



BOARD MEETING AGENDA

Thursday, June 20, 2019

9:30 am

NextFlex

2040 Fortune Drive

San Jose, CA 95131

www.work2future.biz

Joseph Flynn, Chair

Susan Koepp-Baker, Vice Chair

Monique Melchor, Secretary

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 Kathryn Azevedo at 408.794.1176 or call 408.294.9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

WORKFORCE BOARD

Name/Company	Executive	Finance	Priv Emp	Youth
Amador-LeBeau, Rose <i>Conxi3n to Community (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			
Gilroy, Leslie <i>CSDC/San Jose Job Corps</i>				
Gomez, Blanca <i>Wells Fargo</i>		M		
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 Agent</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>				
Preminger, Steve <i>Office of Strategic & Intergovernmental Affairs, 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; SJECCD</i>				
Wahl, David <i>Jabil, Inc.</i>				

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

WORKFORCE DEVELOPMENT BOARD

**June 20, 2019
9:30 am**

BUSINESS MEETING AGENDA

I. CALL TO ORDER

II. QUORUM VERIFICATION & OPENING REMARKS

III. CONSENT ITEMS {Action}

Approve the acceptance of:

5 min

9:40 am end

A. Financial Status as of March 31, 2019

B. WIOA Performance Indicators as of March 31, 2019

IV. BUSINESS ITEMS

A. Old Business

5 min

9:45 am end

1. Minutes Approval (Action)

Approve the minutes of the March 21, 2019 Board meeting.

B. New Business

1. Monitoring for FY 2019 {Discussion}

5 min

9:50 am end

Monique Melchor, Director

Preliminary results from the state's monitoring of work2future's fiscal and procurement activities for Fiscal Year 2018-19.

2. Single Audit for FY 2018 {Discussion}

5 min

9:55 am end

Joy Salandanan, Finance Manager

Summary results of the independent audit of the City of San Jose's finances for FY 2018 and related audits of work2future's career services providers.

3. San Jose Works 5.0 (Action)

10 min

10:05 am end

Joy Salandanan, Finance Manager

Approve the following:

a) Acceptance of \$1.5 million in City of San Jose funds to support San Jose Works 5.0.

b) Distribution of the funds above to support San Jose Works 5.0, as follows: (a) \$1,258,000 to work2future Foundation, (b) \$95,000 to the City's Parks, Recreation and Neighborhood Services Department (PRNS), and (c) \$147,000 for San Jose Works-related expenditures in the work2future Operating Budget.

- 4. Prison to Employment Grant {Action}** 10 min
Joy Salandanan, Finance Manager 10:15 am end
 Approve the acceptance of \$661,783 for implementation of the Prison to Employment Initiative, including \$607,976 for program service delivery and \$53,807 for work2future's service as program lead.
- 5. WIOA Career Services in Fiscal Year 2019-20 {Discussion}** 10 min
Monique Melchor, Director 10:25 am end
 Report on Executive Committee approval on behalf of the Board at a Special Meeting on June 6, 2019 to expand the scope of the Eckerd Youth Alternatives, Inc. WIOA Adult and Dislocated Worker Program services agreement from South County to all of work2future's Local Workforce Development Area, to establish an agreement with Eckerd for WIOA Youth Program services, and to distribute \$2,414,059 to Eckerd for FY 2019-20 to support the aforementioned services.
- 6. WIOA Operating Budget for FY2020 {Action}** 20 min
Joy Salandanan, Finance Manager 10:45 am end
 Approve the recommended WIOA Operating Budget of \$6,842,369 for Fiscal Year (FY) 2019-20, including:

 - a) Adjustment of \$34,313 to the March 21, 2019 Board-approved preliminary WIOA Program Operating *base* Budget for FY 2019-20
 - b) WIOA Administrative Budget in the amount of \$579,649
 - c) Proposed WIOA *estimated* Rapid Response Funding for FY 2019-20 of \$467,823
 - d) Authorization for staff to transfer funds without additional Board approval between budget line items, as long as overall amounts for personnel and non-personnel expenses are not changed, and between the Adult and Dislocated Worker Programs, as needed, so long as the total budget amount is not changed.

V. PUBLIC COMMENT

VI. SUGGESTIONS FOR FUTURE AGENDA ITEMS

VII. ANNOUNCEMENTS

- A. The next business meeting of the work2future Board is scheduled for Thursday, November 21, 2019, 11:30 am, at the America's Job Center of California, San Jose, 1601 Foxworthy Ave., San Jose (Kirk Community Center).
- B. Other

VIII. ADJOURNMENT TO BOARD RETREAT

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

II.

Quorum Verification &
Opening Remarks

CALL TO ORDER—QUORUM VERIFICATION—OPENING REMARKS

THIS MEETING OF THE WORK2FUTURE WORKFORCE DEVELOPMENT BOARD IS CALLED TO ORDER.

STAFF ... DO WE HAVE A QUORUM?

(Staff responds Yes or No.)

GOOD MORNING ... FOR THE RECORD, TODAY IS THURSDAY, JUNE 20, 2019.

MY NAME IS JOE FLYNN ... I AM THE CHAIR OF THE WORKFORCE DEVELOPMENT BOARD.

THIS IS THE FIRST OF TWO BOARD MEETINGS TODAY. THIS IS A REGULAR BUSINESS MEETING. THE BOARD WILL CONVENE IN A RETREAT AFTER THIS MEETING ADJOURNS.

HERE'S THE PROCEDURE FOR TODAY'S MEETING ...

- IN KEEPING WITH THE REQUIREMENTS OF THE BROWN ACT, THE BOARD MAY DISCUSS ONLY THE MATTERS THAT ARE LISTED ON TODAY'S AGENDA.
- YOU'LL FIND COPIES OF THE AGENDA ON THE TABLE NEAR THE DOOR.
- I WILL CALL ON STAFF TO INTRODUCE EACH BUSINESS ITEM ON THE AGENDA, INCLUDING ANY RECOMMENDATIONS FOR BOARD ACTION.
- AT THE CONCLUSION OF EACH PRESENTATION ... AND PRIOR TO QUESTIONS OR DISCUSSION BY BOARD MEMBERS ... THE CHAIR WILL RECOGNIZE ANY MEMBER OF THE PUBLIC WHO WISHES TO ADDRESS THE SPECIFIC ITEM BEING DISCUSSED.
- MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE COMMITTEE SHOULD FIRST COMPLETE A BLUE COMMENT CARD LOCATED NEAR THE DOOR AND GIVE IT TO ANY WORK2FUTURE STAFF MEMBER.
- PUBLIC REMARKS WILL BE LIMITED TO TWO MINUTES EACH.
- BOARD MEMBERS MAY THEN ASK QUESTIONS OF WORK2FUTURE STAFF AND OTHER BOARD MEMBERS.
- BOARD MEMBERS MAY DISCUSS EACH ITEM ... BUT THEY MAY NOT DIRECT QUESTIONS TO THE PUBLIC.
- THE BOARD WILL TAKE ACTION ON RECOMMENDATIONS FOLLOWING DISCUSSION.
- AT THE CONCLUSION OF ALL BUSINESS ITEMS ON THE AGENDA ... MEMBERS OF THE PUBLIC MAY ADDRESS THE BOARD ON MATTERS NOT ON THE AGENDA.
- MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE COMMITTEE SHOULD COMPLETE A BLUE COMMENT CARD ... LOCATED ON THE TABLE NEAR THE DOOR ... AND GIVE THE CARD 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.
- THEY WILL BE GIVEN TWO (2) MINUTES EACH TO SPEAK.
- THIS CONCLUDES THE FORMAL OPENING REMARKS
- HOWEVER ... BEFORE WE GO ANY FURTHER ... I WANT TO TAKE A MOMENT TO THANK OUR HOSTS FOR TODAY'S MEETING—NEXTFLEX.
- AS YOU KNOW ... OUR BOARD COLLEAGUE ... BRYNT PARMETER ... IS ON THE NEXTFLEX LEADERSHIP TEAM.
- ALSO IN THE ROOM THIS MORNING IS THE EXECUTIVE DIRECTOR OF NEXTFLEX ... MALCOLM THOMPSON.
- MALCOLM ... THANK YOU. WOULD YOU LIKE TO SAY A FEW WORDS?

