



BOARD OF DIRECTORS MEETING AGENDA

**Thursday, December 6, 2018
11:30 am**

Business Services & Administration Center
5730 Chambertin Drive
San Jose, CA 95118
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/DocumentCenter/Home/View/17>

For questions regarding this agenda, please call Lawrence Thoo at (408) 794-1170. To request an accommodation or alternative format for work2future meetings, events or printed materials, please call Nguyen Pham at (408) 794-1151 or call (408) 294-9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

Name/Company	WORKFORCE BOARD				Youth
	Executive	Finance	Priv. Empl.		
Amador-LeBeau, Rose <i>Center for Training and Careers</i>			M		
Auerhahn, Louise <i>Working Partnerships USA</i>					
Batra, Rajiv <i>PayPal</i>					
Burrill, Jeff <i>Pangenera LLC, a Panera Bread franchisee</i>					
Chao, George <i>Manex</i>					
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>					
Gutierrez, Juan <i>UA Local 393 Plumbers, Steamfitters, Pipefitters & HVACR Service Technicians</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>					
Perez, Rafaela <i>Social Services Agency, County of Santa Clara</i>	M				
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		
Villalovoz, Henri <i>Sourcewise</i>					
Vujjeni, Kishan <i>South Bay Consortium for Adult Education</i>					
Wahl, David <i>Jabil, Inc.</i>					

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

WORKFORCE BOARD MEETING

December 6, 2018

11:30 am

AGENDA

I. CALL TO ORDER & OPENING REMARKS

II. QUORUM VERIFICATION

III. CONSENT ITEMS {Action}

Approve the acceptance of:

5 min

11:40 am end

A. Financial Status as of Sept. 30, 2018 (First Quarter, FY 2018-19)

B. Labor Market Information Update

C. San Jose Works Status Update

IV. BUSINESS ITEMS

A. Old Business

1. Minutes Approval {Action}

Approve the minutes of the September 20, 2018 Board meeting.

5 min

11:45 am end

B. New Business

1. 2019 Meeting Schedule {Action}

Lawrence Thoo, Special Projects Manager, Staff Liaison to the Board

Approve schedule of Board meetings for calendar year 2019.

5 min

11:50 am end

2. WIOA Performance and Service Delivery Outcomes {Discussion}

Monique Melchor, Director

Report on i) staff's assessment of CalJOBS's predictive reports as a reliable interim indicator of performance pending the availability of WIOA performance reports from CalJOBS; ii) performance negotiations with the state; employment-related outcomes and career services provider performance in relation to priority sectors and in-demand occupations in other sectors.

10 min

12:00 pm end

**3. Budget Update: Preliminary Budget Scenarios FY 2019-20
(Discussion)**

Joy Salandanan, Finance Manager

Report on preliminary scenarios for the Fiscal Year 2019-20 operating budget.

10 min

12:10 pm end

4. Skills Gap in the San Jose MSA {Discussion}

Bige Yilmaz, LMI Project Manager; Justin Edwards, The Social Progress Imperative, Inc.

Presentation on the work to-date of a study of the skills gap issue in the San

20 min

12:30 pm end

Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) by The Social Progress Imperative, Inc., nonprofit developer of the Social Progress Index, a quality-of-life measure in countries and communities.

5. 2018 Community Builder Awards {Presentations}

60 min

Joe Flynn, Chair

1:30 pm end

work2future presents the Community Builder Awards annually to recognize those organizations and individuals that have helped to make the community a better place.

V. PUBLIC COMMENT

VI. SUGGESTED AGENDA ITEMS FOR NEXT MEETING

VII. ANNOUNCEMENTS

A. Next meeting: The next meeting of the work2future Board is tentatively scheduled for Thursday, March 21, 2019, 11:30 am, pending the Board's approval of the 2019 meeting schedule.

B. Other

VIII. ADJOURNMENT

1:35 pm end

Please note: *Times to the right of agenda items are estimates only of the duration of the item and its approximate ending time. Actual times may vary, and items may be taken out of order at the discretion of the chair.*

**CITY OF SAN JOSE CODE OF CONDUCT
FOR PUBLIC MEETINGS IN THE COUNCIL CHAMBERS AND COMMITTEE ROOMS**

The Code of Conduct is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, its Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

1. Public Meeting Decorum:
 - a. Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
 - b. Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
 - c. Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
 - d. Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
 - e. Persons in the audience will not place their feet on the seats in front of them.
 - f. No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
 - g. All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.
2. Signs, Objects or Symbolic Material:
 - a. Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions:
 - i. No objects will be larger than 2 feet by 3 feet.
 - ii. No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - iii. The items cannot create a building maintenance problem or a fire or safety hazard.
 - b. Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
 - c. Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and

hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Council, Committee, Board or Commission:

- a. Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
- b. Meeting attendees are usually given two (2) minutes to speak on any agenda item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Applicants and appellants in land use matters are usually given more time to speak.
- c. Speakers should discuss topics related to City business on the agenda, unless they are speaking during open forum.
- d. Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
- e. Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
- f. If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
- g. Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.

Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Almaden Winery Community Center, 5730 Chambertin Drive, San Jose, California at the same time that the public records are distributed or made available to the legislative body.

I.

Call to Order &
Opening Remarks

OPENING REMARKS

Good morning! My name is Joe Flynn. I am Chair of the work2future Board of Directors, and it is my pleasure to welcome you to the December 6, 2018 meeting of the Board. It is especially a pleasure to welcome all the guests who have joined us today for the presentation of the Community Builder Awards, which will take up the second half of today's meeting.

I also want to take a moment to welcome a new Board member to his first meeting. Mayor Liccardo appointed **Kishan Vujjeni** to the Board in late October to fill the Adult Education seat on the Board. Kishan is **co-chair of the South Bay Consortium for Arts Education**. In his day job, he's the Dean of College Transitions and Extension Programs at the Community College Center for Economic Mobility, which is a part of the San Jose Evergreen Community College District.

The procedure for today's meeting is as follows:

- The Chair will introduce each item on the agenda.
 - Copies of the agenda have been placed on the table near the door for your convenience.
- In keeping with the requirements of the Brown Act, Board members may only discuss items listed on the Agenda.
- A work2future staff or a Board member—as indicated on the agenda—will present each item.
- work2future staff and/or Board members will present recommendations for any New Business action item on the agenda.
- Board members may ask questions of work2future Staff and other committee 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 recognize any member of the public who wishes to address the specific item being discussed. 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 who wish to address the Board on matters not on the agenda will be given two (2) minutes each to speak.
 - Members of the public who wish to address the Board should complete a blue Comment Card located near the door and give it to any work2future staff member.
 - When called on, they should first identify themselves and state their addresses for the record and then make their remarks.

This concludes the Chair's opening remarks.

Agenda Item II—Quorum Verification.

II.

Quorum Verification

III.

Consent Items

[Action]

III.A

Financial Status as of
September 30, 2018
(First Quarter, FY 2018-19)

[Action]

FINANCIAL STATUS AS OF SEPTEMBER 30, 2018

Key Highlights

- Projecting that WIOA formula and Rapid Response carry-over funding from FY 2017-2018 will be fully spent by the end of June 30, 2019.
- Projecting to carry over approximately \$1.68 million from the current Adult, Dislocated Worker, and Youth allocations representing the Board-mandated reserve account (\$948,373) and Board-approved Unallocated Reserve account (\$693,789) and savings from equipment credit of \$38,498.

Other Discretionary Funding

- work2future is wrapping up its Proposition 39 grant which ends on December 31, 2018. The full allocation is expected to be spent by the end of the grant term. To date, work2future has conducted 21 pre-apprenticeship trainings and enrolled 552 clients through its partners, Working Partnerships USA and San Mateo County Union-Community Alliance. Of those who have completed training, 360 have so far been placed in apprenticeships and in other employment or post-secondary education. Staff continue to work with the remaining graduates and expect that many, if not most, will also be placed in apprenticeships, other employment or post-secondary education.
- work2future is projecting to spend \$61,664 representing the remaining balance of the third round of Ready to Work (RTW) Initiative grant funds (total third round of funding is \$191,829) from the City of Sunnyvale by the end of the grant term October 31, 2018. To date, work2future has reached 133 enrollments (76% of total grant goal), including 54 in occupational training (102% of total grant goal), and assisted 84 RTW participants to find jobs (75% of total grant goal) at an average hourly wage rate of \$37.09 (124% of grant goal).
- A total funding of \$1.5 million is provided for the San Jose Works (SJ Works) 4.0 Youth Jobs Initiative, comprised of \$1.0 million in new funding from the City of San Jose and \$500,000 in unspent funding carried over from SJ Works 3.0, to provide subsidized and unsubsidized employment opportunities for 1,000 eligible youth. As of September 30, 2018, 375 youth were provided with grant-subsidized internships and about 625 youth will have been placed in employer-paid job opportunities by the time the program ends in April 2019. Over 85% of the youth successfully completed their subsidized internships and 226 others have already been placed in employer-paid opportunities. 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.
- work2future is projecting to fully spend the remainder of the Career Pathways Trust grant funds in the amount of \$99,283 by the grant term ending June 30, 2019. This grant covers a portion of the salaries and benefits of three full-time equivalent positions at the Foundation working on the grant. To date, work2future has served 30 participants, all of them successfully completing internships ranging from 8 to 10 weeks each.
- 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. This grant has been extended until September 30, 2018, and is fully spent.

- An additional grant of \$86,319 was received from the City of Sunnyvale (NOVA) to augment the \$200,000 received from the State for the Regional Plan Development and Training Coordination Project. The funds support the implementation of the regional plan across the Bay-Peninsula Regional Planning Unit, including expenses for team development and staff training. These grants are expected to be fully spent by the end of the respective grant terms (\$200,000—March 31, 2019; \$86,319—June 30, 2019).
- work2uture has received the third and last installment for the Storm grant. The grant is for a total of \$1 million for a term originally from March 1, 2017 through September 30, 2018. This grant will continue to help dislocated workers through temporary jobs, performing storm/flood clean up at the Japanese Friendship Garden at Kelly Park, and debris/street clean-up at Rocksprings and William Street Neighborhoods which were worst hit during the flood event in 2017. The grant has been extended to September 30, 2019 with no additional funding. To date, work2future has placed 58 against the total grant goal of 65 (original goal is 50). With the release of the final installment and extension of time, work2future is anticipating to provide employment to meet or exceed the goal of 65.

###

WIOA Formula Funds	Adult	Dislocated Worker	Youth	RR	TOTAL WIOA
I. Actual as of June 30, 2018					
Grant Period	07/01/17-06/30/19	07/01/17-06/30/19	04/01/17-06/30/19	07/01/17-06/30/19	
Available Funds for FY2017-2018	2,484,334	1,898,961	2,232,562	618,032	7,233,889
<i>Actual Expenditures as of June 30, 2018</i>	(1,546,745)	(470,115)	(1,258,257)	(573,869)	(3,848,986)
<i>Encumbrances/Spending Plan as of June 30 2018</i>	(156,347)	(460,505)	(23,764)	(215)	(640,831)
<i>Total Actual Expenditures/Encumbrances/Spending Plan as of June 2018</i>	(1,703,092)	(930,620)	(1,282,021)	(574,084)	(4,489,817)
Available Funds for FY2018-2019	781,242	968,341	950,541	43,948	2,744,072
<i>% Remaining</i>	31%	51%	43%	7%	38%
II. Actual Expenditures/Encumbrances					
(a) Available Funds from Carry over for FY2018-2019 (remaining plus enc.)	937,589	1,428,846	974,305	44,163	3,384,903
<i>Expenditures as of September 30, 2018</i>	(623,489)	(234,731)	(444,104)	(35,680)	(1,338,004)
<i>Encumbrances as of September 30, 2018</i>	(314,100)	(630,616)	(530,201)	0	(1,474,917)
Total Actual Expenditures/Encumbrances as of September 30, 2018	(937,589)	(865,347)	(974,305)	(35,680)	(2,812,921)
<i>\$ Remaining</i>	0	563,499	0	8,483	571,982
<i>% Remaining</i>	0%	39%	0%	19%	17%
(b) Current Allocation for FY 2018-2019	1,965,619	2,289,129	2,067,738	497,823	6,820,309
Transfer between Adult and Dislocated Worker	0	0	0	0	0
Additional Funding	0	0	0	0	0
Rescission	0	0	0	0	0
Adjusted Allocation for FY 2018-2019	1,965,619	2,289,129	2,067,738	497,823	6,820,309
<i>Expenditures as of September 30, 2018</i>	(31,159)	(31,344)	(399,198)	(55,538)	(517,239)
<i>Encumbrances as of September 30, 2108</i>	(1,014,639)	0	(697,783)	(55,293)	(1,767,715)
Total Actual Expenditures/Encumbrances aos of September 30, 2018	(1,045,798)	(31,344)	(1,096,981)	(110,831)	(2,284,954)
<i>\$ Remaining</i>	919,821	2,257,785	970,757	386,992	4,535,355
<i>% Remaining</i>	47%	99%	47%	78%	66%
Total Available Funds for FY2018-2019	2,903,208	3,717,975	3,042,043	541,986	10,205,212
Total Cumulative Expenditures/Encumbrance as of September 30, 2018	(1,983,387)	(896,691)	(2,071,286)	(146,511)	(5,097,875)
<i>\$ Remaining</i>	919,821	2,821,284	970,757	395,475	5,107,337
<i>% Remaining</i>	32%	76%	32%	73%	50%
III. Projected Expenditures/Carry Over through June 30, 2019					
<i>Projected Expenditures/Encumbrances through June 2019</i>	(1,500,559)	(1,532,094)	(1,609,175)	(497,823)	(5,139,651)
<i>Projected Carry Over through June 2019 (\$)</i>	465,060	757,035	458,563	0	1,680,658
<i>Projected Carry Over through June 2019 (%) with Rapid Response</i>	24%	33%	22%	0%	25%
<i>Projected Carry Over through June 2019 (%) without Rapid Response</i>	24%	33%	22%	0%	27%

* Expenditures/Encumbrance appears to be a lot higher for the Adult program than the Dislocated program due to the new method of combining charges for Adult and DW first and then re-allocating the expenditures after month-end based on enrolled clients. Reallocation of monthly charges will be done after each quarter.

work2future
Financial Status Report as of 9/30/2018
PD 3 Stat 3

BOARD: 12-0618
AGENDA ITEM: III.A
Attachment 2 of 3

Other Discretionary Funds	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 Training Coordinator	Regional Training Coordinator (Nova)	NDWG Flood Event 2017	Total
I. Actual as of June 30, 2018									
Grant Period	06/01/2014- 12/31/2018	11/01/2014- 10/31/2018	07/01/2018- 6/30/2019	07/01/2015- 06/30/2019	03/01/2015- 9/30/2018	03/01/2017- 03/31/2019	03/01/2018- 06/30/2019	03/01/2017- 09/30/19	
Original Allocation	900,000	232,007	1,500,000	150,000	7,000	200,000	86,319	666,666	3,741,992
Increase/(Decrease)	468,750	328,969	2,400	100,000	0	0	0	333,334	1,233,453
Adjusted Allocation	1,368,750	560,976	1,502,400	250,000	7,000	200,000	86,319	1,000,000	4,975,445
Expenditures as of June 30, 2018	(1,283,551)	(499,312)	0	(150,717)	(3,436)	(86,025)	0	(624,277)	(2,647,318)
Encumbrance as of June 30, 2018	(45,213)	0	0	0	0	0	0	0	(45,213)
Total Actual Expenditures/Encumbrances as of June 2018	(1,328,764)	(499,312)	0	(150,717)	(3,436)	(86,025)	0	(624,277)	(2,692,531)
Available Funds for FY 2018-2019	39,986	61,664	1,502,400	99,283	3,564	113,975	86,319	375,723	2,282,914
% Remaining	3%	11%	100%	40%	51%	57%	100%	38%	46%
Available Funds for FY2018-2019	85,199	61,664	1,502,400	99,283	3,564	113,975	86,319	375,723	2,328,127
Expenditures as of September 30, 2018	32,069	(21,237)	(534,267)	(21,027)	(3,564)	(6,810)	(16,354)	(138,734)	(709,924)
Encumbrances as of September 30, 2018	(83,081)	(8,856)	(729,875)	(46,147)	0	0	0	(159,205)	(1,027,164)
Cumulative Expenditures/Encumbrances as of Sept. 30, 2018	(51,012)	(30,093)	(1,264,142)	(67,174)	(3,564)	(6,810)	(16,354)	(297,939)	(1,737,088)
Remaining	34,187	31,571	238,258	32,109	0	107,165	69,965	77,784	591,039
% Remaining	40%	51%	16%	32%	0%	94%	81%	21%	25%
III. Projected Expenditures/Carry Over									
Projected Expenditures/Encumbrances through June 2019	(85,199)	(61,664)	(1,264,142)	(99,283)	(3,564)	(113,975)	(86,319)	(375,723)	(2,089,869)
Projected Carry Over through June 2019 (\$)	0	0	238,258	0	0	0	0	0	238,258
Projected Carry Over through June 2019 (%)	0%	0%	16%	0%	0%	0%	0%	0%	10%

