



## **EXECUTIVE COMMITTEE MEETING AGENDA**

**Tuesday, February 25, 2020  
2:00 pm**

Business & Administrative Services Center  
5730 Chambertin Drive  
San Jose, CA 95118  
[www.work2future.biz](http://www.work2future.biz)

**Joseph Flynn, Executive Committee Chair  
Louise Auerhahn, George Chao, Susan Koepf-Baker, Maria Lucero, Rafaela  
Perez, Steve Preminger**

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For questions regarding this agenda, please call Lawrence Thoo at 408.794.1170. To request an accommodation or alternative format for work2future meetings, events or printed materials, please call Kathryn Azevedo at 408.794.1176 or call 408.294.9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

**EXECUTIVE COMMITTEE**

**Tuesday, February 25, 2020**

**2:00 pm**

**MEETING AGENDA**

- I. CALL TO ORDER & QUORUM VERIFICATION**
- II. OPENING REMARKS**
- III. PUBLIC COMMENT**
- IV. CONSENT ITEMS** *5 min*  
Approve the acceptance of *2:10 pm end*
  - A. Fiscal Year 2019 Year-End Financial Status Report (Final)**
  - B. November 30, 2019 Financial Status Report**
- V. BUSINESS ITEMS**
  - A. Old Business**
    - 1. Minutes Approval (Action)** *5 min*  
Approve minutes of the January 23, 2020 Executive Committee Meeting. *2:15 pm end*
    - B. New Business**
      - 1. Director's Report (Discussion)** *5 min*  
*Monique Melchor, Director* *2:20 pm end*  
Report on various matters of interest.
      - 2. 2018–19 Monitoring Reports (Discussion)** *5 min*  
*Joy Salandanan, Finance Manager* *2:25 pm end*  
Final reports on State of California's Fiscal Monitoring and Program Monitoring for the 2018–19 Fiscal and Program Years.
      - 3. Budget Scenarios for FY 2020–21 (Action)** *20 min*  
*Joy Salandanan, Finance Manager* *2:45 pm end*  
Recommend Board approval of three preliminary budget scenarios for Fiscal Year 2020-21, reflecting: a) the same level of WIOA program funding allocation as FY 2020 (current year); b) a 5 percent reduction in WIOA program allocation; and c) a 10 percent reduction in WIOA program allocation; as well as authorities for the work2future Director to manage allocations between budget items.

- 4. Program Services Performance Update {Discussion}** *10 min*  
*Monique Melchor, Director* *2:55 pm end*  
Report on key performance indicators for Adult/Dislocated Worker Program and Youth Program services for Program Year 2019 through January 31, 2020.
- 5. Youth Program Outreach {Discussion}** *10 min*  
*Monique Melchor, Director* *3:05 pm end*  
Report on the scope and scale of Eckerd Connects' outreach to youth-serving community-based organizations and outreach plans going forward.
- 6. RFP Update {Discussion}** *10 min*  
*Colleen Brennan, Contracts Manager* *3:15 pm end*  
Update on the careers services RFP in progress and schedule a special meeting of the Executive Committee to make recommendations to the work2future Board.
- 7. Prison to Employment {Discussion}** *10 min*  
*Sangeeta Durrall, Special Projects Officer* *3:25 end*  
Post-launch update on the Prison-to-Employment Initiative.
- 8. Automation | AI | Future of Work (Discussion)** *5 min*  
*Lawrence Thoo, Strategic Engagement Manager* *3:30 pm end*  
Progress report on the Automation, Artificial Intelligence (AI) and the Future of Work in Silicon Valley LMI project.

**VI. AGENDA SUGGESTIONS**

**VII. ANNOUNCEMENTS**

**A.** The work2future Board is scheduled to meet next on Thursday, March 26, 2020.

**B.** Other

**VIII. ADJOURNMENT**

**I.**

**Call to Order &  
Quorum Verification**

**II.**

**Opening Remarks**

## III.

# Public Comment

To address the committee regarding a matter not on the agenda, please complete a blue speaker's card and hand it to a staff person. Speakers are limited to two minutes each.

**IV.**

**Consent Items**

**[Action]**

## **IV.A**

# **Fiscal Year 2019 Year-End Financial Status Report (Final)**

**[Action]**

**FISCAL YEAR 2019 (JUNE 30, 2019) FINAL FINANCIAL STATUS REPORT**

**Financial Update:**

- There are no changes since the Preliminary Year-End Report presented in November 2019.
- Final numbers are the same as the preliminary numbers reported to the Board on November 19, 2019. Please see attached Preliminary Report as of June 30, 2019.