###

III.

Consent Items

III.A. Financial Status as of
March 31, 2019

III.B. WIOA Performance Indicators as of
March 31, 2019

[Action]

III.A

Financial Status as of
March 31, 2019

FINANCIAL STATUS AS OF MARCH 31, 2019

Key Highlights

- Staff projects that WIOA formula and Rapid Response carry-over funding from FY2017-18 will be fully spent by June 30, 2019.
- Staff projects to carry over approximately \$2.495 million from the current Adult, Dislocated Worker, and Youth allocations, including:
 1. Board-mandated Reserve Account (\$948,373)
 2. Board-approved Unallocated Reserve Account (\$693,789)
 3. A combination of actual and projected savings (\$661,122), comprised of the following:
 - a) actual savings from equipment return (\$38,498)
 - b) actual savings from unspent contracted services from previous years (\$67,343)
 - c) projected savings from personnel costs generated by mandatory one-month separations from City employment for temporary unclassified employees whose assignments have or would have reached the maximum two-year employment period, and a portion of staff salaries budget that was transferred to discretionary grants (\$157,240)
 - d) non-personnel savings from maintenance, telephone, security services, and unencumbered website contract (\$161,447)
 - e) projected savings from contracted services (\$236,594)
 4. Additional projected savings of \$191,716 since the Financial Status report as of December 31, 2018, as follows:
 - a) projected savings from adult and youth supportive services and incentives (\$147,808)
 - b) additional projected savings from personnel due to staff reduced work week and transfer (\$43,908)

Other Discretionary Funding

- work2future anticipates spending the full Prop 39 grant balance of \$85,199 at the close of the grant. To date, Fiscal is still working on the final close. As of December 31, work2future had conducted 18 pre-apprenticeship trainings and graduated 474 clients through its partners, Working Partnerships USA and San Mateo County Union Community Alliance. Of those who have completed training, 352 have been placed to-date in apprenticeships, in other employment, or in post-secondary education. Staff continue to provide placement support for the remaining graduates.
- work2future spent the final \$44,394 of the reduced balance from the third round of Ready to Work (RTW) Initiative grant funds from the City of Sunnyvale by the end of the grant term October 31, 2018. At the end of the grant, work2future had reached 133 enrollments (76% of total grant goal), including 54 in occupational training (102% of total grant goal), and assisted 88 RTW participants to find jobs (79% of total grant goal) at an average hourly wage rate of \$37.38 (125% of grant goal). This grant has been closed and follow-up services will be provided until October 2019 (one year after the close of the grant).

- Total funding of \$1.5 million funding is provided for the San Jose Works 4.0 Youth Jobs Initiative, including a new grant from the City of San Jose of \$1.0 million and \$502,400 in carry-over unspent funding from the San Jose Works 3.0 Youth Jobs Initiative. An additional amount of \$89,000 was appropriated by City Council in October 2018. As of March 31, 2018, 375 youth had been provided with grant-subsidized internships, and 627 youth will have been placed in employer-paid job opportunities by the time the program ends in April 2019, meeting a goal of providing subsidized and unsubsidized employment opportunities to 1,000 eligible youth. Over 93% of the youth have successfully completed their subsidized internships and 84% of the unsubsidized youth have completed their job placement periods. In addition to recruitment, placement, and onboarding services, youth also were also provided career counselling, job readiness training, supportive services (e.g. bus passes), and financial literacy education.
- work2future projects 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. Overall, work2future has served 30 participants, all of them successfully completing internships ranging from 8 to 10 weeks each. Discussion is ongoing about possible funding for another cohort in the summer of 2019.
- A grant of \$7,000 was received from the State to support implementation of the CalJOBS VOSGreeter module, an enhancement intended to make it easier to track individual visits to the Job Centers. This grant is fully spent and has been closed.
- An additional grant of \$86,319 was received from the City of Sunnyvale (NOVA) to augment \$200,000 received from the State for the Regional Plan Development and Training Coordination Project. In January 2019, work2future received notification of a second additional grant of \$29,351 from NOVA, for a total grant now of \$115,670. The funds support the implementation of the regional plan across the Bay-Peninsula Regional Planning Unit (RPU), 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; \$115,670—June 30, 2019). Fiscal is working with the RPU workforce boards for their final invoices for the Regional Plan Development grant (\$200,000) which ended this March 31, 2019 to do the final close.
- work2future has received the third and last installment of the Storm grant. The total grant of \$1 million is for a term originally from March 1, 2017 through September 30, 2018. The grant has been extended to September 30, 2019 with no additional funding. 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. To date, work2future has 67 placements, which is over the placement goal of 65 (original goal is 50), and expects to exceed this number by the end of June 2019.
- work2future has received its allocation from the Prison to Employment (P2E) Initiative Planning Grant from the City of Sunnyvale (NOVA) in the amount of \$16,625. The funds will support staff time associated with the development of ongoing relationships with specific government agencies that serve incarcerated populations. including the California Department of Corrections and Rehabilitation, the California Prison Authority, etc. in looking at best practices and program models that work2future can support. Staff will explore the possibility of linking justice-involved

populations to employers for on-the-job training opportunities and direct placements, Staff will also discuss possible Career Pathways programs with community colleges.