* Unspent funds for RTW pertains to obligated fund for training ending after October 31, 2018 (8,900) and unspent supportive services (\$3900).

work2future

Financial Status Report as of 9/30/2018

PD 3 Status 3

Prepared by: Joy Salandanan

Approved by: Monique Melchor

Other Funds	CWDB	Bank of America (BOS)	W2F Foundation	Total
I. Actual as of June 30, 2018				
Grant Period	N/A	N/A	N/A	
Original Allocation	5,000	10,000	15,454	30,454
Expenditure/Encumbrances as of June 2018	0	(3,258)	0	(3,258)
Total Actual Expenditures/Encumbrances as of June 2018	0	(3,258)	0	(3,258)
Available Funds for FY 2018-2019	5,000	6,742	15,454	27,196
% Remaining	100%	67%	100%	89%
II. Actual Expenditures				
Available Funds for FY 2018-2019	5,000	6,742	15,454	27,196
Expenditures as of September 30, 2018	0	(1,003)	0	(1,003)
Encumbrances as of September 30, 2018	0	0	0	0
Cumulative Expenditures as of September 30, 2018	0	(1,003)	0	(1,003)
\$ Remaining	5,000	5,739	15,454	26,193
% Remaining	100%	85%	100%	96%
III. Projected Expenditures and Encumbrances/Carry Over				
Projected Carry Over through June 2019	5,000	5,739	15,454	26,193
Projected Carry Over (%) through June 2019	100%	85%	100%	96%

III.B

Labor Market Information Update

[Action]

Labor Market Overview for 2018 Calendar Third Quarter

The local labor market offered a mixed picture in September, due largely to seasonal adjustments. However, year-over-year results indicated that the economic recovery remained strong overall.

The unemployment rate in the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA), comprised of Santa Clara County and San Benito County, was 2.5 percent in September 2018, down from a revised 2.7 percent in August 2018, and below the year-ago estimate of 3.0 percent. This compares with an unadjusted unemployment rate of 3.9 percent for California and 3.6 percent for the nation during the same period. The unemployment rate in Santa Clara County alone was 2.4 percent.

Between August 2018 and September 2018, combined employment in the South Bay counties of San Benito and Santa Clara decreased by 2,500 jobs to total 1,141,900 jobs.

- Professional and business services seasonally cut 2,000 jobs, with all cutbacks coming from professional, scientific, and technical services.
- Following its seasonal pattern, information trimmed 1,800 jobs for the month-over job change.
- Educational and health services declined by 1,700 jobs, primarily in colleges, universities, and professional schools.
- Meanwhile, government saw job gains (up 4,600 jobs), mostly from local educational services (up 3,700 jobs), and state educational services (up 800 jobs).

Between September 2017 and September 2018, total employment in the San Jose-Sunnyvale-Santa Clara MSA grew by 36,200 jobs, or 3.3 percent.

- Educational and health services led the year-over gains with 9,600 jobs.
- Several industries added jobs to payrolls: professional and business services (up 7,300 jobs), information (up 6,900 jobs), and manufacturing (up 6,000 jobs).
- Other industries that grew included construction (up 2,800 jobs), government (up 2,200 jobs), leisure and hospitality (up 2,000 jobs), and financial activities (up 1,100 jobs).
- Posting job reductions for the year-over, trade, transportation, and utilities lowered employment numbers by 1,700 jobs.

Source: State of California Employment Development Department, Labor Market Information Division

Real Wages Still Under Pressure Except at Top of Ladder

Nine of every 10 Silicon Valley jobs “pay less now than when Netflix was launched in 1997” when adjusted for inflation, [The Mercury News reported November 18, 2018](#) in an article reminiscent of the Silicon Valley Dichotomy reports commissioned by work2future.

Citing a [study](#) from UC Santa Cruz’s Everett Program for Technology and Social Change and Working Partnerships USA, the newspaper wrote that while “tech workers have thrived, employees in the middle of Silicon Valley’s income ladder have been hit hardest as their inflation-adjusted wages declined between 12 and 14 percent over the past 20 years.”

In a variety of ways, the study reported on by The Mercury News reinforces the report of structural challenges in the economy that underpinned a major finding analyzed in Silicon Valley Dichotomy I and Silicon Valley Dichotomy II, which were released in 2017 and 2018, respectively: In relative terms, the growth of low-wage jobs has outpaced significantly the growth of middle-wage jobs, making it ever more challenging for people at the low end of the economic ladder to climb their way out of economic distress. According to the Everett Program study, low-wage job growth in Silicon Valley even outpaced the growth of high-wage jobs between 1997 and 2017.

Overall Silicon Valley Economy Remains Strong

The Mercury News' report on the study on economic restructuring and accompanying economic insecurity stands in seeming contrast to overall trends in the region's economy over the last five years, as evidenced by the statistics contained in the attached economic overview of the MSA. It serves as a reminder that work2future continues to face a complex challenge as it strives to meet the twin imperatives of its mission, helping businesses meet their workforce needs in order to succeed and helping people, especially individuals with barriers to employment, successfully compete for the jobs and navigate the career pathways that will allow them to support themselves and their families in Silicon Valley.

###

Attached: Q4 2018 Economy Overview, San Jose-Sunnyvale-Santa Clara MSA (Emsi)

The background of the slide is a detailed map of the San Jose-Sunnyvale-Santa Clara area. A hand holding a pen is visible in the upper right corner, pointing at the map. A small inset map of California is located on the left side, with a white outline of the state and a small black dot indicating the location of the main map area. The title "San Jose-Sunnyvale-Santa Clara, CA" is overlaid in large white text.

San Jose-Sunnyvale-Santa Clara, CA

Contents

Economy Overview	1
Historic & Projected Trends	3
Population Characteristics	7
Industry Characteristics	9
Business Characteristics	16
Workforce Characteristics	17
Educational Pipeline	24

Economy Overview

2,020,079

Population (2018)

Population **grew by 91,766** over the last 5 years and is projected to **grow by 63,263** over the next 5 years.

1,203,402

Jobs (2018)

Jobs **grew by 148,951** over the last 5 years and are projected to **grow by 90,788** over the next 5 years.

\$100.5K

Median Household Income (2016)

Median household income is **\$45.1K above** the national median household income of \$55.3K.

As of 2018 the region's population **increased by 4.8%** since 2013, growing by 91,766. Population is expected to **increase by 3.1%** between 2018 and 2023, adding 63,263.

From 2013 to 2018, jobs **increased by 14.1%** in San Jose-Sunnyvale-Santa Clara, CA from 1,054,451 to **1,203,402**. This change **outpaced the national growth rate of 7.4% by 6.7%**. As the number of jobs increased, the **labor force participation rate increased from 64.9% to 66.4% between 2013 and 2018**.

Concerning educational attainment, **26.6% of San Jose-Sunnyvale-Santa Clara, CA residents possess a Bachelor's Degree** (8.0% above the national average), and **6.8% hold an Associate's Degree** (1.2% below the national average).

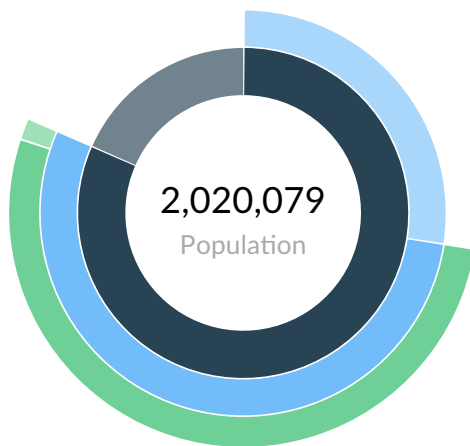
The top three industries in 2018 are Computer Systems Design and Related Services, Restaurants and Other Eating Places, and Computer and Peripheral Equipment Manufacturing.



	Population (2018)	Labor Force (2018)	Jobs (2018)	Cost of Living	GRP	Imports	Exports
Region	2,020,079	1,093,399	1,203,402	143.6	\$297.47B	\$191.57B	\$289.34B
United States	328,038,851	163,733,789	161,636,598	100.0	\$19.28T	\$0	\$8.38T
California	39,853,042	19,469,463	19,494,226	133.8	\$2.72T	\$1.37T	\$1.92T

Economy Overview - Cont.

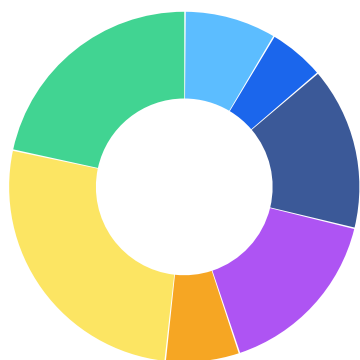
2018 Labor Force Breakdown



	Population
Total Working Age Population	1,646,712
Not in Labor Force (15+)	553,313
Labor Force	1,093,399
Employed	1,063,137
Unemployed	30,262
Under 15	373,368

Educational Attainment

Concerning educational attainment, **26.6% of San Jose-Sunnyvale-Santa Clara, CA residents possess a Bachelor's Degree** (8.0% above the national average), and **6.8% hold an Associate's Degree** (1.2% below the national average).

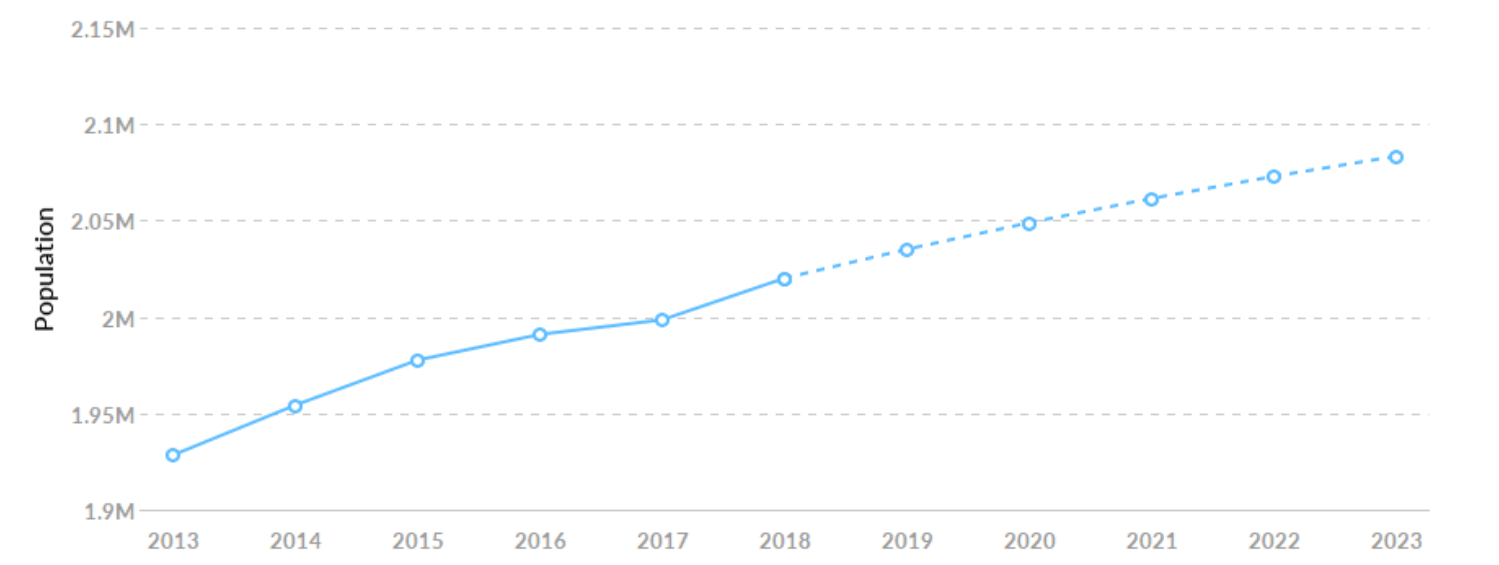


	% of Population	Population
Less Than 9th Grade	8.5%	118,928
9th Grade to 12th Grade	5.2%	72,960
High School Diploma	15.0%	210,814
Some College	16.1%	225,660
Associate's Degree	6.8%	95,885
Bachelor's Degree	26.6%	373,219
Graduate Degree and Higher	21.7%	304,194

Historic & Projected Trends

Population Trends

As of 2018 the region's population **increased by 4.8%** since 2013, growing by 91,766. Population is expected to **increase by 3.1%** between 2018 and 2023, adding 63,263.

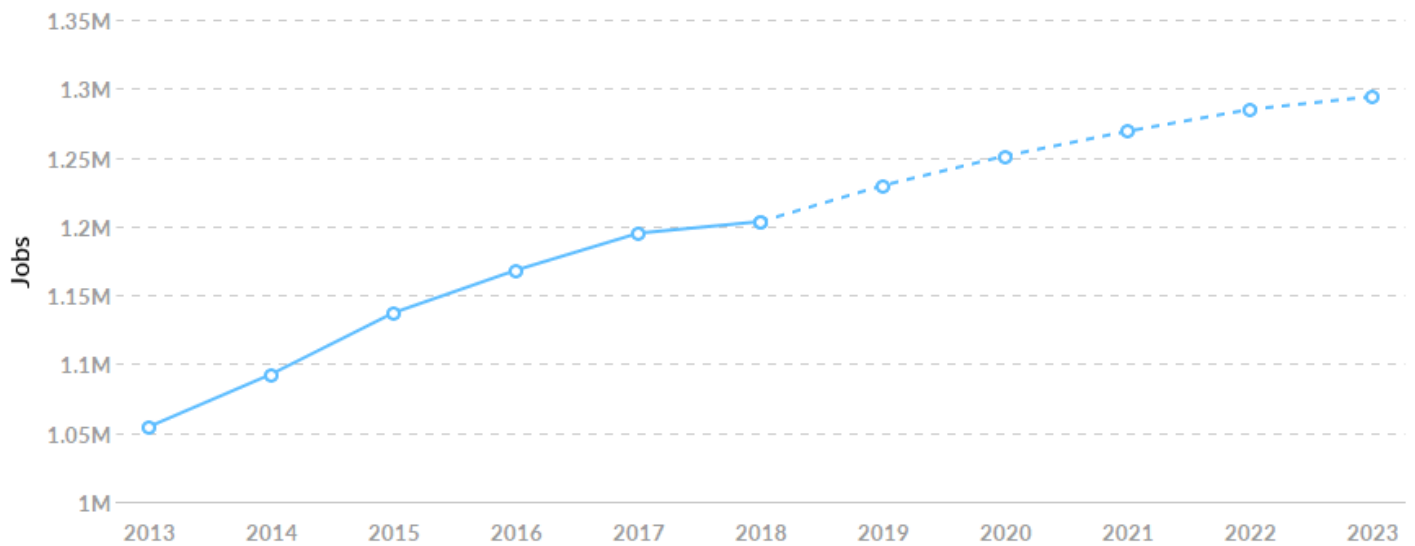


Timeframe	Population
2013	1,928,314
2014	1,954,232
2015	1,977,602
2016	1,990,920
2017	1,998,474
2018	2,020,079
2019	2,035,083
2020	2,048,847
2021	2,061,430
2022	2,072,904
2023	2,083,342

Historic & Projected Trends - Cont.