###

Attachments

## FISCAL YEAR 2019 (JUNE 30, 2019) PRELIMINARY FINANCIAL STATUS REPORT

### Key Highlights

- WIOA formula and Rapid Response carry-over funding from FY2017-18 was fully spent by June 30, 2019.
- At the end of the preliminary close as of June 30, 2019, work2future had a balance of \$2.68 million from FY2018-19 Adult, Dislocated Worker, and Youth allocations:
  1. Board-mandated Reserve Account: \$948,373;
  2. Board-approved Unallocated Reserve Account: \$693,789; and
  3. Actual savings of \$1,038,190 comprised of the following:
    - a) savings from equipment return: \$38,498
    - b) savings from unspent contracted services from current and previous years: \$416,649
    - c) savings from personnel costs generated by mandatory one-month separations from City employment for temporary unclassified positions whose assignments have or would have reached the maximum two-year employment period, unfilled vacant position, and a portion of staff salaries budget that was transferred to discretionary grants: \$434,094
    - d) non-personnel savings from maintenance, telephone, security services, unencumbered website contract, and overhead adjustment: \$73,779
    - e) savings from unspent clients' training and supportive services budget: \$75,170

### Other Discretionary Funding

- work2future fully spent its Prop 39 grant balance of \$82,535 at the close of the grant. As of December 31, 2018 (term-end date of the grant), 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 and in other employment or post-secondary education. Staff continue to provide placement support for the remaining graduates. This grant has been closed.
- work2future spent the remaining \$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).
- A total funding amount of \$1.5 million was provided for the San Jose Works 4.0 Youth Jobs Initiative, which included a new grant from the City of San Jose for \$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 and \$2,400 was carried over as an encumbrance. As of April 30, 2019 (end of SJW 4.0), 375 youth were provided with grant-subsidized internships and 627 youth were placed in employer-paid job opportunities, more than meeting a goal of providing subsidized and unsubsidized employment opportunities to 1,000 eligible youth. As of June 30, 2019, 86% of the youth have successfully completed their subsidized

internships and 625 others have already been placed in employer-paid opportunities. In addition to recruitment, placement, and onboarding services, youth were also provided career counseling, job readiness training, supportive services (e.g. bus passes), and financial literacy education.

In May 2019, staff started outreach and recruitment for the San Jose Works 5.0 program, with a total goal of 1,000 youth: 375 subsidized and 625 unsubsidized. Employers such as Intrepid Electronics Systems, FAIM Marketing, Lehigh Hanson, HP Machine & Engineering Inc., Next Flex, and Achievement Engineering Group have already participated.

- work2future has fully spent the remainder of the Career Pathways Trust grant funds in the amount of \$99,283 at the preliminary close ending June 30, 2019. This grant covered a portion of the salaries and benefits of three full-time equivalent positions at the work2future 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. This grant has been closed.
- 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 fully spent and 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 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. Both grants have been fully spent (\$200,000—March 31, 2019; \$115,670—June 30, 2019) and have been closed.
- 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 has helped 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. At the end of June 30, 2019, work2future has 67 placements, which is above the placement goal of 65 (original goal is 50). Even though this grant ends in September 30, 2019, the grant has achieved its program goals and funding has been fully spent at the end of June 20, 2019. This grant has been closed.
- work2future received its allocation from the Prison to Employment (P2E) Initiative Planning Grant from the City of Sunnyvale (NOVA) in the amount of \$16,625. These funds had been fully spent by the end of June 30, 2019 supporting 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. An additional \$7,938 had been received to augment the planning and development stages of the P2E program.