#

Attachments

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 FY2018-2019 PD 15	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)	(470,114)	(1,258,257)	(582,352)	(3,857,468)
<i>Encumbrances/Spending Plan as of June 30 2018</i>	(156,347)	(460,505)	(23,764)	(215)	(640,832)
<i>Total Actual Expenditures/Encumbrances/Spending Plan as of June 2018</i>	(1,703,092)	(930,619)	(1,282,021)	(582,567)	(4,498,300)
Available Funds for FY2018-2019	781,242	968,342	950,541	35,465	2,735,589
<i>% Remaining</i>	31%	51%	43%	6%	38%
II. Actual Expenditures/Encumbrances					
(a) Available Funds from Carry over for FY2018-2019 (remaining plus enc.)	937,589	1,428,847	974,305	35,680	3,376,421
<i>Expenditures as of March 31, 2019</i>	(937,589)	(1,226,351)	(974,305)	(35,680)	(3,173,925)
<i>Encumbrances as of March 31, 2019</i>		(202,496)		0	(202,496)
Total Actual Expenditures/Encumbrances as of March 31, 2019	(937,589)	(1,428,847)	(974,305)	(35,680)	(3,376,421)
\$ Remaining	0	0	0	0	0
% Remaining	0%	0%	0%	0%	0%
(b) Current Allocation for FY 2018-2019	1,965,619	2,289,129	2,067,738	497,823	6,820,309
Additional Funding	2,076	2,373	0	516	4,965
Rescission	0	0	0	0	0
Adjusted Allocation for FY 2018-2019	1,967,695	2,291,502	2,067,738	498,339	6,825,274
<i>Expenditures as of March 31, 2019</i>	(786,311)	(173,390)	(788,763)	(346,491)	(2,094,955)
<i>Encumbrances as of March 31, 2019</i>	(663,889)	(108,185)	(729,220)	(12,351)	(1,513,645)
Total Actual Expenditures/Encumbrances as of March 31, 2019	(1,450,200)	(281,575)	(1,517,983)	(358,842)	(3,608,600)
\$ Remaining	517,495	2,009,927	549,755	139,497	3,216,674
% Remaining	26%	88%	27%	28%	47%
Total Available Funds for FY2018-2019	2,905,284	3,720,349	3,042,043	534,019	10,201,695
Total Cumulative Expenditures/Encumbrance as of March 31, 2019	(2,387,789)	(1,710,422)	(2,492,288)	(394,522)	(6,985,021)
\$ Remaining	517,495	2,009,927	549,755	139,497	3,216,674
% Remaining	18%	54%	18%	26%	32%
III. Projected Expenditures/Carry Over through June 30, 2019					
<i>Projected Expenditures/Encumbrances through June 2019</i>	(1,383,095)	(1,195,756)	(1,253,084)	(498,339)	(4,330,274)
<i>Projected Carry Over through June 2019 (\$)</i>	584,600	1,095,746	814,654	0	2,495,000
<i>Projected Carry Over through June 2019 (%) with Rapid Response</i>	30%	48%	39%	0%	37%
<i>Projected Carry Over through June 2019 (%) without Rapid Response</i>	30%	48%	39%	0%	39%

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

work2future
Financial Status Report as of 3/31/2019
PD 9 Stat 3

BOARD: 06-20-19
AGENDA ITEM: III.A
Attachment 2

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	Prison to Employment (NOVA)	Total
I. Actual as of June 30, 2018		Closed			Closed					
Grant Period	06/01/2014- 12/31/2018	11/01/2014- 10/31/2018	07/01/2018- 6/30/2019	07/01/2015- 6/30/2019	03/01/2015- 9/30/2018	03/01/2017- 3/31/2019	03/01/2018- 6/30/2019	03/01/2017- 6/30/18	10/1/2018- 3/31/2019	
Original Allocation	900,000	232,007	1,500,000	150,000	7,000	200,000	86,319	666,666	16,625	3,758,617
Increase/(Decrease)	468,750	311,699	91,400	100,000	0	0	29,351	333,334	0	1,334,534
Adjusted Allocation	1,368,750	543,706	1,591,400	250,000	7,000	200,000	115,670	1,000,000	16,625	5,093,151
Expenditures as of June 30, 2018	(1,283,551)	(499,312)	0	(150,717)	(3,436)	(86,025)	0	(624,277)	0	(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)	0	(2,692,531)
Available Funds for FY 2018-2019	39,986	44,394	1,591,400	99,283	3,564	113,975	115,670	375,723	16,625	2,400,620
% Remaining	3%	8%	100%	40%	51%	57%	100%	38%	100%	47%
Available Funds for FY2018-2019	85,199	44,394	1,591,400	99,283	3,564	113,975	115,670	375,723	16,625	2,445,833
Expenditures as of March 31, 2019	(85,199)	(44,394)	(894,412)	(69,343)	(3,564)	(64,294)	(57,540)	(297,510)	0	(1,516,256)
Encumbrances as of March 31, 2019			(526,568)	(2,387)	0	(20,000)	0	(62,872)	0	(611,827)
Cumulative Expenditures/Encumbrances as of March 31, 2019	(85,199)	(44,394)	(1,420,980)	(71,730)	(3,564)	(84,294)	(57,540)	(360,382)	0	(2,128,083)
Remaining	0	0	170,420	27,553	0	29,681	58,130	15,341	16,625	317,750
% Remaining	0%	0%	11%	28%	0%	26%	50%	4%	100%	13%
III. Projected Expenditures/Carry Over										
Projected Expenditures/Encumbrances through June 2019	(85,199)	(44,394)	(1,264,142)	(99,283)	(3,564)	(113,975)	(115,670)	(375,723)	(16,625)	(2,118,575)
Projected Carry Over through June 2019 (\$)	0	0	327,258	0	0	0	0	0	0	327,258
Projected Carry Over through June 2019 (%)	0%	0%	21%	0%	0%	0%	0%	0%	0%	13%

work2future
Financial Status Report as of 3/31/2019
PD 9 Status 3

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)	(481,305)	(484,563)
<i>Total Actual Expenditures/Encumbrances as of June 2018</i>	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
<i>Expenditures as of March 31, 2019</i>		(6,742)	(210)	(6,952)
<i>Encumbrances as of March 31, 2019</i>		0	0	0
Cumulative Expenditures as of March 31, 2019		(6,742)	(210)	(6,952)
\$ Remaining	5,000	0	15,244	20,244
% Remaining	100%	0%	99%	74%
III. Projected Expenditures and Encumbrances/Carry Over				

III.B

**WIOA Performance Indicators
as of March 31, 2019**

WIOA PERFORMANCE AND OUTCOMES

Official WIOA reporting is still not available in the State reporting system, CalJOBS. We have been instructed by the State Performance Reporting Analysis Unit (PRAU) to use “predictive reports” to determine our current status of performance.

- 3rd quarter Performance is on track with our expectations.
- The Employment in 2nd and 4th quarters are still above the goals we have set locally.
- Median earnings for Adult and Dislocated Worker programs are also above the goals we have set locally.
- Median Earnings for Youth are still being collected as baselines for future performance measurement.
- Measurable Skills Gain across all programs are still being collected as baselines for future performance measurement.
- Attainment of a Degree or Credential for Youth is above our local goal. However, for Adult and Dislocated Worker, staff remain in discussions with the state for guidance regarding our current results.
 - We have ascertained direction from the State regarding the definition of what a credential is and how to obtain the tool used for guidance, but a formal policy has not been released. In the interim we have created an internal policy to ensure we adhere to the guidance that has been given.
 - Our continuing discussion with the State is regarding a reporting error that will possibly need to be aged out of the reporting timelines before it will improve.

###

work2future
 WIOA Performance Outcomes Report 3rd Quarter
 (Run date: 04-16-19)

PY 2018 3rd Quarter

Performance Measures	WIOA Perf. Goals	Actual	Success Rate
ADULT			
Entered Employment Rate 2nd Qtr	55.0%	65.3%	118.7%
Entered Employment Rate 4th Qtr	54.0%	61.5%	113.9%
Median Earnings	\$5,650.00	\$7,754.00	137.2%
Attainment of a Degree or Certificate	53.0%	21.3%	40.2%
Measurable Skills Gain	Baseline	28.4%	Baseline
DISLOCATED WORKERS			
Entered Employment Rate 2nd Qtr	60.0%	64.7%	107.8%
Entered Employment Rate 4th Qtr	62.0%	66.8%	107.7%
Median Earnings	\$8,600.00	\$11,164.00	129.8%
Attainment of a Degree or Certificate	57.0%	22.6%	39.6%
Measurable Skills Gain	Baseline	30.6%	Baseline
YOUTH			
Placement in Employment or Education 2nd Qtr	60.0%	69.8%	116.3%
Entered Employment Rate 4th Qtr	62.0%	70.5%	113.7%
Median Earnings	Baseline	\$4,203.00	Baseline
Attainment of a Degree or Certificate	53.0%	72.4%	136.6%
Measurable Skills Gain	Baseline	26.5%	Baseline
Overall Performance - Local Target (100%)	Exceeded 9/11		
Overall Performance - State Target (90%)	Exceeded 9/11		

IV.A.1

Minutes Approval

[Action]

work2future Board Meeting
Thursday, March 21, 2019
DRAFT ACTION MINUTES
CTO: 11:43 AM

Prepared by Nguyen Pham; reviewed by Lawrence Thoo; approved by Monique Melchor

WDB STAFF: Kathryn Azevedo, Monique Melchor, Nguyen Pham, Joy Salandanan, Meredith Studebaker, Lawrence Thoo

I. CALL TO ORDER & OPENING REMARKS

Read by Chair Joe Flynn.