Job Trends

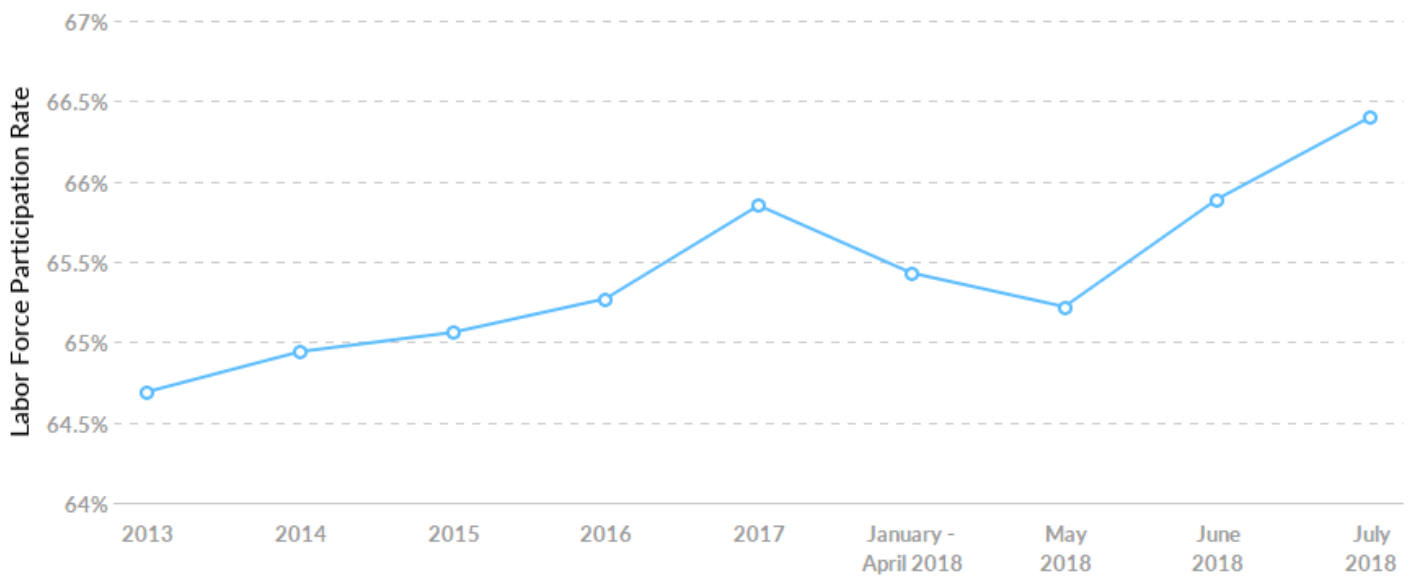
From 2013 to 2018, jobs increased by 14.1% in San Jose-Sunnyvale-Santa Clara, CA from 1,054,451 to 1,203,402. This change outpaced the national growth rate of 7.4% by 6.7%.



Timeframe	Jobs
2013	1,054,451
2014	1,092,613
2015	1,137,191
2016	1,168,106
2017	1,194,960
2018	1,203,402
2019	1,229,624
2020	1,251,102
2021	1,269,021
2022	1,284,836
2023	1,294,190

Historic & Projected Trends - Cont.

Labor Force Participation Rate Trends

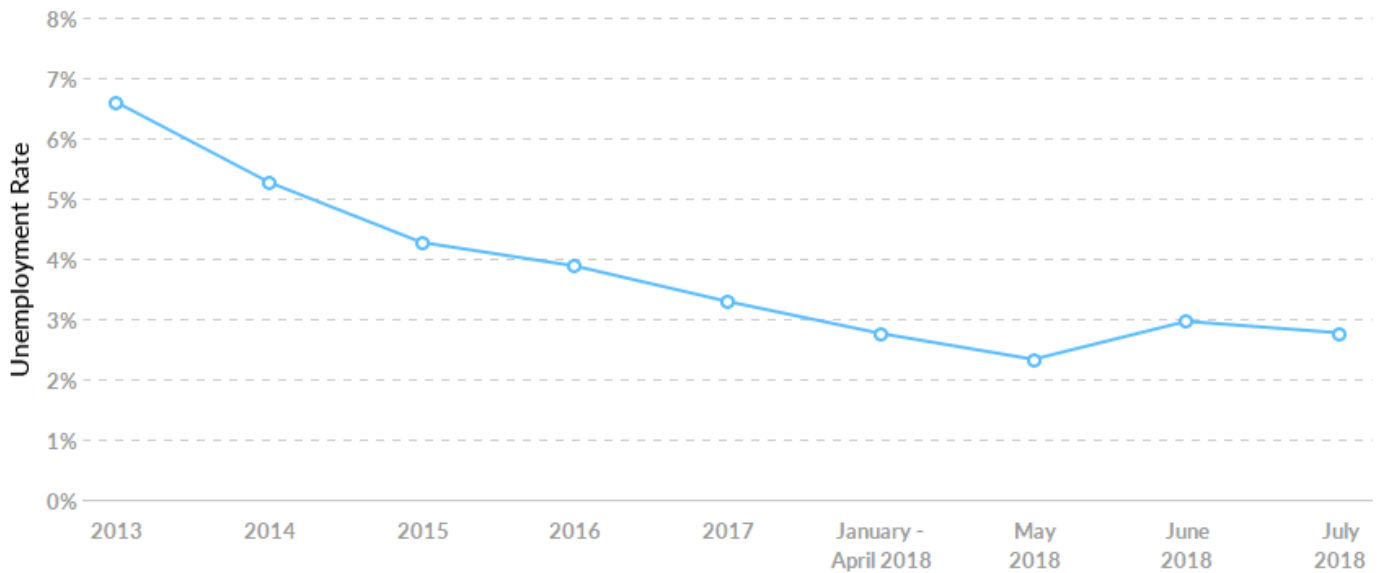


Timeframe	Labor Force Participation Rate
2013	64.69%
2014	64.94%
2015	65.06%
2016	65.27%
2017	65.85%
January - April 2018	65.43%
May 2018	65.22%
June 2018	65.89%
July 2018	66.40%

Historic & Projected Trends - Cont.

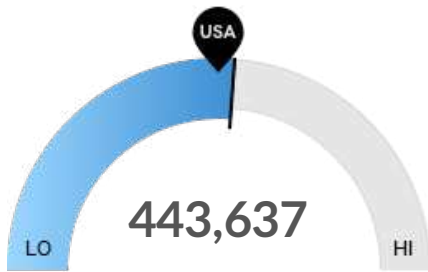
Unemployment Rate Trends

San Jose-Sunnyvale-Santa Clara, CA had a July 2018 unemployment rate of 2.77%, **decreasing from 6.60%** 5 years before.



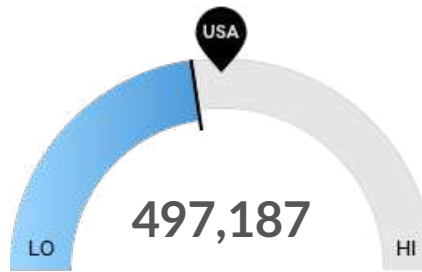
Timeframe	Unemployment Rate
2013	6.60%
2014	5.27%
2015	4.27%
2016	3.88%
2017	3.29%
January - April 2018	2.76%
May 2018	2.33%
June 2018	2.96%
July 2018	2.77%

Population Characteristics



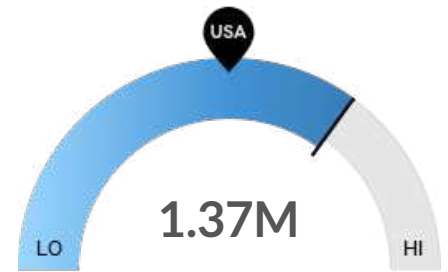
Millennials

San Jose-Sunnyvale-Santa Clara, CA has 443,637 millennials (ages 20-34). The national average for an area this size is 413,914.



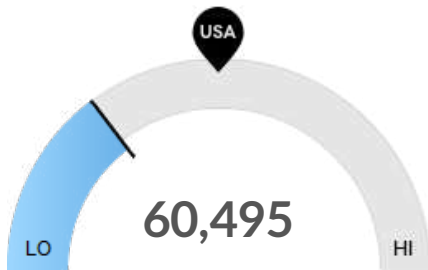
Retiring Soon

Retirement risk is low in San Jose-Sunnyvale-Santa Clara, CA. The national average for an area this size is 569,715 people 55 or older, while there are 497,187 here.



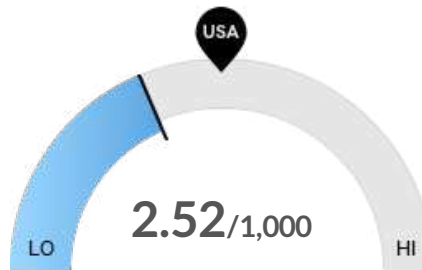
Racial Diversity

Racial diversity is high in San Jose-Sunnyvale-Santa Clara, CA. The national average for an area this size is 784,838 racially diverse people, while there are 1,365,545 here.



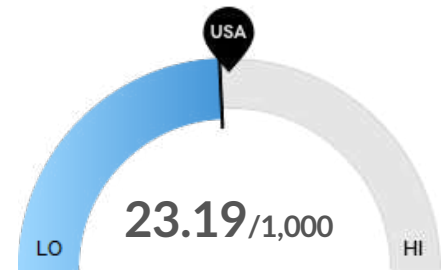
Veterans

San Jose-Sunnyvale-Santa Clara, CA has 60,495 veterans. The national average for an area this size is 120,262.



Violent Crime

San Jose-Sunnyvale-Santa Clara, CA has 2.52 violent crimes per 1,000 people. The national rate is 3.75 per 1,000 people.



Property Crime

San Jose-Sunnyvale-Santa Clara, CA has 23.19 property crimes per 1,000 people. The national rate is 24.21 per 1,000 people.

Population Characteristics - Cont.

Place of Work vs Place of Residence

Understanding where talent in San Jose-Sunnyvale-Santa Clara, CA currently works compared to where talent lives can help you optimize site decisions. For example, the #1 ranked ZIP for employment ranks #31 for resident workers. The top ZIP for resident workers is 95035.



Where Talent Works

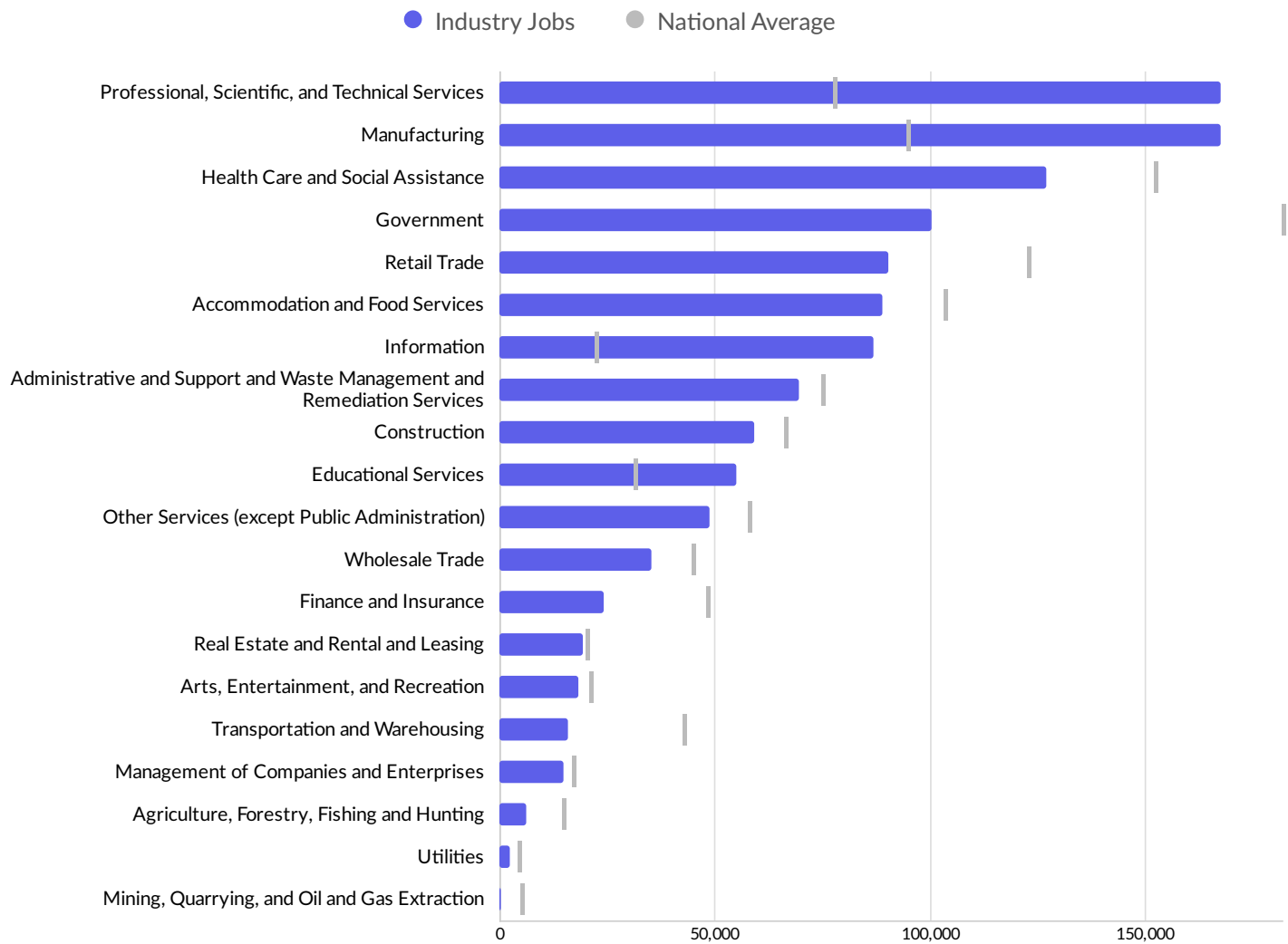
ZIP	Name	2018 Employment
95131	San Jose, CA (in Santa ...	92,520
95054	Santa Clara, CA (in San...	68,573
94043	Mountain View, CA (in...	67,028
95035	Milpitas, CA (in Santa ...	58,725
95112	San Jose, CA (in Santa ...	48,988

Where Talent Lives

ZIP	Name	2018 Workers
95035	Milpitas, CA (in Santa ...	41,337
95123	San Jose, CA (in Santa ...	37,450
95112	San Jose, CA (in Santa ...	32,302
95127	San Jose, CA (in Santa ...	31,973
95051	Santa Clara, CA (in San...	31,785

