 of its third round of Proposition 39 Clean Energy Jobs Initiative funding into the new fiscal year, very close to the projected carry-over number of \$42,074. This will support activities for July 2018–December 31, 2018, the end of the grant term. As of June 2018, work2future through its partners, Working Partnerships USA and San Mateo County Union-Community Alliance, had enrolled 522 clients—exceeding the goal of 476—and completed 16 MC3 pre-apprenticeship trainings in Santa Clara and San Mateo Counties. In Santa Clara County, where the program is called Trades Orientation Program (TOP), 215 individuals had graduated from the core training program, more than 50% of whom had been placed in apprenticeships and another 33% in other employment or post-secondary education. Placement rates are likely to rise due to the year or more that it commonly takes between graduation and placement. work2future expects to fully spend the grant by the end of the grant term.
- 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 June 30, work2future had enrolled 122 participants in the grant, including 13 in the most recent quarter. And additional five clients had been enrolled in training, bringing training participation to date to 49.
- 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
- 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 twelve-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, work2future spent \$60,448, very close to its projected expenditures of about \$63,000. The funding was spent on 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 (SJ Works) 3.0 Youth Jobs Initiative to provide subsidized and unsubsidized employment opportunities to 825 eligible youth. As of the close of SJ Works 3.0 at the end of April 2018, 375 youth had been provided with grant-subsidized internships and 550 youth had been placed in employer-paid work-experience opportunities, exceeding the original target by 100. The final retention rate for youth in subsidized internships was 93%. Of youth placed in unsubsidized (employer-paid) positions, 81% had completed their placements successfully by the end of April. 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.

Attachment: Financial Status Tables (3)

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Financial Status Report as of 6/30/2018

Pd 14 Preliminary Report

Prepared by: Joy Salandan

Approved by: Monique Melchor

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
<i>Actual Expenditures as of June 30, 2017</i>	(1,397,131)	(1,212,462)	(1,276,415)	(615,415)	(4,501,423)
<i>Encumbrances/Spending Plan 2017</i>	(130,337)	(111,763)	(84,839)	0	(326,939)
<i>Total Actual Expenditures/Encumbrances/Spending Plan as of June 2017</i>	(1,527,468)	(1,324,225)	(1,361,254)	(615,415)	(4,828,362)
Available Funds for FY2017-2018	836,490	1,341,519	1,141,458	281,095	3,600,562
% Remaining	35%	50%	46%	31%	43%
II. Actual Expenditures/Encumbrances					
(a) Available Funds from Carry over for FY2017-2018 (remaining plus enc.)	966,827	1,453,282	1,226,297	281,095	3,927,501
<i>Expenditures as of June 30, 2018</i>	(966,827)	(1,453,282)	(1,226,297)	(281,095)	(3,927,501)
<i>Encumbrances as of June 30, 2018</i>	0	0	0	0	0
Total Actual Expenditures/Encumbrances as of June 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
<i>Expenditures as of June 30, 2018</i>	(1,542,978)	(478,204)	(1,254,732)	(582,352)	(3,858,266)
<i>Encumbrances/Spending Plan as of June 30, 2018</i>	(156,347)	(461,185)	(23,764)	(215)	(641,511)
Total Actual Expenditures/Encumbrances as of June 30, 2018	(1,699,325)	(939,389)	(1,278,496)	(582,567)	(4,499,777)
\$ Remaining	772,468	946,526	954,066	35,465	2,708,525
% Remaining	31%	50%	43%	6%	38%
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 June 30, 2018	(2,666,152)	(2,392,671)	(2,504,793)	(863,662)	(8,427,278)
\$ Remaining	772,468	946,526	954,066	35,465	2,708,525
% Remaining	22%	28%	28%	4%	24%
III. Actual/Projected Expenditures for Current Allocation FY 2017-2018					
<i>Actual Expenditures/Encumbrances through June 2018</i>	(1,699,325)	(939,389)	(1,278,496)	(582,567)	(4,499,777)
<i>Actual Carry Over through June 2018 (\$)</i>	772,468	946,526	954,066	35,465	2,708,525
<i>Actual Carry Over through June 2018 (%)</i>	31%	50%	43%	6%	38%
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%
Over (Under) Projection (\$)	(4,475)	(8,860)	5,225	34,005	25,895
Over (Under) Projection (%)	-1%	-1%	1%	49%	1%

work2future
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PD 14 Preliminary Report