II. QUORUM VERIFICATION

Present: Rose Amador, Louise Auerhahn, Jeff Burrill, George Chao, Jack Estill, Joe Flynn, Blanca Gomez, Leslie Gilroy, Juan Gutierrez, Susan Koepp-Baker, Van Le, Pam Moore, Maria Lucero, Brynt Parmeter, Rashad Said, Henri Villalovoz, Kishan Vujjeni, David Wahl.

Rajiv Batra arrived at 12:05 PM. Mitch Schoch arrived at 12:15 PM.

Absent: Maria Lucero, Rafaela Perez, Steve Preminger

III. CONSENT ITEMS

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

- A. Financial Status as of December 31, 2018
- B. Labor Market Update
- C. San Jose Works Update

IV. BUSINESS ITEMS

A. Old Business

1. Minutes Approval

ACTION: Upon a motion by Ms. Amador, seconded by Mr. Parmeter, the minutes of the December 6, 2018 Board meeting were approved unanimously. Ms. Koepp-Baker abstained.

B. New Business

1. Director's Report

work2future Director Monique Melchor reported on the Fiscal Year 2020 White House-proposed budget and potential implications for WIOA funding, and a new strategy focus on displaced households and businesses. She also recognized recent graduation of another Trades Orientation Program (TOP) cohort and

acknowledged Ms. Auerhahn for her pivotal role at Working Partnerships USA in the continuing success of the TOP.

7. Upcoming Workforce Development Initiatives:

Chair Flynn took Item IV.B.7 out of order. Director Melchor reported on the new workforce development initiatives including *Prison to Employment*, *Slingshot 2.0*, *Workforce Accelerator Fund 7.0*, *AB 1111 Removing Barriers to Employment Initiative*, and *SB1 High Road Construction Career Initiative*. Questions, feedback and suggestions followed.

2. New Grants

work2future Finance Manager Joy Salandanan reported on two new grants, Regional Plan Implementation (RPI) and Prison-to-Employment Initiative (P2E). She noted the Finance and Performance Committee approval of a recommendation for acceptance on February 21, 2019 and the Executive Committee subsequent approval of the recommendation on March 4, 2019.

Action: Upon a motion by Mr. Said, seconded by Mr. Estill, the Board approved unanimously the acceptance of the following grant funding:

- \$115,670 for Regional Plan Implementation (RPI)
- \$16,625 for the Prison to Employment Initiative (P2E)

3. Preliminary Budget Scenarios for FY 2020

Ms. Salandanan presented the three preliminary scenarios for the Fiscal Year 2020 operating budget as following:

- (i) \$6.3 million (WIOA allocations unchanged from FY2019 levels),
- (ii) \$6.0 million (base budget—allocations reduced 5%), and
- (iii) \$5.7 million (allocations reduced 10%);

Action: Upon a motion by Ms. Le, seconded by Ms. Moore, the Board unanimously approved the three preliminary budget scenarios and staff's authority to transfer funds between budget line items and between the Adult Program and Dislocated Worker Program. Ms. Amador, Ms. Auerhahn, Mr. Said and Mr. Vujjeni recused themselves from this item.

4. Board Retreat

Director Melchor and Special Projects Manager Lawrence Thoo facilitated the discussion. The Board took no formal action but agreed by informal consensus to convene for the retreat on June 20, 2019, in conjunction with the regular Board meeting already scheduled for that date. More information will come from Mr. Thoo.

5. PY2017–PY2020 Local Plan and Regional Plan Modifications

On behalf of Senior Project Manager Sangeeta Durrall, Director Melchor reported on Executive Committee's March 4, 2019 approval on behalf of the Board and

subsequent submittal to the California Workforce Development Board of modifications to the work2future Local Plan and the Bay-Peninsula Regional plan by the March 15, 2019 deadline.

6. WIOA Performance and Service Delivery Outcomes Update

MIS Analyst Meredith Studebaker reported on (a) WIOA performance through the second quarter of Program Year (PY) 2018 (incorrectly stated on the agenda as PY 2019), and (b) employment-related outcomes for the period in relation to work2future's priority sectors and in-demand occupations in the region, including with employers outside the priority sectors. During discussion, it was suggested that the inclusion of prior year performance would provide a clearer context for Board members.

7. Upcoming Initiatives. Item was moved to immediately follow IV.B.1

V. PUBLIC COMMENT: None

VI. SUGGESTIONS FOR FUTURE AGENDA ITEMS

A deeper look into performance measures or Key Performance Indicators (KPIs).

VII. ANNOUNCEMENTS

The next meeting of the work2future Board is scheduled for Thursday, June 20, 2019, 11:30 am at the America's Job Center of California, San Jose, 1601 Foxworthy Ave, San Jose.

VIII. ADJOURNMENT: The meeting was adjourned at 12:50 p.m.

IV.B.1

Monitoring for FY 2019

[Discussion]

MONITORING FOR FISCAL YEAR 2019

California Employment Development Department (EDD) staff completed field work for the annual monitoring of work2future's fiscal and procurement activities on June 7, 2019. While it will be some time before the formal report is finalized and released, the EDD monitor informed work2future staff that the review of FY 2019 fiscal activities and procurements was clean and the report would contain no findings.

###

IV.B.2

Single Audit for FY 2018

[Discussion]

SINGLE AUDIT FOR FY 2017-18

The Single Audit (formerly known as A-133 Audit), under Subpart F of the OMB Uniform Guidance, is a rigorous, organization-wide audit or examination of an entity that expends \$750,000 or more of Federal assistance (commonly known as Federal funds, Federal grants, or Federal awards) received for its operations.

Every year, the City of San Jose goes through a single audit. work2future is included in the City's single audit because of the amount of federal funds received and expended.

As in previous years, work2 future received a clean audit report for the year ended June 30, 2018 (Fiscal Year 2018). Eckerd Youth Alternatives, Inc. and work2future Foundation, which provide career services under contract with work2future, also received clean audit reports.