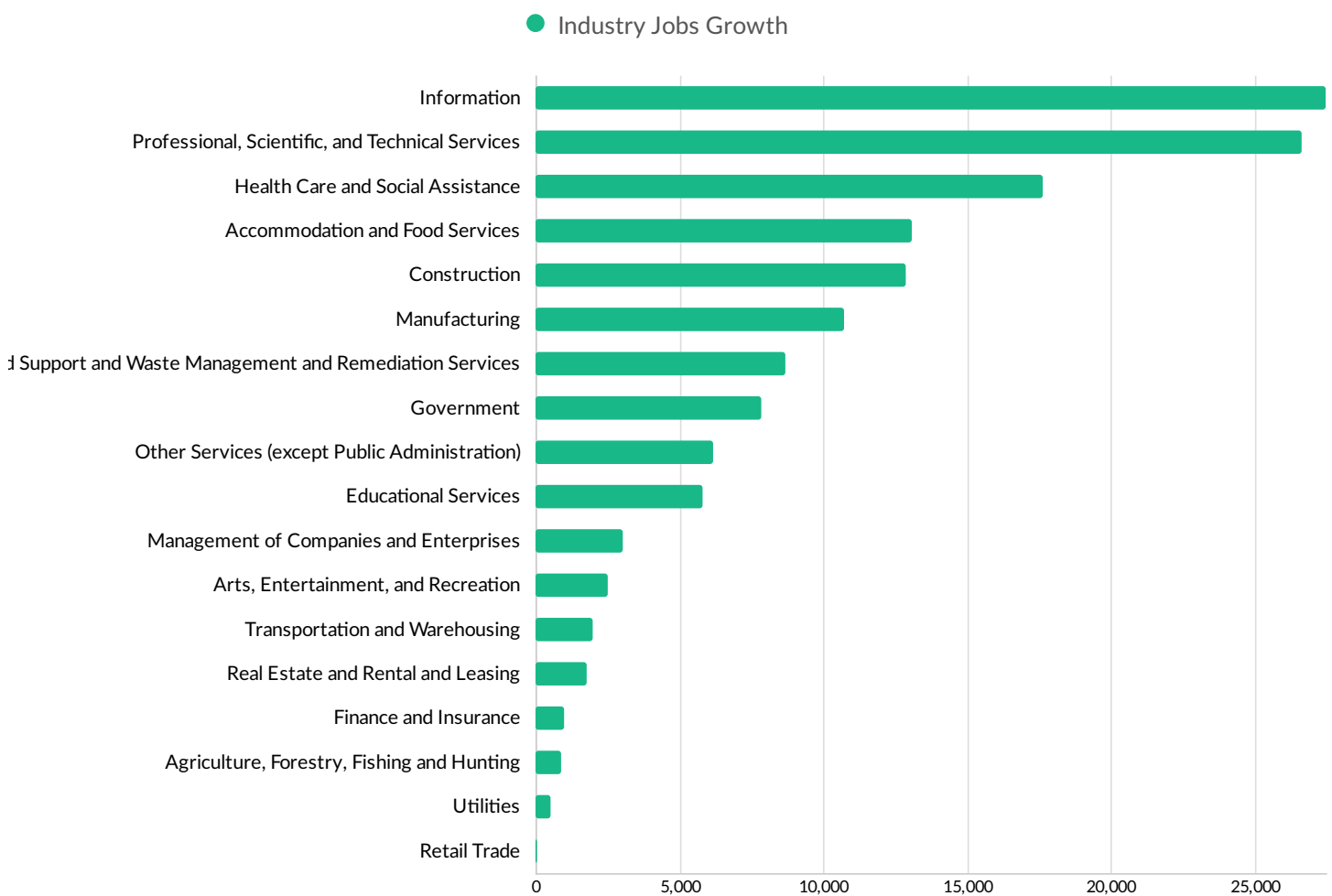
Industry Characteristics

Largest Industries



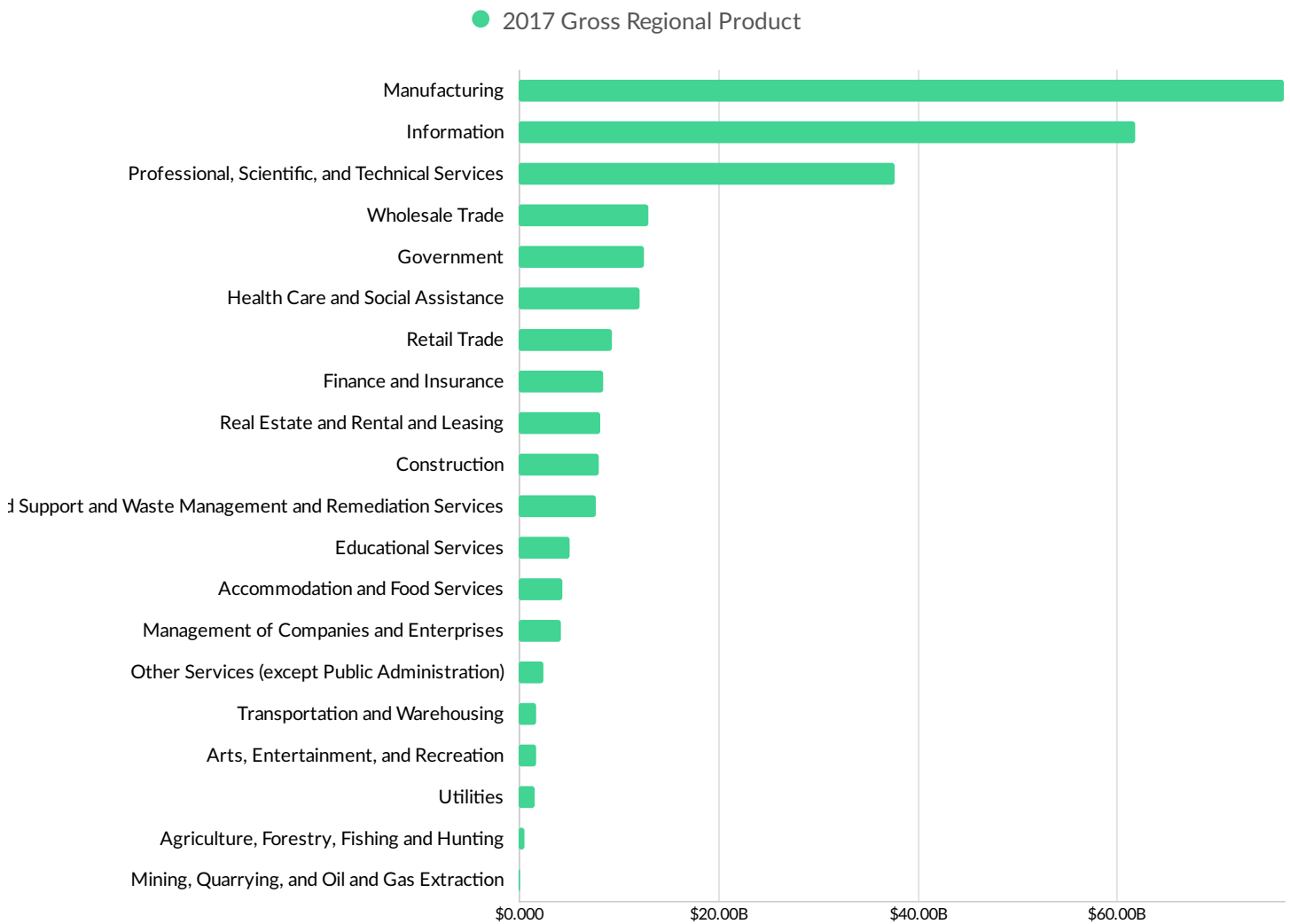
Industry Characteristics - Cont.

Top Growing Industries



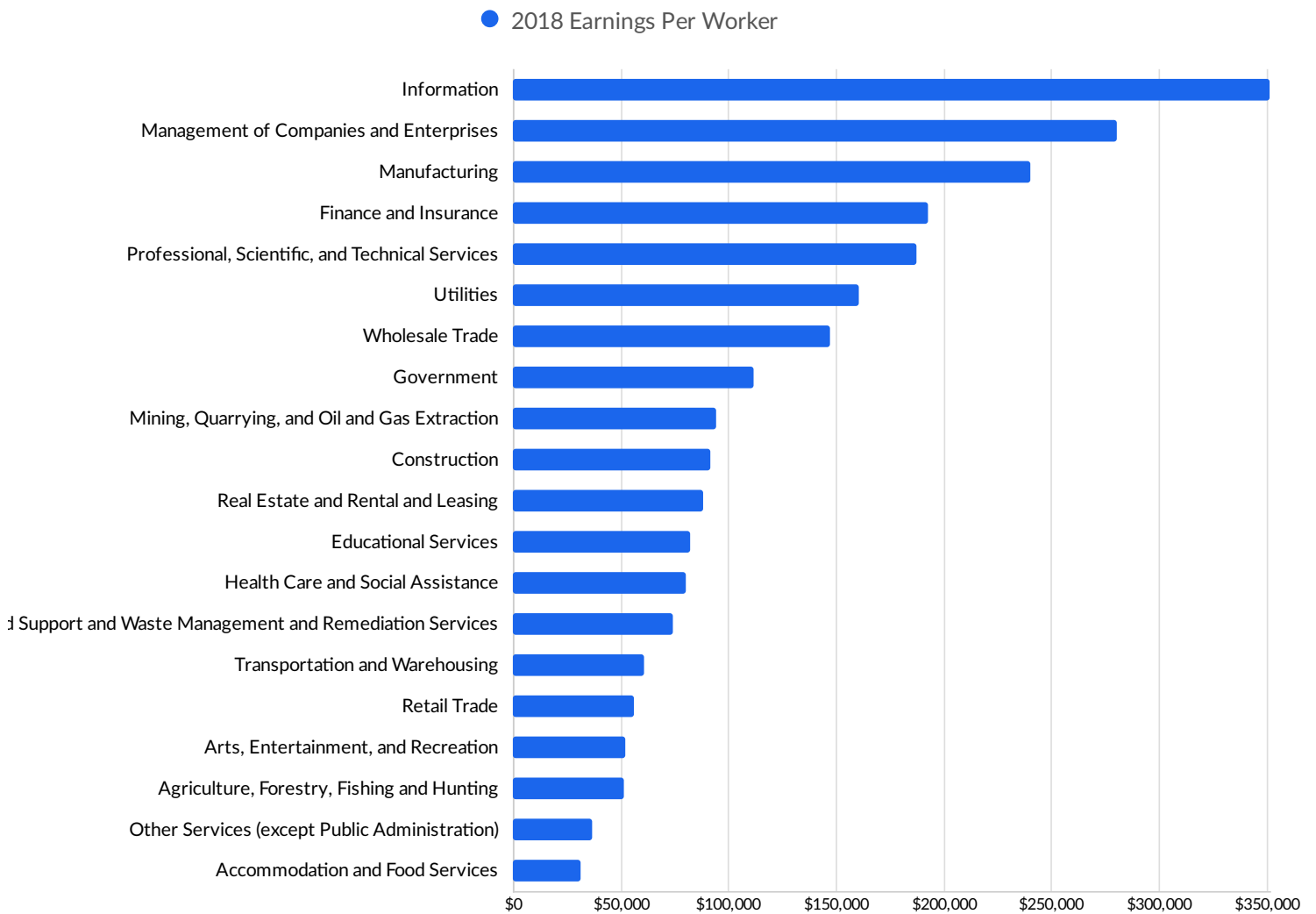
Industry Characteristics - Cont.

Top Industry GRP



Industry Characteristics - Cont.

Top Industry Earnings



Industry Characteristics - Cont.

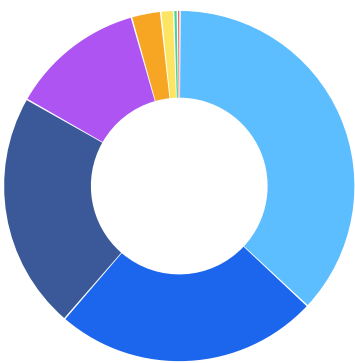
Industry	2013 Jobs	2018 Jobs	Change in Jobs	% Change in Jobs	2018 LQ	2018 Earnings Per Worker	2017 GRP
Professional, Scientific, and Technical Services	141,006	167,610	26,604	+19%	2.16	\$187,105	\$37.78B
Manufacturing	156,834	167,580	10,746	+7%	1.77	\$240,476	\$76.74B
Health Care and Social Assistance	109,440	127,055	17,615	+16%	0.84	\$80,615	\$12.13B
Government	92,563	100,400	7,837	+8%	0.55	\$111,718	\$12.50B
Retail Trade	90,447	90,495	48	+0%	0.74	\$56,056	\$9.38B
Accommodation and Food Services	75,844	88,910	13,066	+17%	0.86	\$31,279	\$4.32B
Information	59,510	86,968	27,458	+46%	3.93	\$351,412	\$61.89B
Administrative and Support and Waste Management and Remediation Services	60,828	69,502	8,674	+14%	0.93	\$74,508	\$7.79B
Construction	46,330	59,215	12,885	+28%	0.90	\$91,651	\$8.08B
Educational Services	49,303	55,108	5,805	+12%	1.76	\$82,129	\$5.14B
Other Services (except Public Administration)	42,722	48,904	6,182	+14%	0.85	\$36,998	\$2.49B
Wholesale Trade	37,406	35,466	-1,940	-5%	0.79	\$147,437	\$13.06B
Finance and Insurance	23,354	24,361	1,007	+4%	0.50	\$192,506	\$8.51B
Real Estate and Rental and Leasing	17,446	19,237	1,791	+10%	0.95	\$88,194	\$8.20B
Arts, Entertainment, and Recreation	15,870	18,381	2,511	+16%	0.88	\$52,478	\$1.72B
Transportation and Warehousing	13,883	15,882	1,999	+14%	0.37	\$60,960	\$1.77B
Management of Companies and Enterprises	11,843	14,865	3,022	+26%	0.87	\$280,636	\$4.28B
Agriculture, Forestry, Fishing and Hunting	5,512	6,410	898	+16%	0.45	\$51,535	\$511.66M

Industry Characteristics - Cont.

Industry	2013 Jobs	2018 Jobs	Change in Jobs	% Change in Jobs	2018 LQ	2018 Earnings Per Worker	2017 GRP
Utilities	1,725	2,264	539	+31%	0.54	\$160,728	\$1.56B
Mining, Quarrying, and Oil and Gas Extraction	269	247	-22	-8%	0.05	\$94,156	\$174.04M