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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			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	03/01/2015-9/30/2018	06/01/16-03/31/2018	03/01/2017-03/31/2019	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
<i>Expenditures as of June 30, 2017</i>	(422,451)	(892,935)	(386,101)	(1,671,483)	0	0	(106,121)	0	0	(7,072)	(12,553)	(3,498,716)
<i>Encumbrances as of June 30, 2017</i>	(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
<i>Expenditures as of June 30, 2018</i>	(167,278)	(390,616)	(113,211)	(932,253)	(150,717)	(3,436)	(60,448)	(86,027)	0	(12,928)	(611,724)	(2,528,638)
<i>Encumbrances as of June 30, 2018</i>	0	(45,213)	0	(2,400)	(71,837)	(3,564)	0	0	0	0	0	(123,014)
Cumulative Expenditures/Encumbrances as of June 30, 2018	(167,278)	(435,829)	(113,211)	(934,653)	(222,554)	(7,000)	(60,448)	(86,027)	0	(12,928)	(611,724)	(2,651,652)
Remaining	410,271	39,986	61,664	588,864	27,446	0	0	113,973	86,319	0	42,389	1,370,912
% Remaining	71%	8%	35%	39%	11%	0%	0%	57%	100%	0%	6%	34%
III. Actual Expenditures/Carry Over												
<i>Actual Expenditures/Encumbrances through June 2018</i>	(167,278)	(435,829)	(113,211)	(934,653)	(222,554)	(7,000)	(60,448)	(86,027)	0	(12,928)	(611,724)	(2,651,652)
<i>Actual Carry Over through June 2018 (\$)</i>	410,271	39,986	61,664	588,864	27,446	0	0	113,973	86,319	0	42,389	1,370,912
<i>Actual Carry Over through June 2018 (%)</i>	71%	8%	35%	39%	11%	0%	0%	57%	100%	0%	6%	34%
Projected Carry Over June 2018 (\$)	360,000	40,121	26,630	506,560	25,000	0	0	137,004	77,115	0	0	1,172,430
Projected Carry Over June 2018 (%)	62%	8%	15%	33%	10%	0%	0%	69%	89%	0%	0%	30%
Over (Under) Projection (\$)	(50,271)	135	(35,034)	(82,304)	(2,446)	0	0	23,031	(9,204)	0	(42,389)	(198,482)
Over (Under) Projection (%)	-12%	0%	-57%	-14%	-9%	0%	0%	20%	-11%	0%	-100%	-14%

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Other Funds	CWDB	Wells Fargo (BOS)	Bank of America (BOS)	W2F Foundation	Total
I. Actual as of June 30, 2017					
Grant Period	N/A	N/A	N/A	N/A	
Original Allocation	5,000	10,000	10,000	15,454	40,454
Expenditure/Encumbrances as of June 2017	0	(4,692)	0	0	(4,692)
Total Actual Expenditures/Encumbrances as of June 2017		(4,692)	0	0	(4,692)
Available Funds for FY 2017-2018	5,000	5,308	10,000	15,454	35,762
% Remaining	100%	53%	100%	100%	88%
II. Actual Expenditures					
Available Funds for FY 2017-2018	5,000	5,308	10,000	15,454	35,762
Expenditures as of June 30, 2018	0	(5,308)	(3,258)		(8,566)
Encumbrances as of June 30, 2018	0				0
Cumulative Expenditures as of June 30, 2018	0	(5,308)	(3,258)	0	(8,566)
\$ Remaining	5,000	0	6,742	15,454	27,196
% Remaining	100%	0%	67%	100%	76%
III. Actual/Projected Expenditures and Encumbrances/Carry Over					
Actual Expenditures through June 2018	0	(5,308)	(3,258)	0	(8,566)
Actual Carry Over through June 2018	5,000	0	6,742	15,454	27,196
Actual Carry Over (%) through June 2018	100%	0%	67%	100%	76%
Projected Carry Over through June 2018	5,000	0	7,443	15,454	27,897
Projected Carry Over (%) through June 2018	100%	0%	74%	100%	78%
Over (Under) Projection (\$)	0	0	701	0	701
Over (Under) Projection (%)	0%	0%	9%	0%	3%