###

References:

1. City of San Jose Single Audit Reports for Fiscal Year 2018:
http://work2future.biz/images/SanJose_SingleAuditReports_YE_06-30-2018_FINAL.PDF
2. Eckerd Youth Alternatives, Inc. Audit Report for Fiscal Years 2017 and 2018:
<http://eckerd.org/wp-content/uploads/2019/01/Eckerd-Connects-Audited-Financial-Statements-FY18.pdf>
3. work2future Foundation Audit Report for Fiscal Year 2018:
http://www.work2futurefoundation.org/wp-content/uploads/2019/05/2017-18-W2FF-Annual-Financial-Audit-Report_FINAL.pdf

IV.B.3

San Jose Works 5.0

[Action]



Memorandum

TO: work2future BOARD
FROM: Joy Salandanan
SUBJECT: **San Jose Works 2019-20 Funding**
DATE: June 11, 2019

Approved

Date

RECOMMENDATION

Approve the following:

1. Acceptance of \$1.5 million in City of San Jose funds to support the San Jose Works 5.0 program;
2. Distribution of the funds above to support San Jose Works 5.0, as follows: (a) \$1,258,000 to work2future Foundation, (b) \$95,000 to the City's Parks, Recreation and Neighborhood Services Department (PRNS), and (c) \$147,000 for San Jose Works-related expenditures in the work2future Operating Budget.

This recommendation was approved unanimously by the Finance & Performance Committee and the Executive Committee in a joint meeting on May 16, 2019.

BACKGROUND

Since 2015, work2future has successfully managed the San Jose Works program (SJ Works) for the City of San José, funded from the City's General Fund.

SJ Works is a collaboration among work2future, work2future Foundation, the City's Parks, Recreation, and Neighborhood Services Department (PRNS), the Mayor's Gang Prevention Task Force (MGPTF), and The Silicon Valley Organization (SVO).

During this past summer, the program provided 375 youth with paid internships supported with General Fund monies provided by the City of San José. An additional 627 youth were placed in employer-paid job opportunities as of April 4, 2019. Over 93% of the subsidized youth successfully completed their paid six-week internship and 84% of the unsubsidized youth have completed their job placement period. In addition to recruitment, placement and onboarding services, youth also accessed career counseling, job readiness training, supportive services (e.g. bus passes), and financial literacy and entrepreneurship training.

During this past year, the paid internships focused increasingly on private-sector placements with employers in high-growth sectors and in-demand occupations. Of the 375 paid internships, 234 were recruited from high school Career and Technical Education classes and placed with employers in advanced manufacturing, business/financial services, construction, health care and social assistance, and information technology. The remaining 141 youth were placed in internships with community centers, library branches, City departments, Council offices, and nonprofit organizations. East Side Union High School District, working with SVO, was a primary source of youth referrals.

One notable employer example is Bentek Inc., a San José-based solar energy manufacturing company. Bentek provided 35 paid internships to SJ Works youth. In addition to the 20 hours/week funded by the City, Bentek concurrently hired the same SJ Works youth directly for another 20 hours/week, thereby allowing them to work a total of 40 hours/week during the summer. All the youth successfully completed their paid internships, with most receiving experience related to light manufacturing and warehouse operations. They also took advantage of a variety of workshops to prepare them for real work experiences. These workshops included: Mock Interviews, Personal & Professional Branding with LinkedIn, Financial Literacy provided by Bank of America and MyPath, Communication Etiquette, Anti-Sexual Harassment and Anti-Discrimination Training, and Emotional Intelligence.

ANALYSIS

In partnership with PRNS, work2future has conducted outreach for the upcoming SJ Works 5.0 program. The program will provide 375 youth with internships and serve 625 youth with employer-paid job opportunities.

The success of SJ Works relies on the on-going strategy for youth outreach, which varies from job fairs, resource fairs within the community, co-location with high schools and The HUB—Santa Clara County's youth-led community resource center for current and former foster and Independent Living Program-eligible probation youth ages 15–25—as well as events at the local community colleges, San Jose State University, agency referrals and past clients. For SJ Works 4.0, students in high school were provided with resume and mock interview workshops, as they will be again in this upcoming year.

Staff conducted on-boarding/orientations for SJ Works 5.0 during the months of April and May.

The program will continue the focus on career pathways and the partnerships with the SVO to recruit employers in providing internship positions and with the NextFlex high school advanced manufacturing curriculum that has trained nearly 3,000 youth since its launch in 2017. For SJ Works 5.0, one of the workshops—“Industry Day”—will take place at the Microsoft Sunnyvale Campus, where students can tour the facility and learn about careers in the information technology sector and the Microsoft organizational culture.

SJ Works is also developing partnerships with San José Promise, which may include a new mentoring component for SJ Works 6.0, the Network for Training in Entrepreneurship (NFTE), and other components to enhance the experience for participating youth.

The table below shows the projected San Jose Works 2019-2020 5.0 Program budget:

PROPOSED BUDGET	AMOUNTS
City PRNS	
Program Staff	\$95,000
work2future Board	
Staffing, Facilities, Employment Verification, Indirect Costs	147,000
work2future Foundation	
Youth Salaries 14-18 (6-week program-20 hours/week)	796,500
Program Staff (Client Services, Financial Literacy, Payroll, etc.)	660,667
Client-related Expenses (supportive services, fingerprinting, incentives, job fairs)	67,312
Other Expenses (supplies, mileage, facilities, utilities, copier rental, etc.)	13,500
Administrative Oversight & Management	160,271
work2future Foundation	\$1,698,250
Total Projected San Jose Works 5.0 Budget	\$1,940,250
Proposed Funding Sources:	
City of San Jose General Fund 19-20	1,500,000
City of San Jose General Fund 18-19 (Projected Carry Over Funding from SJ Works 4.0)	327,258
Funding raised from Other Sources (Foundation) including Projected Carry Over Funding from SJ Works 4.0 of \$145,967))	220,967
City of San Jose Facebook Funds	150,000
Total Funding for SJ Works 5.0	\$2,198,225
Projected Carry Over Funding for SJ Works 6.0	\$257,975

Note: PRNS "Program Staff" represents the equivalent of one dedicated staff person year-round (\$95,000). The work2future Board proposed budget includes staffing for one dedicated temporary unclassified position and portions of time for work2future Director and administrative staff, all providing year-round support for the subsidized and unsubsidized programs.

Since the proposed funding sources contain projected carry-over funding from SJ Works 4.0 from both work2future Board and the Foundation, work2future staff will reconcile the proposed budget to actuals following the end of the fiscal year in June 2019.

work2future Foundation and Service Continuity

On June 4, 2019, staff received unexpected notification from work2future Foundation that the organization's Board of Directors had voted to dissolve the Foundation, but that it would continue to provide SJ Works services until the end of its existing contractual obligations, i.e., until September 30, 2019.

Staff are in the process of developing and implementing an alternative service delivery plan for SJ Works 6.0, the next iteration of the program, this fall. In the meantime, they are working closely with Foundation staff to maintain SJ Works' high level of service quality throughout the summer. Staff's goal is to ensure no adverse impact on SJ Works 5.0 and no interruption in cycles between 5.0 and 6.0.

The alternative service delivery plan may reduce or otherwise affect the Foundation's proposed budget for SJ Works 5.0. Should this be the case, staff will return to the Board with a recommended adjustment in the distribution from the City's \$1.5 million that is the subject of this memo.

/s/
JOY SALANDANAN
Finance Manager

cc: Monique Melchor

IV.B.4

Prison to Employment Grant

[Action]



Memorandum

TO: work2future BOARD

FROM: Joy Salandanan

SUBJECT: **See Below**

DATE: June 5, 2019

Approved

Date

SUBJECT: Prison to Employment Implementation Grants

RECOMMENDATION

Approve the acceptance of \$661,783 for implementation of the Prison to Employment Initiative (P2E), including \$607,976 for program service delivery and \$53,807 for work2future's service as the Program Lead for the Bay-Peninsula Regional Planning Unit (BPRPU).