Business Characteristics

Business Size

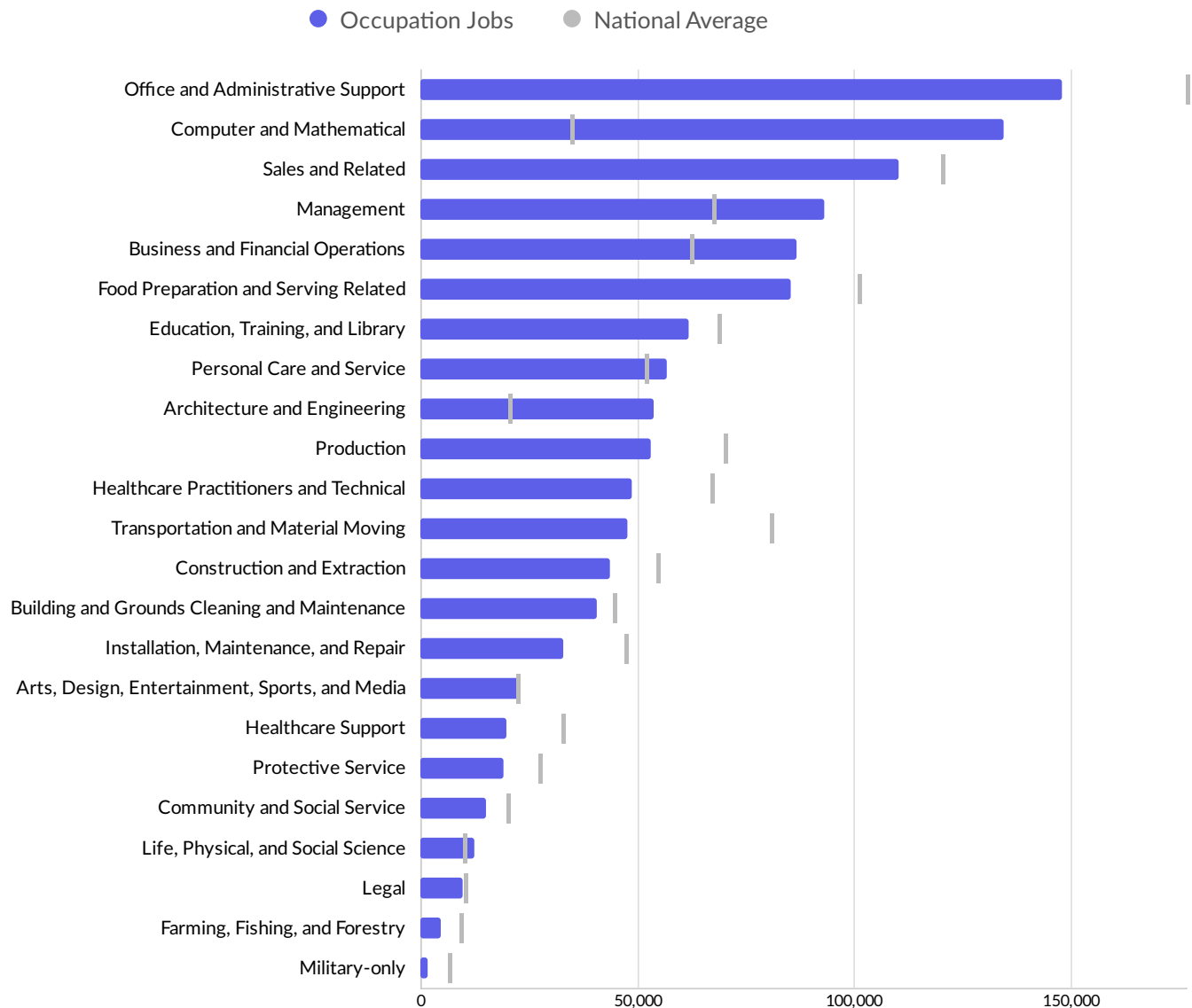


	Percentage	Business Count
1 to 4 employees	36.9%	27,010
5 to 9 employees	24.4%	17,842
10 to 19 employees	21.9%	16,027
20 to 49 employees	12.4%	9,054
50 to 99 employees	2.7%	1,977
100 to 249 employees	1.2%	865
250 to 499 employees	0.3%	252
500+ employees	0.2%	177

**Business Data by DatabaseUSA.com is third-party data provided by Emsi to its customers as a convenience, and Emsi does not endorse or warrant its accuracy or consistency with other published Emsi data. In most cases, the Business Count will not match total companies with profiles on the summary tab.*

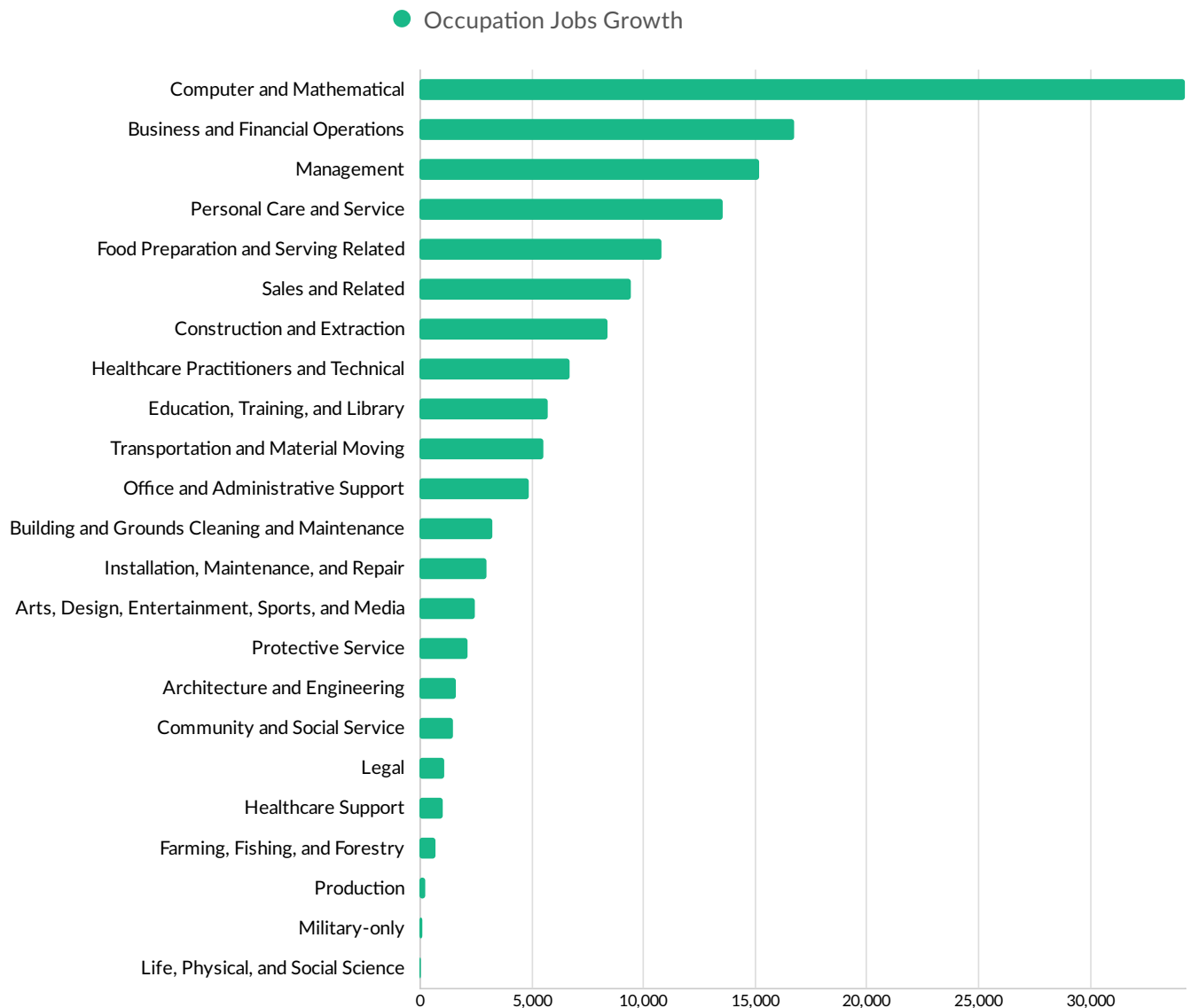
Workforce Characteristics

Largest Occupations



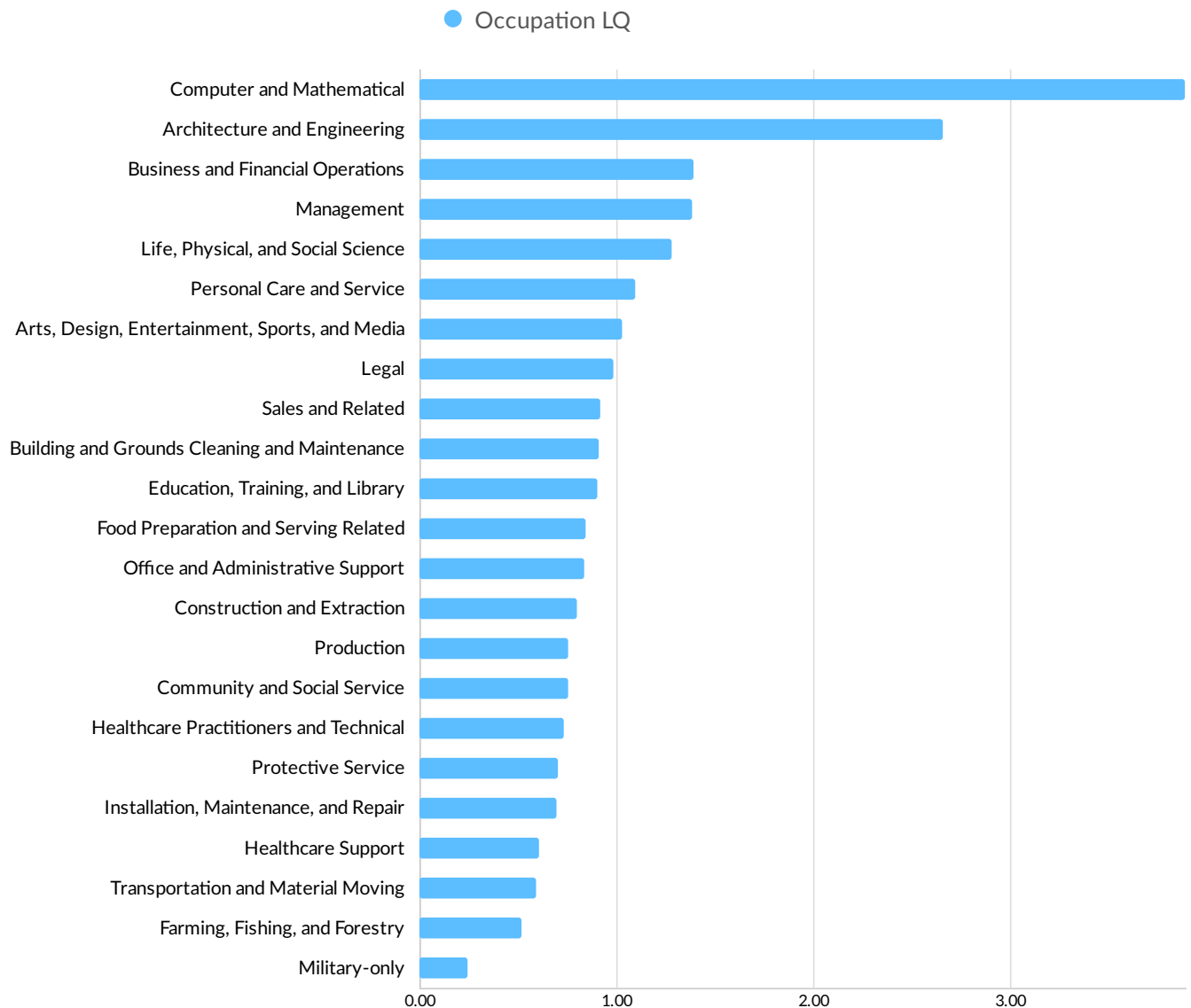
Workforce Characteristics - Cont.

Top Growing Occupations



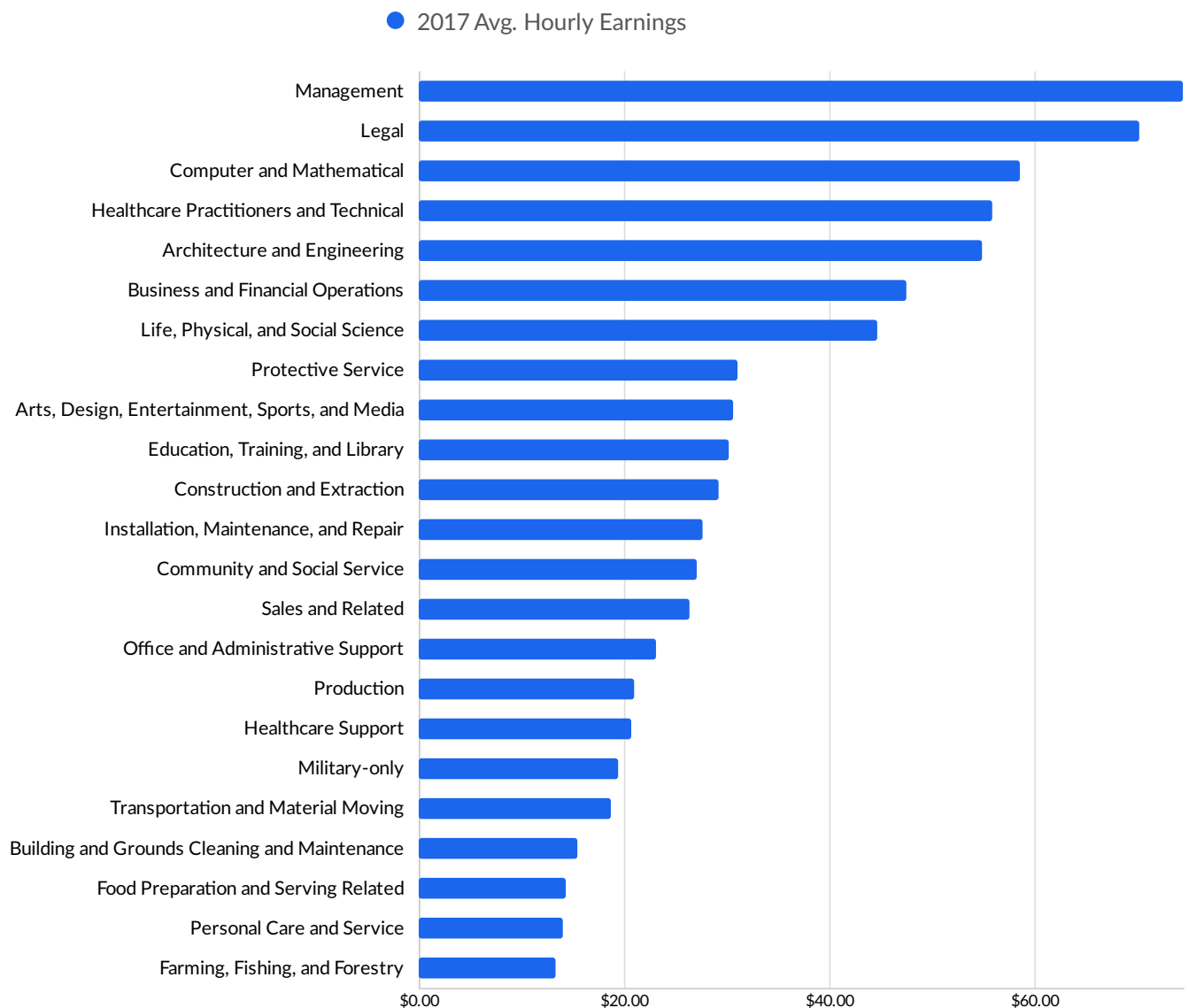
Workforce Characteristics - Cont.