The Finance & Performance Committee and the Executive Committee unanimously approved this recommendation at a joint meeting of the committees on May 16, 2019.

BACKGROUND

As part of the 2018 state budget process, the California Legislature approved, and Governor Brown signed, legislation which established the Prison to Employment Initiative (P2E). The 2018 state budget included \$37 million over three fiscal years to fund the integration of workforce and reentry services. The first portion of these funds, Regional Planning Grants, was awarded in October 2018.

With NOVA Workforce Board (City of Sunnyvale) serving as Fiscal lead, the BPRPU—NOVA, San Francisco, San Benito and work2future workforce development boards²—applied for and was awarded by the California Workforce Development Board (State Board) a P2E Regional Planning Grant in the amount of \$142,500, of which \$16,625 or 12%, is work2future's share. This grant was submitted and appropriated by City Council in February 2018. Subsequently, the grant was approved for acceptance by the Board in March 2018.

In addition to the Regional Planning Grant, the State Board will also distribute funding for two Regional Implementation Grants (RIG), as follows: a) the implementation of regional workforce development plans for the corrections system, including provision of direct services, and b) the provision of supportive services and "earn and learn" opportunities for justice-involved and the formerly incarcerated.

In November 2018, the State Board released a Request for Applications covering both grants, which are expected to function in concert with one another. In February 2019, again with the NOVA Workforce Board as fiscal lead, the BPRPU applied for RIG grants totaling approximately \$4.1 million for both direct services and earn-and-learn support.

In March 2019, the State Board announced that it had received RIG applications requesting over \$57 million in funding but had just \$34 million available for grants, making distribution of the funds highly competitive. The BPRPU received a *provisional grant award* of up to a total of \$1.9 million, pending submission of additional information such as specific names of community-based organizations (CBOs) that will be providing direct services, clear descriptions of the nature of the services to be provided, the ability of the CBOs to provide these services, and the proposed revised number of participants to be served with the reduced funding. In April 2018, the State Board informed the BPRPU of the *final grant award* of approximately \$1.8 million, of which \$661,783, is work2future's share. The grant is for a period of 24 months.

ANALYSIS

The Bay-Peninsula Regional Planning Unit covers the Counties of San Francisco, San Mateo, Santa Clara, and San Benito, and is home to 3.6 million people, with a total labor force of approximately 2.3 million. Based on information provided by justice system partners and available public data, the number of justice-involved individuals under local supervision in the region totals over 34,000 individuals. In addition, there are over 13,000 individuals that are state supervised in prisons, camps, in-state, and out-of-state contract beds, and DMH state hospitals, thus **the region is home to over 47,000 actively supervised individuals**. The WIOA funded workforce system has been able to serve only a tiny fraction of these 47,000 individuals.

Proposed Program Service Delivery

In partnership with Santa Clara County Probation, the Santa Clara County Office of Reentry Resource Center, Santa Clara County Office of Education (COE), Santa Clara County Social Services, and local CBOs, work2future will support and scale Career Pathways Training Programs, and help provide Supportive Services and Employer Engagement Services to approximately 140 reentry individuals, including 60 post-release adults and 80 in-custody disconnected youth.

Outreach and recruitment for the post-release adult program will be conducted mainly by the Reentry Resource Center, the Sheriff's Department and the Probation Department. San Jose City College will provide participants with four credit-bearing courses designed to prepare reentry clients for the Certified Alcohol and Drug Counselor career pathways track.

Youth participants will be residents of the Blue Ridge Youth Center at the County's William F. James Boys Ranch. They will be enrolled in COE's construction-focused Multi-Craft Core Curriculum Training Program, and apply for Laborer Apprenticeships after completion of the training program.

Proposed Program Budget

The table below shows the projected P2E Regional Implementation Program Budget (24 months):

Budget Details	Direct Services	Earn and Learn	Project Lead	Total
Personnel Costs (1.06 FTE)	\$285,983	\$5,531	\$47,133	\$338,647
Non-Personnel Costs (including City Overhead Costs)	75,895	2,567	6,674	85,136
Contracted Client Services	125,000	113,000	0	238,000
Total Program Budget (24 months)	\$486,878	\$121,098	\$53,807	\$661,783

/s/
JOY SALANDANAN
Finance Manager

IV.B.5

WIOA Career Services in Fiscal Year 2019-20

[Discussion]

WIOA Career Services in Fiscal Year 2019-20

At a Special Meeting on June 6, 2019, staff reviewed with the Executive Committee the unexpected announcement sent to Director Monique Melchor two days earlier that the work2future Foundation (Foundation) Board of Directors had approved the dissolution of the Foundation. In its announcement, the Foundation said that its Board had concluded that the Foundation was financially unsustainable moving forward and informed Director Melchor that it would cease providing WIOA Adult, Dislocated Worker and Youth Program services on June 28, 2019, the last business day of the current fiscal year.

Director Melchor briefed the committee on steps that staff had investigated and developed to facilitate the continued delivery of WIOA program services as seamlessly possible, given that the Foundation had provided less than four weeks' notice of its intention to terminate WIOA services.

Subsequently, the committee, using the authority the Board had delegated to it on June 16, 2016, approved unanimously the following staff recommendation:

1. Revision of the Eckerd Youth Alternatives, Inc. (Eckerd) scope of services for WIOA Adult and Dislocated Worker Programs so as to include career services throughout the San Jose Silicon Valley Local Workforce Development Area (LWDA);
2. Authority for staff to establish a new agreement with Eckerd for WIOA Youth Program services throughout the LWDA; and
3. Distribution of \$2,414,059 to Eckerd to support the services mentioned above.

The approval above was effective immediately. It applies to Fiscal Year 2019-20 only.

Eckerd was founded in 1968 when Jack and Ruth Eckerd opened Florida's first outdoor therapeutic program for boys. The organization became Eckerd Youth Alternatives, Inc. in 1998 and, today, the nonprofit operates 160 programs across 20 states (in California for San Luis Obispo County and work2future) and the District of Columbia. It concentrates mainly in the areas of children and family services, workforce development and juvenile justice. Last year, it served more than 34,000 children, teens and adults nationwide.

Eckerd currently provides Adult and Dislocated Worker Program services for the south county, while Foundation provides services for the LWDA north of Morgan Hill. Foundation also provides Youth Program services for the entire LWDA (Campbell, Gilroy, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, San Jose, Saratoga and the unincorporated areas of Santa Clara County).

Eckerd has agreed in concept to assume responsibility for career services across all three WIOA programs for the entire LWDA. The Executive Committee's approval of staff's recommendation allowed staff to fast-track negotiations with Eckerd and move forward as quickly as possible to amend or create agreements with Eckerd, as appropriate, to effect the transition in ways that will minimize the impact on employers, job seekers and the youth who rely on the WIOA programs to help achieve their goals. In order to facilitate the transition, Eckerd has indicated that it plans to hire to the extent possible Foundation's line staff into the

roles they currently occupy. Partly as a result, staff is confident that WIOA services will be provided without interruption.

Foundation's notification to Director Melchor is available through the [Agenda Packet](#) for the June 6 Executive Committee Special Meeting:

https://work2future.biz/images/20190606_w2f_EC_SpecialMtg_Agenda.pdf

###

IV.B.6

WIOA Operating Budget for FY2020

[Action]



Memorandum

TO: work2future BOARD

FROM: Joy Salandanan

SUBJECT: **See Below**

DATE: June 11, 2019

Approved

Date

**SUBJECT: Proposed work2future WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA) Program
Operating Budget for FY 2019-2020**

RECOMMENDATION

Approve staff's Proposed WIOA Operating Budget of \$6,842,369 for Fiscal Year (FY) 2019-20, including:

- a) Adjustment of \$34,313 to the March 21, 2019 Board-approved preliminary WIOA Program Operating *base* Budget for FY 2019-20
- b) WIOA Administrative Budget in the amount of \$579,649
- c) Proposed WIOA *estimated* Rapid Response Funding for FY 2019-20 of \$467,823
- d) Authorization for staff to transfer funds without additional Board approval
 - (1) between budget line items, as long as there is no change to the overall amounts for personnel and non-personnel expenses
 - (2) between the Adult and Dislocated Worker Programs, as needed to accommodate changes in the numbers of clients served by the two programs, as long as the total of the combined budgets is not changed.

Included in the Proposed WIOA Operating Budget for FY 2019-20 approved by the Finance & Performance Committee in May is a recommendation for the distribution of \$2,414,059 to service providers as follows: a) work2future Foundation (Foundation) \$2,185,824, or approximately 91% of the total, and b) \$228,235 to Eckerd Youth Alternatives, Inc. (Eckerd).

This recommendation was unanimously approved by the Finance & Performance Committee and the Executive Committee at a joint meeting of both committees on May 16, 2019.

However, in a Special Meeting on June 6, 2019, the Executive Committee approved the reallocation of the sum intended for the Foundation to Eckerd, in light of the Foundation's announcement received June 4 that it would not provide WIOA services beyond June 28, 2019. The committee's action means that the \$2,414,059 recommended for distribution to service providers will be directed to Eckerd only.

Eckerd, which is headquartered in Florida, operates 160 programs in 20 states, including California (San Luis Obispo County and work2future) and the District of Columbia. Founded more than 50 years ago, the nonprofit

serves more than 30,000 children, teens and adults mainly in the areas of children and family services, workforce development and juvenile justice.

BACKGROUND AND ANALYSIS

On April 24, 2019, the State of California Employment Development Department (EDD) released its planned allocations for WIOA Adult, Dislocated Worker, and Youth funding streams for FY19-20. These allocations are based on the allotments to states issued by the U.S. Department of Labor(DOL), as recognized in Training and Employment Guidance Letter 16-18, dated April 10, 2019. EDD's planned allocations for work2future reflected an approximately 8% reduction overall from FY18-19 funding.

In March 2019, staff had presented three Preliminary Adult, Dislocated Worker, and Youth Program Budget Scenarios to the Board: AS IS (same allocation as FY18-19), 5% funding reduction (**base budget**), and 10% funding reduction.

Adjustments based on EDD's planned allocations are as follows:

Proposed Sources	FY18-19 \$6.3m Adopted Budget	<i>Base Budget 5% Reduction Mar 2019 Board Approved</i>	<i>Planned 8% Reduction April 2019 EDD Notification</i>	FY19-20 vs. FY18-19 5% Base Budget Change (in \$)	FY19-20 vs. FY18-19 8% Planned Allocation Change (in \$)	Base Budget 5% vs 8% (in \$)
	a	b	c	d (b-a)	e (c-a)	f (c-b)
Formula Allocation	\$6,322,486	6,006,362	\$5,796,492	(\$316,124)	(\$525,994)	(209,870)
+ Carry Over from prior year	987,377	948,373	948,373	(39,004)	(39,004)	0
+ Proj'd Carry Over FY 18-19	1,685,684	1,354,911	1,546,627	(330,773)	(139,057)	191,716
- Carry Over to FY 20-21	(948,373)	(900,954)	(869,474)	47,419	78,899	31,480
- Admin (10% of allocation)	(632,249)	(600,636)	(579,649)	31,613	52,600	20,987
Proposed Funding Sources	\$7,414,925	\$6,808,056	\$6,842,369	(\$606,869)	(\$572,556)	\$34,313

Even though the planned allocation for the Adult, Dislocated Worker, and Youth Programs is \$209,870 less than in the 5% funding reduction scenario, or approximately 3 percentage points less than projected, there is an overall positive gain of \$34,313 to be re-budgeted. This is the result of additional savings from January through March 2019 of \$191,716 from: a) personnel savings generated from a newly vacant temporary unclassified position and from a requested reduced work week of one employee (\$43,908); b) savings from projected unspent incentive and supportive services funds (\$147,808); and c) the positive impact of reductions in the FY 2019-20 administrative budget (\$20,987) and carry-over funding to FY 2020-21 (\$31,480).

The table below shows where the additional funding of \$34,313 is applied:

Proposed Uses	FY18-19 \$6.3m Adopted Budget	Base Budget 5% Reduction Mar 2019 Board Approved	Planned 8% Reduction April 2019 EDD Notification	FY19-20 vs. FY18-19 5% Base Budget Change (in \$)	FY19-20 vs. FY18-19 8% Planned Allocation Change (in \$)	Base Budget 5% vs 8% (in \$)
	A	b	c	d (b-a)	e (c-a)	f (c-b)
Personnel Costs	\$2,056,942	\$2,118,651	\$2,076,879	\$61,709	\$19,937	(\$41,772)
Non-Personnel Costs	508,128	508,128	508,128	0	0	0
Adult Client Services	1,141,626	1,073,058	1,029,479	(68,568)	(112,147)	(43,579)
Youth Client Services	601,533	496,583	480,337	(104,950)	(121,196)	(16,246)
One Stop Operator	35,000	35,000	35,000	0	0	0
Contracted Services	2,377,907	1,882,847	2,018,757	(495,060)	(359,150)	135,910
Client Services Contingency	693,789	693,789	693,789	0		0
Total Proposed Uses	\$7,414,925	\$6,808,056	\$6,842,369	(\$606,869)	(\$572,556)	\$34,313

- As referenced at the March 2019 Board meeting, the personnel budget has been re-adjusted to conform with the City of San Jose Labor Distribution Report for FY 2019-20, which reflects a proposed 3% Cost of Living Adjustment and corresponding impact on employee benefits and retirement. This results in a lower personnel cost of \$2.076 million, compared to \$2.119 million in the proposed 5% funding reduction scenario, or a net positive budget impact of \$41,772.
- The reduction in the WIOA formula allocation has consequently reduced the amount needed to meet the SB 734 training requirement for the Adult and Dislocated Worker Programs by \$43,579 and the Work Experience for the Youth Program by \$16,246.

As a result of the adjustments itemized above, work2future is able to increase funding to service providers by approximately \$136,000, compared to the preliminary base budget amount of \$1.882 million that the Board approved in March 2019. This better positions work2future for a more robust and targeted service delivery and better performance outcomes.

SB 734-TRAINING ALLOCATIONS

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

Since FY 2016-17, SB734 has required Workforce Development Boards to expend 30% of their Adult and Dislocated Worker allocations on training, a 5 percentage-point increase from the previous 25% requirement. To meet this requirement, staff proposes to allocate a training budget of 20% of the Adult and Dislocated Worker allocations, with the additional 10% to be raised by the service providers through leveraged funding. Any shortfall in leveraged funding will result in a reduction in the service providers' funding for next fiscal year, as this will create a gap in the WIOA Operating Budget for the next year. work2future expects to meet its training goals by the end of the allowed two-year period ending June 30, 2021, as it has done consistently in previous years.