Top Occupation LQ



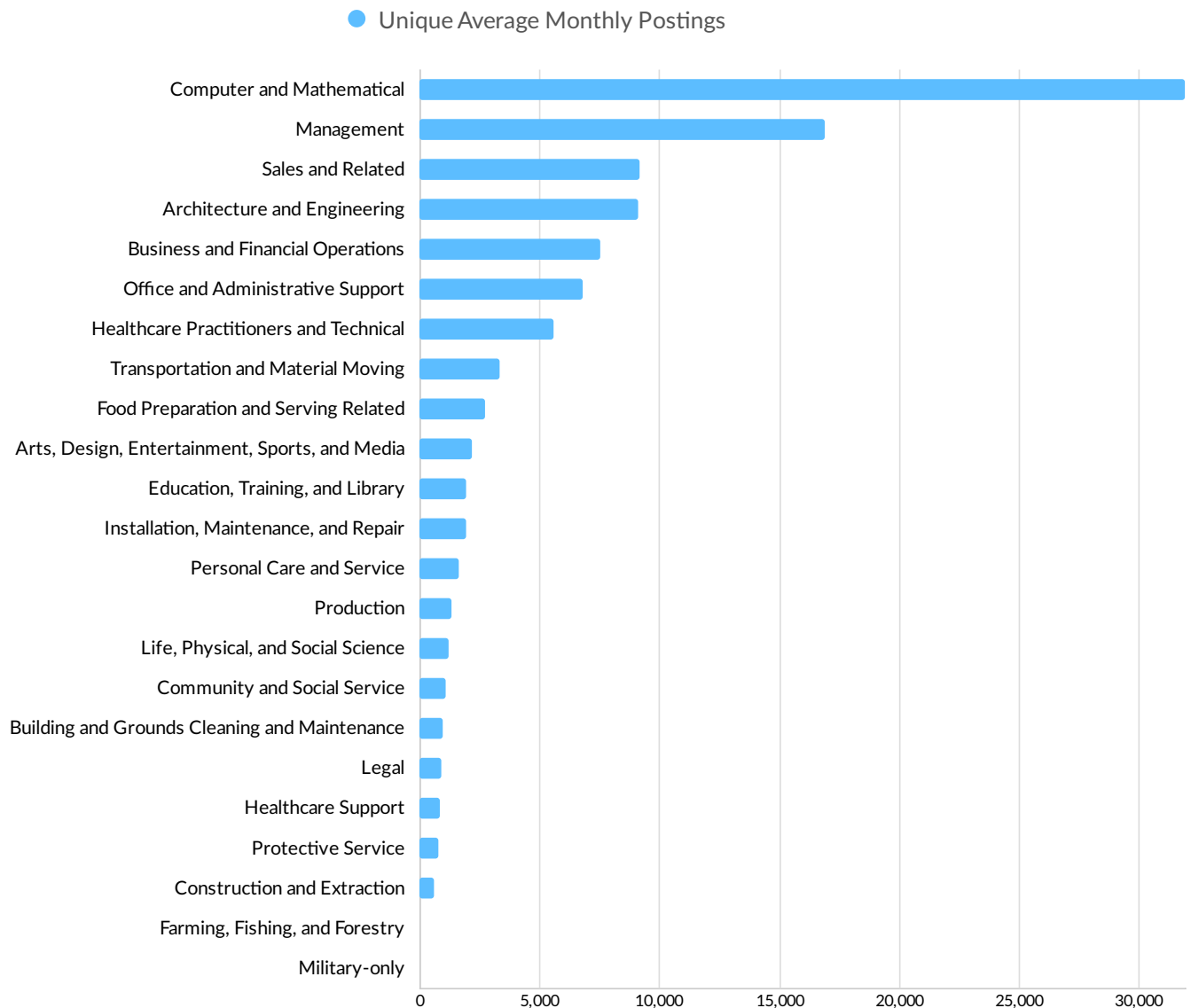
Workforce Characteristics - Cont.

Top Occupation Earnings



Workforce Characteristics - Cont.

Top Posted Occupations



Workforce Characteristics - Cont.

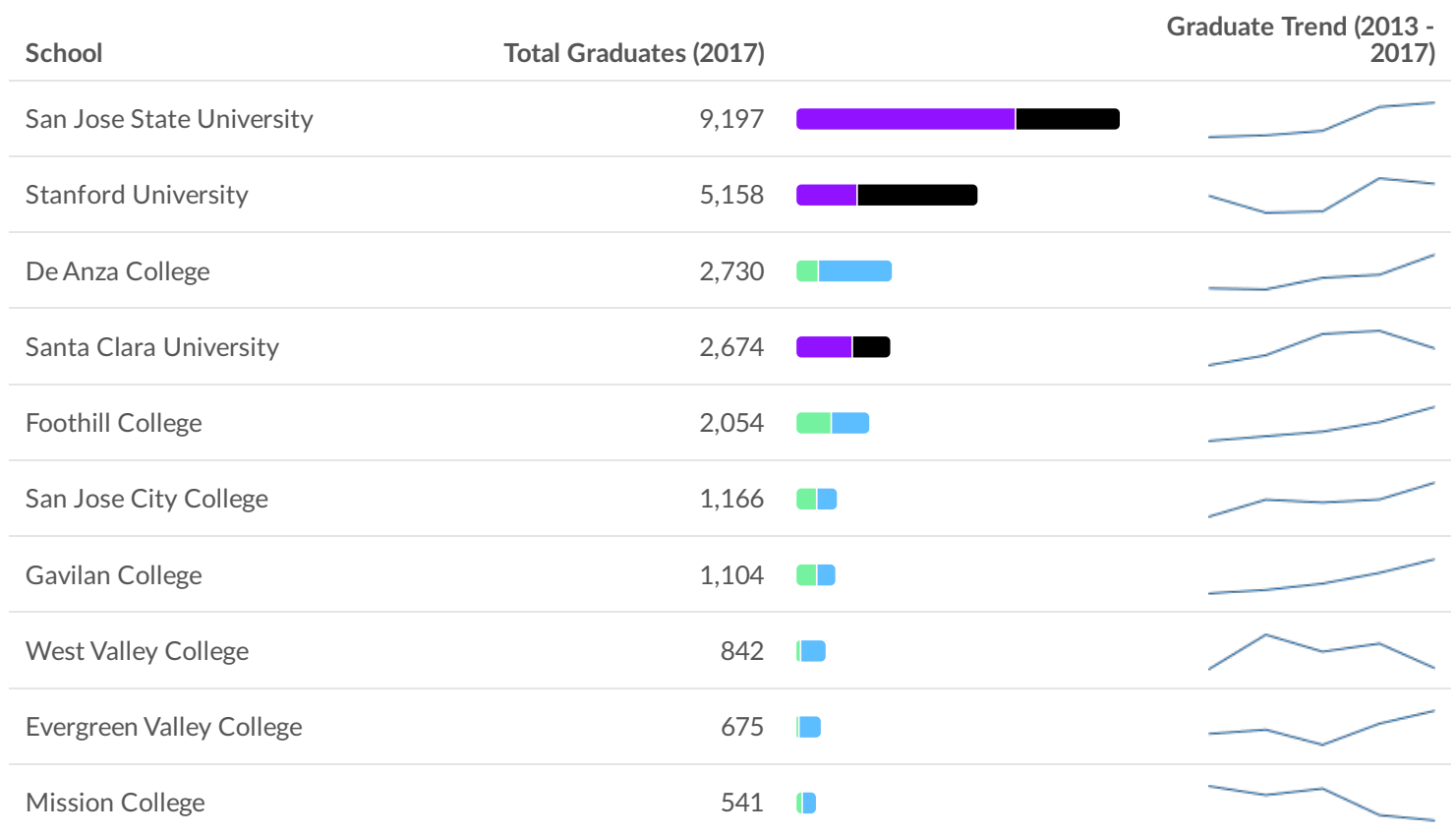
Occupation	2013 Jobs	2018 Jobs	Change in Jobs	% Change in Jobs	2018 LQ	2017 Avg. Hourly Earnings	Oct 2017 - Sep 2018 Unique Average Monthly Postings
Office and Administrative Support	143,089	148,016	4,927	+3%	0.84	\$23.05	6,822
Computer and Mathematical	100,200	134,462	34,262	+34%	3.89	\$58.49	31,922
Sales and Related	101,017	110,460	9,443	+9%	0.92	\$26.35	9,165
Management	77,851	93,058	15,207	+20%	1.39	\$74.38	16,928
Business and Financial Operations	70,184	86,942	16,758	+24%	1.40	\$47.41	7,520
Food Preparation and Serving Related	74,569	85,390	10,821	+15%	0.85	\$14.34	2,758
Education, Training, and Library	56,024	61,796	5,772	+10%	0.90	\$30.22	1,971
Personal Care and Service	43,250	56,828	13,578	+31%	1.10	\$13.98	1,668
Architecture and Engineering	52,296	53,940	1,644	+3%	2.66	\$54.77	9,109
Production	52,872	53,143	271	+1%	0.76	\$20.98	1,350
Healthcare Practitioners and Technical	42,166	48,859	6,693	+16%	0.73	\$55.82	5,622
Transportation and Material Moving	42,272	47,849	5,577	+13%	0.59	\$18.72	3,361
Construction and Extraction	35,205	43,641	8,436	+24%	0.80	\$29.20	593
Building and Grounds Cleaning and Maintenance	37,395	40,660	3,265	+9%	0.92	\$15.45	972
Installation, Maintenance, and Repair	29,878	32,897	3,019	+10%	0.70	\$27.60	1,943

Workforce Characteristics - Cont.

Occupation	2013 Jobs	2018 Jobs	Change in Jobs	% Change in Jobs	2018 LQ	2017 Avg. Hourly Earnings	Oct 2017 - Sep 2018 Unique Average Monthly Postings
Arts, Design, Entertainment, Sports, and Media	20,338	22,799	2,461	+12%	1.03	\$30.65	2,211
Healthcare Support	18,921	19,980	1,059	+6%	0.61	\$20.65	868
Protective Service	16,885	19,067	2,182	+13%	0.70	\$31.04	811
Community and Social Service	13,546	15,033	1,487	+11%	0.75	\$27.07	1,104
Life, Physical, and Social Science	12,299	12,382	83	+1%	1.28	\$44.59	1,197
Legal	8,746	9,876	1,130	+13%	0.99	\$70.15	916
Farming, Fishing, and Forestry	4,056	4,788	732	+18%	0.52	\$13.27	17
Military-only	1,392	1,535	143	+10%	0.24	\$19.39	5

Educational Pipeline

In 2017, there were 28,483 graduates in San Jose-Sunnyvale-Santa Clara, CA. This pipeline has grown by 6% over the last 5 years. The highest share of these graduates come from "Business Administration and Management, General", "Business Administration and Management, General", and Liberal Arts and Sciences/Liberal Studies.



● Certificate
 ● Associate's
 ● Bachelor's
 ● Master's or Higher

III.C

San Jose Works Status Update

[Action]

SAN JOSE WORKS UPDATE

San Jose Works (SJ Works) is a City of San Jose-funded partnership between work2future, the City's Parks, Recreation, and Neighborhood Services Department (PRNS), and The Silicon Valley Organization (The SVO), an unfunded partner.

SJ Works has two tracks, (i) subsidized, in which the City covers the cost of stipends or wages for youth internships/jobs, and (ii) unsubsidized, in which employers cover the cost of stipends or wages. It serves 1,000 youth, focusing increasingly on career pathways.

SJ Works 4.0, the 2018-19 edition of the subsidized program, has provided:

- 375 subsidized employment opportunities for youth aged 14–18.
 - To date, 93% of placed youth have successfully completed paid internships subsidized by the program. Retention methodology: Youth who have earned three paychecks or completed 100 hours in two pay periods.
 - The subsidized model focused increasingly on Priority-Sector and In-Demand Occupation internships for high school youth.
 - Of the 375 subsidized placements, 261 were in priority sectors—information and communications technology, health care, construction, advanced manufacturing, and business and finance—or in-demand occupations outside those sectors.
 - Youth were recruited from High School Career Technical Education classes focusing on the priority sectors and related in-demand occupations.
 - The remaining 114 subsidized placements were with community centers, libraries, City departments and Council offices, or with nonprofit agencies.
- Additional services provided to participating youth included career counseling, job readiness workshops, supportive services (e.g. bus passes), and financial education.

Staff are currently working with the City and Foundation on the Unsubsidized program, and expect to meet a goal of serving 625 youth by April 2019. To date 411 have been enrolled and 226 have been placed.

Staff will also begin working with the City and the Foundation in preparation of SJ Works 5.0 for 2019-20:

- Expected to serve approximately 1,000 youth, ages 14–29, with an estimated 375 subsidized employment opportunities and an estimated 625 unsubsidized employment opportunities.
- Participating youth will continue to have access to services such as job counseling, job readiness training, supportive services (e.g. transportation, clothing, etc.) and financial education.

###

IV.A.1

Minutes Approval

[Action]

work2future Board Meeting
Thursday, September 20, 2018
ACTION MINUTES
CTO: 11:44 a.m.

Prepared by Nguyen Pham; reviewed by Kathryn Azevedo; approved by Monique Melchor

WDB STAFF: Kathryn Azevedo, Sangeeta Durrall, Monique Melchor, Nguyen Pham, Joy Salandanan, and Lawrence Thoo.

I. CALL TO ORDER & OPENING REMARKS

Read by Vice Chair Sue Koepp-Baker. She noted changes in presenters for items IV.B.2, IV.B.3, and IV.B.4. Ms. Koepp-Baker also introduced a new Board member, Mr. Juan Gutierrez, Organizer with the Plumbers, Steamfitters, and HVAC/R union of Santa Clara and San Benito Counties, UA Local 393.

II. QUORUM VERIFICATION

Present: Louise Auerhahn, Rajiv Batra, George Chao, Jack Estill, Juan Gutierrez, Susan Koepp-Baker, Van Le (left at 12:34pm), Pam Moore, Rafaela Perez, Rashad Said, Mitch Schoch, Henri Villalovoz, David Wahl.

Absent: Rose Amador, Jeff Burrill, Joe Flynn, Leslie Gilroy, Blanca Gomez, Maria Lucero, Brynt Parmeter, Steve Preminger, Derrick Seaver.

III. CONSENT ITEMS

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

- (a) Financial Status as of June 30, 2018
- (b) Labor Market Information Update

Ms. Koepp-Baker abstained.

IV. BUSINESS ITEMS

A. Old Business

1. Minutes Approval

ACTION: Upon a motion by Mr. Said, seconded by Mr. Estill, the minutes of the June 21, 2018 Board meeting were approved unanimously. Ms. Koepp-Baker abstained.

B. New Business

1. Director's Report

Director Monique Melchor reported on one-on-one conversations she had recently conducted with a number of work2future Board members and expressed her appreciation for their on-going support. She looked forward to connecting with the remaining Board members and will provide a comprehensive report of the Board's feedback at a future meeting. Responding to questions raised at a previous meeting, Ms. Melchor confirmed that work2future continues to provide services to DACA clients, and that the level of supportive services provided is a strong indication that Job Center staff are keeping clients aware of their availability.

2. WIOA Performance and Outcomes

Director Melchor reported on the transition of performance measures from WIA to WIOA and guidance from the state's Employment Development Department (EDD) to utilize CALJOBS's predictive reports while it is working to develop the official WIOA reports. She mentioned that first real WIOA performance reports may be available as early as Spring 2019, but that the EDD has cautioned that they may not be ready until 2020. Ms. Melchor also reported that work2future met all performance goals to date for the last year, with the exception of the credentials data, and responded to questions posed by Ms. Moore regarding the complexity of measuring WIOA performance indicators among different agencies.

3. Financial Updates

Finance Manager Joy Salandanan presented financial updates. She expressed appreciation to Ms. Melchor and Board member Louise Auerhahn, Director of Economic and Workforce Policy at Working Partnerships USA, for their efforts in collecting apprenticeship wage information for Prop 39 TOP (Trade Opportunities Program) participants, as it allowed work2future to meet successfully leveraging requirements related to SB 734 training. Board members lauded the value and inclusion of apprenticeships. Ms. Melchor invited Board members to connect with her offline to further discuss potential collaboration opportunities. Ms. Salandanan also shared information regarding the potential for funding reductions in Fiscal Year 2019-20.

4. FY 2018-19 Budget Reconciliation

Ms. Salandanan reported on the FY 2018-19 budget reconciliation and asked for the Board's approval for staff to adjust the budget as follows:

- Net Increase of \$690,798 in WIOA Formula program operating budget;
- Net Increase of \$20,751 in WIOA Administrative Services budget;
- Net Increase of \$141,538 in WIOA Rapid Response operating budget;
- Re-budget of \$62,799 in Discretionary funding.

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

[Note: At the discretion of the chair, agenda item IV.B.6 (Prison to Employment Initiative) and agenda item IV.B.5 (San Jose Works Update) were then taken in reverse order.]

5. Prison to Employment Initiative

Senior Project Manager Sangeeta Durrall reported on the Prison to Employment Initiative. Ms. Durrall announced that the Bay-Peninsula Regional Planning Unit (RPU) has been awarded a grant of \$142,500 based on its response to the California Workforce Development Board (State Board) and Employment Development Department's Request for Applications for planning grants. The planning period formally begins October 1. However, Ms. Melchor reported that she has already begun outreach to various probation and juvenile justice agencies and organizations.

6. San Jose Works Update

work2future Foundation Executive Director Jose Rivera, and work2future Foundation Youth Program Supervisor Ruby Carrasco reported on the early success of San Jose Works 4.0, now in progress. They also shared that staff have begun planning for San Jose Works 5.0, the 2019–20 round of the program. Director Melchor expressed appreciation toward Mr. Schoch from Bentek for his efforts in employing multiple San Jose Works youth. She also shared a success story of a youth participant who worked at Bentek and moved on to gain permanent employment.