The table below shows the Training Budget relative to the SB 734 training expenditure requirement:

WIOA ADULT AND DISLOCATED WORKER PROGRAM	Proposed Budget
Projected Adult and Dislocated Worker Program Allocation FY 19-20	\$3,922,397
Training Requirement (30% of Projected Allocation)	1,176,719
Training Budget at 20%*	\$784,479
Leverage Funds at 10% to be raised by Service Providers	392,240
Total Training Funds for FY 2019-20	\$1,176,719

*Training budget covers ETPL, OJT, cohort, and SB 734 eligible workshops @ 80% of Workshop Budget.

The proposed training and workshop budgets will be placed in a *funding pool* that will be universally accessible to all eligible training providers from the State Eligible Training Provider List, and all workshop providers that were selected through the Request for Proposal (RFP) process. A portion of this amount will be distributed to the work2future Foundation and Eckerd to fund On-the-Job Training (OJT) services for eligible clients.

WIOA YOUTH JOB READINESS/WORK EXPERIENCE TRAINING PROGRAM

20% of Youth Program Base Funding Allocation

WIOA places a new priority on work-based learning by requiring that at least 20% of the Youth Program allocation be used for paid and unpaid work experience programs. These program investments may include summer and year-round opportunities, such as pre-apprenticeship programs, internships, and OJT training.

WIOA YOUTH PROGRAM	Proposed Budget
Projected Youth Program Allocation FY 19-20	\$1,874,095
Less: 10% Administration	(187,410)
Youth Program Allocation @ 90%	\$1,686,685
Total Proposed Youth Job Readiness/Work Experience (20% of Youth Program Allocation)	\$337,337

The full amount of \$337,337 will be distributed to Eckerd to cover the WIOA-required Youth work experience program. A portion of this amount can be used by Foundation to fund staffing to administer the work experience program. The work experience line item is shown as a separate line item from the funding distribution to Foundation to show that the 20% funding threshold as required by WIOA is met.

WIOA ADMINISTRATIVE BUDGET

work2future's Administrative Budget represents 10% of the total WIOA formula allocation from the Adult, Dislocated Worker and Youth programs.

The table below shows how the Administrative funding is distributed.

WIOA ADMINISTRATIVE	Proposed Budget
Projected Adult, Dislocated Worker and Youth Program Allocation FY 2019-20	\$5,796,492
Total Proposed Administrative Budget (10% of Projected Allocation)	579,649
Personnel Costs (2.0 FTE)	\$348,204
CAO	127,523
Non-Personnel Cost	29,802
City Overhead @ effective rate of 2.2%	16,155
Distribution to Service Providers	57,965
Total Proposed Administrative Budget	\$579,649

Staff has worked with the City's Finance Department (Finance) and the Budget Office since 2015 to exempt work2future from the standard methodology that the City uses for computing overhead for grants and to allow work2future to set a rate that can be accommodated by the State's funding limitations on administrative services, taking into account the fluctuating nature of work2future's funding. This effort has yielded a lower overhead rate for FY 18-19 of 29.45%, compared to the previous year's 75.06%.

In May 2019, the Finance informed work2future that its overhead rate for FY 2019-20 will be 45.58%. The rate increased primarily due to the increase in carryforward adjustment, which means the actual indirect costs for the FY 18-19 exceeded the estimated indirect costs projected two fiscal years ago. As such, a true-up adjustment for the difference was added to this year's overhead calculation.

Regardless, work2future still cannot pay the full City Overhead amount, estimated at \$745,000. As shown above, work2future can pay only \$16,000, approximately, which translates to an effective rate of about 2.2% of the fully-loaded overhead amount.

It is also noted that 10% of the total available administrative funding allocation for work2future has been set aside to be distributed to service providers based on their percentage share in the total WIOA program funding distribution.

WIOA RAPID RESPONSE FUNDING

The Proposed Rapid Response Budget is *estimated* at \$467,823, the same funding for the Rapid Response program for FY 2018-19. There is no carry-over funding projected for Rapid Response.

The projected funding will be allocated as shown in the table below:

WIOA RAPID RESPONSE	Proposed Budget
Total Estimated Rapid Response Allocation	\$467,823
Personnel Costs (2.5 FTEs)	\$371,580
Non-Personnel Cost	61,458
City Overhead	34,785
Total Proposed Administrative Budget	\$467,823

Once the final Rapid Response allocation is received from EDD, work2future will provide to the Board a final Rapid Response Budget.

WORK2FUTURE SERVICE PROVIDERS FUNDING DISTRIBUTION SUMMARY

As mentioned in the preceding pages, despite the reduction in WIOA funding, additional projected savings generated between January 2019 and March 2019 and the additional budgetary reductions discussed above in Personnel Costs, Adult Client Services and Youth Client Services enables work2future to increase the budget for service delivery by approximately \$136,000, from \$1.882 million to \$2,019 million.

The table below shows the funding distribution to the Service Providers:

Funding Distribution to Service Providers	Adult/Dislocated Worker	Youth	Total
All Service Providers	\$1,029,189	\$989,568	\$2,018,757

In addition to this amount is the funding for On-the-Job Training (OJT) services, which will be determined during negotiations with the service providers, depending on the estimated number of employers that are willing to provide OJT opportunities for eligible clients. Funding for additional staffing to administer and implement the Youth Work Experience program will be distributed to service providers, including their share of the administrative budget as explained elsewhere in this memo.

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

Funding	Foundation	Eckerd	Total
WIOA Base Budget	\$1,796,492	222,265	\$2,018,757
Youth Work Experience	337,337	0	337,337
Administrative	51,995	5,970	57,965
Total	\$2,185,824	\$228,235	\$2,414,059

Note: OJT contract amount is distributed during negotiation process and is determined by estimating the number of employers interested in participating. Foundation operates the Youth program based on the results of the RFP conducted in February 2016 for a five-year contracting period.

Service Providers are expected to meet their goals as indicated in their Program Operating Plan which is written into their contractual agreements. If during the first quarter of FY 19-20, service providers do not meet their goals, work2future Board reserves the right to renegotiate their contractual agreements or terminate in accordance with Section 10 of their respective contractual agreements.

Note, however, that the table above reflects the proposed distribution prior to the Foundation's announcement that it will not provide WIOA services after June 28, 2019. As a result of the Executive Committee's subsequent action reported previously in this memo, the total amounts detailed in the table above are planned for distribution to Eckerd.

OTHER

Staff requests that the Board approve authority for staff to transfer funds between budget line items, so long as there is no change to the overall amounts for personnel and non-personnel, and transfer falls within the Board-approved WIOA Operating Budget.

BOARD

Subject: Proposed WIOA Operating Budget FY19-20

June 11, 2019

Page 7 of 7

Staff also requests that the Board approve authority for staff to transfer funds between the Adult and Dislocated Worker programs, as needed, to accommodate changes in the numbers of clients served by the two programs without having to seek additional Board approval.

/s/
JOY SALANDANAN
Finance Manager

cc: Monique Melchor
Jeff Ruster

/js

V.

Public Comment

VI.

Suggestions For Future Agenda
Items

VII.

ANNOUNCEMENTS

VII.A

The next business meeting of the work2future Board is scheduled for Thursday, November 21, 2019, 11:30 a.m., at the America's Job Center of California, San Jose, 1601 Foxworthy Ave., San Jose

(Kirk Community Center).

VII.B

Other

VIII.

ADJOURNMENT TO BOARD RETREAT