7. Advanced Manufacturing Initiative Updates

Special Projects Manager Lawrence Thoo provided the Board with an update on the Advanced Manufacturing Initiative. He began by screening the Attract Talent video produced by Jabil. Next, Mr. Thoo thanked Board member George Chao for stepping in on short notice to organize a round of trial presentations for the Manufacturing Ambassador Pilot when the original partner withdrew late in the period. He also stated that OED's business development division will take on future general convening responsibility while work2future focusing on several workforce development pathway projects with employers and other partners.

V. PUBLIC COMMENT: None

VI. SUGGESTED AGENDA ITEMS FOR NEXT MEETING

- a. Update on planning for Prison to Employment grant initiative

VII. ANNOUNCEMENTS

- a. Ms. Koepp-Baker led the introductions among the Board members and work2future staff as a warm welcome to Mr. Gutierrez.
- b. Director Melchor shared that she is happy to continue the on-going conversations with each Board member.
- c. The next Board meeting will take place on Thursday, December 6, 2018 at 11:30 a.m. The Community Builder Awards will be presented at this meeting.

VIII. ADJOURNMENT: The meeting was adjourned at 1:05 p.m.

IV.B.1

2019 Meeting Schedule

[Action]



Memorandum

TO: WORKFORCE DEVELOPMENT BOARD

FROM: Lawrence Thoo

SUBJECT: **2019 Meeting Schedule**

DATE: November 27, 2018

Approved

Date

RECOMMENDATION

Approve the following schedule of meetings of the Board of Directors (Board) of the work2future Workforce Development Board:

- Thursday, March 21, 2019
- Thursday, June 20, 2019
- Thursday, November 21, 2019
- A Board retreat, at a date and time to be approved by the Executive Committee

With the possible exception of the Board retreat, meetings will begin at 11:30 am and, in general, end by 1:30 pm.

BACKGROUND AND ANALYSIS

Article 5, Section 1 of the work2future Workforce Development Board By-Laws provides that the Board “shall meet not less than three times annually.” The recommended schedule above meets this requirement.

For the last several years, the Board has met four times a year, usually in March, June, September and December. Meetings have been scheduled for the third Thursday of a month, except in December, when the Board has usually met on the first Thursday of the month in order to limit the impact of end-of-year holiday schedules on the ability to secure a quorum of Board members for the December meeting.

In most years, the Thanksgiving holiday has come early enough in November to allow for nearly two business weeks before an early December Board meeting. However, in 2019, Thanksgiving Day falls on Thursday, November 28, leaving less than one business week before the first Thursday in December. The proximity to Thanksgiving increases the risk that there may not be a quorum of the Board available for a December meeting. In addition, as November has two sets of public holidays, Veterans Day and Thanksgiving, the time available to prepare for, and meet the Brown Act posting and publication requirements of, a December meeting would be compressed even more than usual. Therefore, staff recommends that the December meeting be moved to the third Thursday of November, which is the Thursday before Thanksgiving.

As it is unlikely that significant business will develop in the relatively small amount of time between the third Thursday of September and the third Thursday of November, staff also recommends that there not be a meeting in September.

Other Meetings

Executive Committee meetings will continue to be scheduled on the third Thursday of each month in which there is not a Board meeting: January, February, April, May, July, August, September and October. Barring an unexpected and pressing need to conduct business, no committee meeting will be scheduled for December 2019.

Executive Committee meetings will begin at 11:30 am, unless otherwise announced.

Finance & Performance Committee meetings will be scheduled for the months of February, May and October. They will coincide and be held jointly with Executive Committee meetings in those months.

Additionally, it is recommended that there be a Board retreat in 2019 and that the Board refer to the Executive Committee the task of working with staff to schedule and approve the subject matter for the retreat.

At the November 15 joint meeting of the Executive Committee and the Finance & Performance Committee, both committees expressed an informal consensus in support of the recommended schedule of Board meetings.

Lawrence Thoo
Staff Liaison to the Board

cc: Monique Melchor
Jeff Ruster

IV.B.2

WIOA Performance and Service Delivery Outcomes

[Discussion]

WIOA PERFORMANCE AND UPDATE ON SERVICE DELIVERY OUTCOMES

Predictive Reports

- As reported at the August Executive Committee meeting, official Workforce Innovation, and Opportunity Act (WIOA) performance reporting is not available in the state reporting system. The state advised local workforce boards that ‘predictive reports’ should be used to obtain WIOA performance measure information beginning in mid-2018.
- Results from the predictive reports coincide with draft directive WSDD-185.
- Cohorts for each performance measure (Entered Employment Rate 2nd Quarter, Median Earnings, Entered Employment Rate 4th Quarter, Attainment of Degree or Certificate, and Measurable Skills Gain) align with dates that are being measured in each report.
- Predictive reports that local areas access are the same as the reports that the State used for PY 2018-19 and PY 2019-20 negotiations.
- A WIOA PY 2017-18 performance report using predictive report data is attached (Attachment 1), as is a first look at WIOA 1st Quarter performance using ‘predictive reports’ (Attachment 2).

The predictive reports are not the ‘official’ performance but mimic this same process. The predictive reports have been used by the Performance Reporting Analysis Unit (PRAU) to validate the data submitted to the Department of Labor (DOL), so they are relatively close to the official numbers.

With the addition of the ETA 9173 to the system, those numbers are going to be nearly identical to (if not the same as) the quarterly report data calculated by DOL. The PRAU will be using this report instead of the predictive reports moving forward to validate the data to ensure both the DOL and CalJOBS data are synonymous. Until the state provides other means of providing the workforce development boards with performance data, work2future will utilize the predictive reports as a mechanism to track ongoing performance for the new measures. work2future will continue to work with the state regarding updates and modifications within the CalJOBS systems to track and provide performance data.

(Note: The ETA-9173 is the Office of Management and Budget-approved template for DOL's WIOA Quarterly Performance Reports.)

Performance Negotiations

Early in September 2018, in preparation for performance negotiations, the California Workforce Association sent to work2future a workbook of available data for PY 2017-18 from the CalJOBS predictive reporting system. This data allowed work2future to analyze the prior year’s goals and outcomes to begin the negotiation process for PY 2018-19 and PY 2019-20

On October 5, 2018 work2future successfully negotiated Performance Goals for WIOA Title I Programs—Adult, Dislocated Worker, and Youth—for PY 2018-19 and PY 2019-20 (Attachment 3).

Employment Outcomes and Performance of Career Services Providers

work2future Foundation

- **Adult/Dislocated Worker (A/DW) Program:** Based on the cumulative Fiscal Year 1st Quarter (FYQ1) information, the work2future Foundation (Foundation) is not meeting its FYQ1 contractual goals for enrollments, overall employment placements and training, except for OJT.
- **A/DW Outcomes:** Based on available information, the Foundation is not meeting the A/DW employment outcome targets of at least 75 percent employment overall with (i) at least 50% of

clients employed by Priority Sector Employers or in In-Demand Occupations with other employers, and (ii) 25% of clients securing employment outside Priority Sectors/In-Demand Occupations.

- **Youth Program:** Based on available information, the Foundation is meeting only their enrollment goals; all other Youth goals are not being met to date.
- **Youth Program Placement Outcomes:** Based on available information, the Foundation is not meeting the following outcomes goals:
 - Place 50% of clients into employment or work experience with Priority Sector Employers or in In-Demand Occupations, or into Post-Secondary Education; and
 - Secure employment regardless of Priority Sectors or In-Demand Occupations for another 25% who are low-income youth or have additional barriers.

work2future is now in the second year of a change from an integration model, where clients met with a case manager on a drop-in basis, to an intensive case management one-on-one model which provides an opportunity for a greater emphasis on customer-focused and effective case management. For the PY17-18 A/DW program, 86% of participants found employment. However, the Foundation fell 5 percentage points short of meeting the 50% goal of employment specifically in Priority Sector/In-demand/Career Pathway Occupation Placements. To meet the outcomes goal of 50% Priority Sector/In-demand/Career Pathway Occupation Placements and 25% Other Sector Placements, the Foundation should follow up with the clients to establish the status of at least 264 of the 433 with status pending. The distributions would then be as follows: 492 (50%) or more Individuals placed/ employed in priority sectors or in-demand occupations in other sectors, and 247 (25%) in non-priority sector, non-demand placements.

The Youth program also did not meet its outcome goals for the year. It fell short by 8 percentage points in Priority Sector/In-demand/Career Pathway Occupation Placements. At least 22 of the 24 youth whose employment status is pending would need to be employed appropriately to reach the 50% goal. As with the A/DW program, the Foundation needs to follow up with the clients. It is still early enough in PY 18-19 to remedy the current outcomes. The work2future board will continue to oversee the contractors and provide them with technical support and training throughout the transition. However, corrective actions will need to be put into place if performance does not improve.

Eckerd Connects Workforce Development

- **A/DW Program:** Eckerd met its FYQ1 goals for Enrollment, ETPL placements, OJT and Obtained-Credential rate. It did not meet its goal for Entered Employment. Eckerd has advised that the Entered Employment rate has not been met due to participants not yet having completed training.
- **A/DW Employment Outcomes:** Based on available information, Eckerd is not meeting the Adult/Dislocated Worker employment goal of at least 75 percent employment overall with (i) at least 50 percent of clients placed with Priority Sector Employers or in In-Demand Occupations and (ii) another 25 percent of clients securing employment elsewhere. Eckerd has had only one staff in place until the week of October 15, when a second began work.

See Attachments 4 and 5 for A/DW outcomes data and 6 and 7 for Youth outcomes data.

WIOA PERFORMANCE AND OUTCOMES
 utilizing 'predictive report' data

work2future

WIOA Performance Outcomes Report 4th Quarter
 (Run date: 09-12-18)

PY 2017 (2017-2018) 4th Quarter

Performance Measures	WIOA Perf. Goals	Actual	Success Rate
ADULT			
Entered Employment Rate 2nd Qtr	58.0%	62.3%	107.4%
Entered Employment Rate 4th Qtr	55.0%	62.8%	114.2%
Median Earnings	\$5,550.00	\$7,522.00	135.5%
Attainment of a Degree or Certificate	48.0%	27.6%	57.5%
Measurable Skills Gain	Baseline	3.6%	Baseline
DISLOCATED WORKERS			
Entered Employment Rate 2nd Qtr	64.0%	64.4%	100.6%
Entered Employment Rate 4th Qtr	62.0%	67.7%	109.2%
Median Earnings	\$8,425.00	\$10,578.00	125.6%
Attainment of a Degree or Certificate	60.0%	20.6%	34.3%
Measurable Skills Gain	Baseline	0.2%	Baseline
YOUTH			
Placement in Employment or Education 2nd Qtr	62.4%	64.4%	103.2%
Median Earnings	Baseline	\$3,415.00	Baseline
Entered Employment Rate 4th Qtr	64.2%	66.4%	103.5%
Attainment of a Degree or Certificate	52.0%	81.0%	155.7%
Measurable Skills Gain	Baseline	0.5%	Baseline
Overall Performance - Local Target (100%)	Exceeded 9/11		
Overall Performance - State Target (80%)	Exceeded 9/11		



WIOA PERFORMANCE AND OUTCOMES
 utilizing 'predictive reports' data

work2future

WIOA Performance Outcomes Report 1st Quarter
 (Run date: 10-15-18)

PY 2018 1st Quarter			
Performance Measures	WIOA Perf. Goals	Actual	Success Rate
ADULT			
Entered Employment Rate 2nd Qtr	55.0%	67.8%	123.3%
Entered Employment Rate 4th Qtr	54.0%	61.2%	113.3%
Median Earnings	\$5,650.00	\$8,112.14	143.6%
Attainment of a Degree or Certificate	53.0%	22.2%	41.9%
Measurable Skills Gain	Baseline	1.2%	Baseline
DISLOCATED WORKERS			
Entered Employment Rate 2nd Qtr	60.0%	68.4%	114.0%
Entered Employment Rate 4th Qtr	62.0%	76.4%	123.2%
Median Earnings	\$8,600.00	\$11,762.80	136.8%
Attainment of a Degree or Certificate	57.0%	17.3%	30.4%
Measurable Skills Gain	Baseline	0.7%	Baseline
YOUTH			
Placement in Employment or Education 2nd Qtr	60.0%	68.8%	114.7%
Entered Employment Rate 4th Qtr	62.0%	72.7%	117.3%
Median Earnings	Baseline	\$4,051.01	Baseline
Attainment of a Degree or Certificate	53.0%	85.0%	160.4%
Measurable Skills Gain	Baseline	0.0%	Baseline
Overall Performance - Local Target (100%)	Exceeded 9/11		
Overall Performance - State Target (80%)	Exceeded 9/11		



WIOA PERFORMANCE AND OUTCOMES

Negotiated Performance Goals

On October 5, 2018 performance was negotiated for the years below.

Performance Indicators	Final Negotiated Goals		
	PY18	PY19	Change
Adult			
Employment Q2 post-exit	55.0%	56.0%	1%
Employment Q4 post-exit	54.0%	55.0%	1%
Median Earnings	\$5,650	\$5,800	1%
Credential Attainment Rate	53.0%	54.0%	1%
Measurable Skills Gain	<i>baseline</i>	<i>baseline</i>	<i>N.A.</i>
Dislocated Worker			
Employment Q2 post-exit	60.0%	62.0%	1%
Employment Q4 post-exit	62.0%	64.0%	1%
Median Earnings	\$8,600	\$8,800	1%
Credential Attainment Rate	57.0%	58.0%	1%
Measurable Skills Gain	<i>baseline</i>	<i>baseline</i>	<i>N.A.</i>
Youth			
In Educ., Training or Employment Q2 post-exit	60.0%	61.0%	1%
In Educ., Training or Employment Q4 post-exit	62.0%	63.0%	1%
Median Earnings	<i>baseline</i>	<i>baseline</i>	<i>N.A.</i>
Credential Attainment Rate	53.0%	54.0%	1%
Measurable Skills Gain	<i>baseline</i>	<i>baseline</i>	<i>N.A.</i>

WORK2FUTURE FOUNDATION & ECKERD SERVICES

Prepared by Meredith Studebaker, Bige Yilmaz. Approved by Monique Melchor
Reporting Period: July 1, 2018 – September 30, 2018

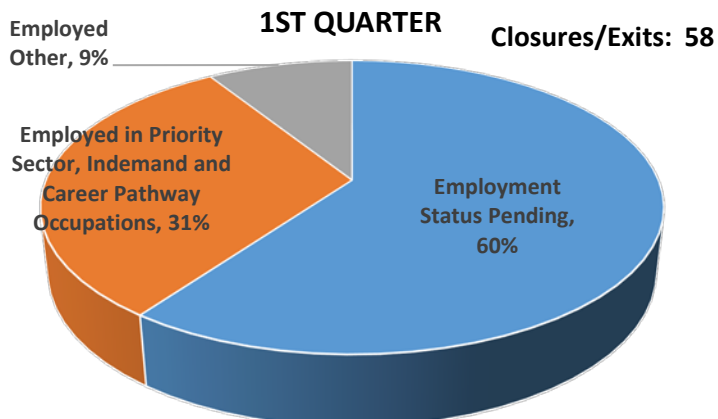
TOTAL NUMBERS SERVED JULY 1, 2018 – SEPTEMBER 30, 2018	
Number of Carryover Participants:	750
Total Enrollments as of July 1, 2018 (September = 77 participants):	258
Participants Provided Services:	1008

work2future Foundation Adult & DW Performance 1st Quarter 2018-2019							
Measures for NEW Participants	ANNUAL GOALS	Monthly Goals	7/31/18	8/31/18	9/30/18	% of Quarter Goal	% of Annual Goal
Enrollments	1000	GOAL	85	170	265	88%	23%
		ACTUAL	85	164	234		
ETPL	70	GOAL	0	10	25	16%	6%
		ACTUAL	0	3	4		
OJT	30	GOAL	3	6	9	111%	33%
		ACTUAL	3	5	10		
Obtained Credential	75	GOAL	0	0	3	0%	0%
		ACTUAL	0	0	0		
Entered Employment in Area of Training	90	GOAL	0	5	10	0%	0%
		ACTUAL	0	0	0		

Based on the cumulative 1st quarter information above, the work2future Foundation (Foundation) did not meet its 1st quarter goals, except for OJT.

Based on the information below the Foundation did not meet the Adult/Dislocated Worker outcome goal of placing (i) 50% of Adult and Dislocated Worker clients in Priority Sectors and/or in In-Demand Occupations and (ii) another 25% clients securing other employment.

AD/DW CLIENT OUTCOMES 18-19



INDUSTRY SECTOR OCCUPATIONS	#		
CONSTRUCTION	0		
BUSINESS SERVICES AND FINANCE	3		
HEALTHCARE	2		
INFORMATION COMPUTER TECH	2		
MANUFACTURING	4		
EMPLOYED OTHER SECTORS	5	5	9%
EMPLOYED IN PRIORITY SECTOR	11		
EMPLOYED IN-DEMAND OCCUPATION	7	18	31%
EMPLOYMENT STATUS PENDING	35	35	60%
TOTAL CLOSURES/EXITS	58	58	100%

WORK2FUTURE FOUNDATION & ECKERD SERVICES

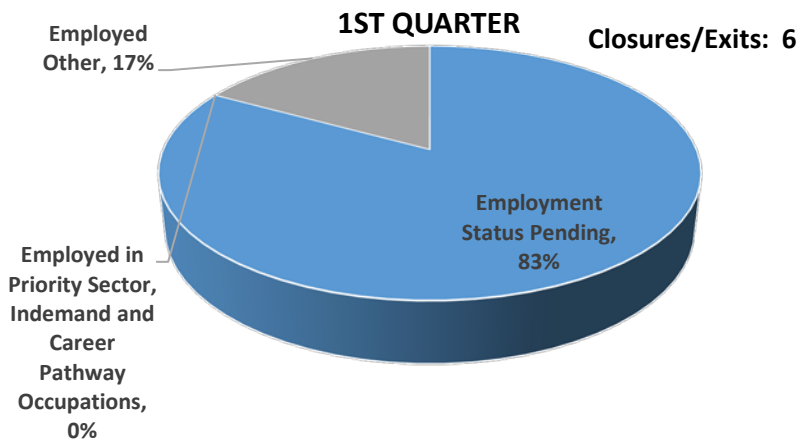
Prepared by Meredith Studebaker, Bige Yilmaz. Approved by Monique Melchor
Reporting Period: July 1, 2018 – September 30, 2018

Eckerd Connects Adult & DW Performance 1st Quarter 2018-2019							
Measures for NEW Participants	ANNUAL GOALS	Monthly Goals	7/31/18	8/31/18	9/30/18	% of Quarter Goal	% of Annual Goal
Enrollments	231	GOAL	12	15	18	133%	10%
		ACTUAL	8	17	24		
ETPL	27	GOAL	0	3	3	266%	30%
		ACTUAL	0	1	8		
OJT	5	GOAL	0	0	0	0%	0%
		ACTUAL	0	0	0		
Obtained Credential	15	GOAL	0	0	0	0%	0%
		ACTUAL	0	0	0		
Entered Employment in Area of Training	150	GOAL	5	5	10	0%	0%
		Actual	0	0	0	0%	0%

Based on the information above, Eckerd met its quarterly goal of Enrollment and ETPL placements. The Entered Employment rate did not meet the goal, but that reflects the fact that participant' training programs are still in progress.

Based on the information below Eckerd did not meet the Adult/Dislocated Worker outcomes goal of placing (i) 50% of Adult and Dislocated Worker clients in Priority Sector and/or In-Demand Occupations, and (ii) another 25% clients securing other employment. Eckerd has been advised. Eckerd has had only one staff in place a second joined the team the week of October 15.

AD/DW CLIENT OUTCOMES 18-19

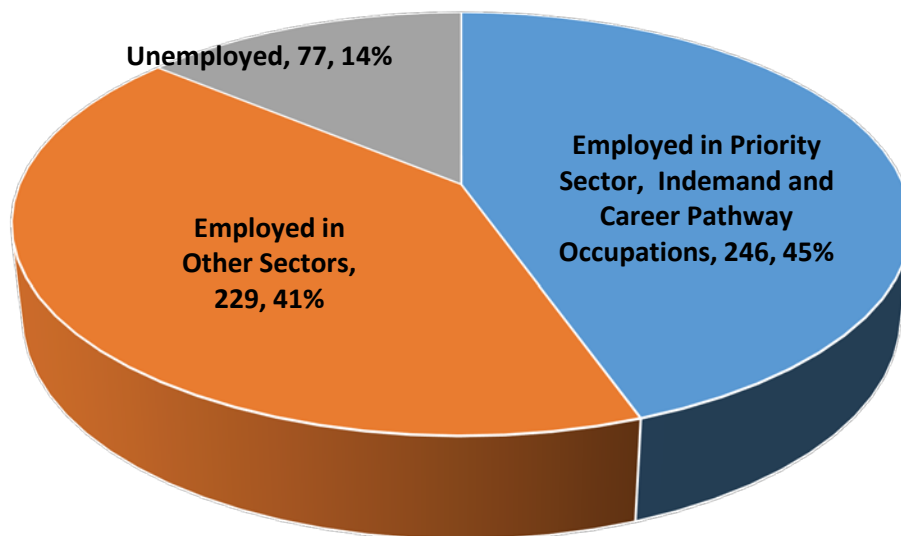


INDUSTRY SECTOR OCCUPATIONS	#		
CONSTRUCTION	0		
BUSINESS SERVICES AND FINANCE	0		
HEALTHCARE	0		
INFORMATION COMPUTER TECH	0		
MANUFACTURING	0		
EMPLOYED OTHER SECTORS	0	1	17%
EMPLOYED IN PRIORITY SECTOR	0		
EMPLOYED IN-DEMAND OCCUPATION	0	0	0%
EMPLOYMENT STATUS PENDING	0	5	83%
TOTAL CLOSURES/EXITS	6	100%	

WIOA PERFORMANCE AND SERVICE DELIVERY OUTCOMES

work2future Foundation Outcome Adults/Dislocated Workers PY 2017-18

Adult/DW Employment Outcomes 17-18 552 Clients (Excluding Employment Status Pending Clients)



In order to meet the outcomes goal of 50% Priority Sector/In-demand/Career Pathway Occupation Placements and 25% Other Sector Placements, work2future Foundation should follow up with clients to establish the status of at least 264, or 61%, of 433 clients whose status is still pending and are, therefore, not reflected in the chart above.

WORK2FUTURE FOUNDATION SERVICES

Prepared by Meredith Studebaker. Approved by Monique Melchor
Reporting Period: July 1, 2018 – September 30, 2018

BOARD: 12-06-18
AGENDA ITEM: IV.B.2
ATTACHMENT: 6 of 7

TOTAL YOUTH NUMBERS SERVED JULY 1, 2018 – SEPTEMBER 30, 2018	
Number of Carryover Participants:	134
Total Enrollments as of July 1, 2018 (September = 14 participants):	73
Participants Provided Services:	207

Youth Performance Operating Plan 1st Quarter San Jose							
		Yearly Goal	7/31/2018	8/31/2018	9/30/2018	Total	Year%
Enrollments	New	185	30	15	12	57	
	Actual		35	22	14	71	38%
Placement	New	148	0	8	10	18	
	Actual		3	3	0	6	4%

Youth Performance 1st Quarter South County							
		Goal	7/31/2018	8/31/2018	9/30/2018	Total	Year%
Enrollments	New	50	7	4	4		
	Actual		2	0	0	2	4%
Placement	New	40	0	2	3		
	Actual		0	0	0	0	0%

Based on the information above the work2future Foundation is only meeting their enrollment goals. All other Youth goals are not being met to date.

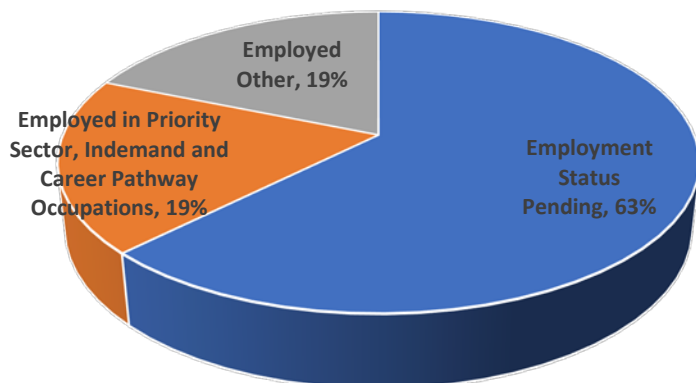
Based on the data below the Foundation did not meet 1st Quarter outcome goals as indicated below:

- Place 50% of clients with Priority Sector Employers or in In-Demand Occupations, without including work experience, or placement in postsecondary education.
- Secure employment in other sectors and/or occupations for another 25% who are low-income or have additional barriers.

Foundation Youth Client Outcomes 18-19

1st Quarter

Closures/Exits 16



INDUSTRY SECTOR	#	TOTALS
WEX		
CONSTRUCTION	0	
FINANCE	0	
HEALTHCARE	1	
ICT	0	
MANUFACTURING	0	
IN-DEMAND OCCUPATIONS	2	
EMPLOYED IN PRIORITY SECTORS, IN-DEMAND OCCUPATIONS	3	
EMPLOYED OTHER	3	
EMPLOYMENT STATUS PENDING = CLOSURES NYE /EXITED NO INFO	10	
GRAND TOTAL		16

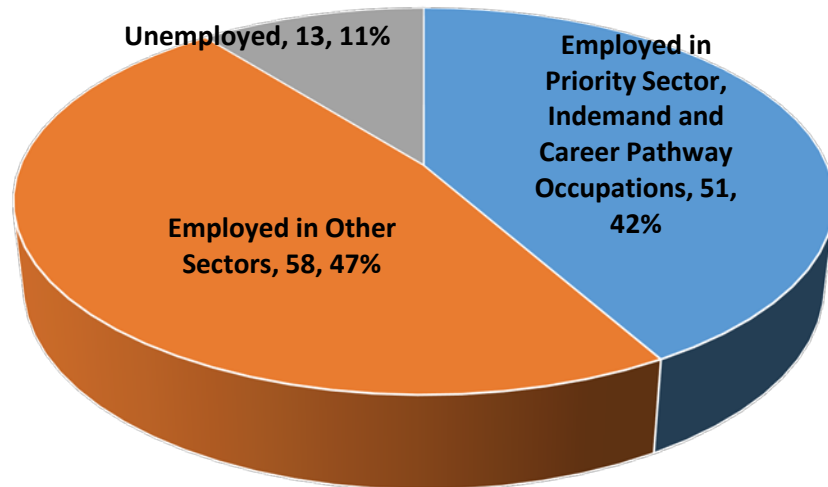
WIOA PERFORMANCE AND SERVICE DELIVERY OUTCOMES

work2future Foundation Outcome Youth PY 2017-18

Youth Employment Outcomes 17-18

122 Clients

whose employment status is clear



In order to meet the outcomes goal of 50% Priority Sector/In-demand/Career Pathway Occupation Placements and 25% Other Sector Placements, work2future Foundation must follow up with the 24 clients whose status is still pending (and, therefore, not included in the chart above) and at least 22, or 92%, of those clients must have found employment in Priority Sectors or In-Demand or Career Pathway occupations.

IV.B.3

**Budget Update: Preliminary
Budget Scenarios FY 2019-20**

[Discussion]

PRELIMINARY BUDGET SCENARIOS FOR FY 2019–20

I. Projected Changes in WIOA Formula Allocation

FISCAL YEAR	2018-2019 BASE	2019-2020 AS IS	2019-2020 5% Reduction	2019-2020 10% Reduction
Allocation	\$6,322,486	\$6,322,486	\$6,006,362	\$5,690,237
Shortfall in Funding		0	\$316,124	\$632,249
Shortfall in %		0%	5%	10%

II. Assumptions: Sources

- Assumes three scenarios: AS IS, 5% reduction, and 10% funding reduction.
- Assumes a 27% carry-over from FY 18-19 Adult, Dislocated Worker and Youth programs which includes the Board-mandated and Board-approved Contingency Reserve accounts. This represents about \$1 million or 37% lower than the carry-over funding from FY 17-18.
- Assumes 15% carry-over funds to FY 20-21.
- Proposed Scenarios excludes Admin and Rapid Response Allocation; strictly WIOA program operating budget only.

FISCAL YEAR	2018-2019 BASE	2019-2020 AS IS	2019-2020 5% Reduction	2019-2020 10% Reduction
Allocation	\$6,582,513	\$6,322,486	\$6,006,362	\$5,690,237
Proposed Funding	\$7,414,925	\$6,422,525	\$6,185,431	\$5,948,338
Shortfall in Funding		(\$992,397)	(\$1,229,494)	(\$1,466,587)
Shortfall in %		-13%	-17%	-20%

III. Assumptions: Uses

- Assumes the same staffing level funded as FY 18-19; assumes COLA (cost-of-living adjustment) of 3%.
- Assumes 20% of Youth Program allocation will be spent on work experience programs.
- Assumes 20% of Adult and Dislocated Worker allocation will be spent on SB 734 training; 10% will be sourced from other leveraged resources.
- Assumes no Unallocated Reserve account.
- Assumes no change in funding distributions to the Service Providers.

IV. Budget Impact

- Depending on scenarios, financial impact results in a deficit of approximately \$800,000 to \$900,000.

FISCAL YEAR	2018-2019 BASE	2019-2020 AS IS	2019-2020 5% reduction	2019-2020 10% Reduction
Proposed Sources	\$7,414,925	\$6,422,524	\$6,185,431	\$5,948,338
Proposed Uses	\$7,414,925	\$6,650,828	\$6,609,327	\$6,528,514
Shortfall in \$	0	(\$764,097)	(\$805,598)	(\$886,411)
Shortfall in %	0%	-10%	-11%	-12%

- Staff will be looking into possible ways to mitigate the impact such as:
 - Potential new grant funding.
 - Reducing Board-mandated reserve from 15% to 10%
 - Spreading SB 734 funds over two years, spending only 10% rather than 20% on the first years
 - Reducing staffing level and client-service delivery

V. Looking Ahead

- The improving economy will likely result in decreased funding for Workforce Development Boards, particularly as the White House asked Congress to cut overall funding for Department of Labor by 9%, which included a 40% cut to funding for WIOA.
- Carry-over funds will continue to decrease as a result of lower allocations, unless new funding streams are generated.

VI. Next Steps

- Staff will present three Budget Scenarios to the Finance and Executive Committees in February 2019 and at the subsequent Board meeting.

###

IV.B.4

Skills Gap in the San Jose MSA

[Discussion]

SKILLS GAP IN THE SAN JOSE METRO AREA

Presentation on the work to-date of a study of the skills gap issue in the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area by The Social Progress Imperative, Inc., nonprofit developer of the Social Progress Index, a quality-of-life measure in countries and communities.

###

IV.B.5

2018 Community Builder Awards

[Presentations]

2018 COMMUNITY BUILDER AWARDS

Through the annual presentation of Community Builder Awards, work2future recognizes those organizations and individuals that have helped to make the community a better place.

#

V.

Public Comment

VI.

Suggested Agenda Items

For Next Meeting

VII.

Announcements

VII.A

The next meeting of the work2future Board is tentatively scheduled for Thursday, March 21, 2019, 11:30 a.m., pending the Board's approval of the 2019 meeting schedule.

VII.B

Other announcements

VIII.

Adjournment