###

**work2future**  
**Financial Status Report as of 6/30/2019**  
**PD 15 Status 1 (Preliminary Close)**

Prepared by: Joy Salandanan  
 Approved by: Monique Melchor

CWDB	Adult	Dislocated Worker	Youth	RR	TOTAL WIOA
<b>Grant Period</b>	<b>07/01/17-06/30/19</b>	<b>07/01/17-06/30/19</b>	<b>04/01/17-06/30/19</b>	<b>07/01/17-06/30/19</b>	
Available Funds for FY2018-2019 PD 14	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)
<b>Total Actual Expenditures/Encumbrances/Spending Plan as of June 2018</b>	<b>(1,703,092)</b>	<b>(930,619)</b>	<b>(1,282,021)</b>	<b>(582,567)</b>	<b>(4,498,300)</b>
Available Funds for FY2018-2019	781,242	968,342	950,541	35,465	2,735,589
<i>% Remaining</i>	31%	51%	43%	6%	38%
<b>II. Actual Expenditures/Encumbrances</b>					
(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 June 30, 2019</i>	(937,589)	(1,428,847)	(974,305)	(35,680)	(3,376,421)
<i>Encumbrances as of June 30, 2019</i>		0		0	0
<b>Total Actual Expenditures/Encumbrances as of June 30, 2019</b>	<b>(937,589)</b>	<b>(1,428,847)</b>	<b>(974,305)</b>	<b>(35,680)</b>	<b>(3,376,421)</b>
<b>\$ Remaining</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>% Remaining</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
(b) <b>Current Allocation for FY 2018-2019</b>	<b>1,965,619</b>	<b>2,289,129</b>	<b>2,067,738</b>	<b>497,823</b>	<b>6,820,309</b>
Additional Funding	7,059	10,440	6,324	516	24,339
Transfer between Adult and Dislocated Worker	150,000	(150,000)	0	0	0
Rescission	0	0	0	0	0
<b>Adjusted Allocation for FY 2018-2019</b>	<b>2,122,678</b>	<b>2,149,569</b>	<b>2,074,062</b>	<b>498,339</b>	<b>6,844,648</b>
<i>Expenditures as of June 30, 2019</i>	(1,439,475)	(325,291)	(1,197,646)	(498,339)	(3,460,751)
<i>Encumbrances as of June 30, 2019</i>	(43,096)	(609,014)	(51,435)		(703,545)
<b>Total Actual Expenditures/Encumbrances as of June 30, 2019</b>	<b>(1,482,571)</b>	<b>(934,305)</b>	<b>(1,249,081)</b>	<b>(498,339)</b>	<b>(4,164,296)</b>
<b>\$ Remaining</b>	<b>640,107</b>	<b>1,215,264</b>	<b>824,981</b>	<b>0</b>	<b>2,680,352</b>
<b>% Remaining</b>	<b>30%</b>	<b>57%</b>	<b>40%</b>	<b>0%</b>	<b>39%</b>
<b>Total Available Funds for FY2018-2019</b>	<b>3,060,267</b>	<b>3,578,416</b>	<b>3,048,367</b>	<b>534,019</b>	<b>10,221,069</b>
<b>Total Cumulative Expenditures/Encumbrance as of June 30, 2019</b>	<b>(2,420,160)</b>	<b>(2,363,152)</b>	<b>(2,223,386)</b>	<b>(534,019)</b>	<b>(7,540,717)</b>
<b>\$ Remaining</b>	<b>640,107</b>	<b>1,215,264</b>	<b>824,981</b>	<b>0</b>	<b>2,680,352</b>
<b>% Remaining</b>	<b>21%</b>	<b>34%</b>	<b>27%</b>	<b>0%</b>	<b>26%</b>
<b>III. Actual vs. Projected Expenditures/Carry Over through June 30, 2019</b>					
Actual Expenditures/Encumbrances through June 2019	(1,482,571)	(934,305)	(1,249,081)	(498,339)	(4,164,296)
Actual Carry Over through June 2019 (\$)	640,107	1,215,264	824,981	0	2,680,352
Actual Carry Over through June 2019 (%) with Rapid Response	30%	57%	40%	0%	39%
Actual Carry Over through June 2019 (%) without Rapid Response	30%	57%	40%	0%	42%
Projected Expenditures/Encumbrances through June 2019	(1,633,778)	(914,037)	(1,253,032)	498,339	(3,302,508)
Projected Carry Over through June 2019 (\$)	590,976	1,135,532	821,030	0	2,547,538
Projected Carry Over through June 2019 (%) with Rapid Response	28%	53%	40%	0%	37%
Projected Carry Over through June 2019 (%) without Rapid Response	28%	53%	40%	0%	40%

work2future

Financial Status Report as of 6/30/19

Pd 15 Stat 1 (Preliminary Close)

Other Discretionary Funds	CWDB Proposition 39 Grant Closed	DOL ETA H-1B Ready to Work Partnership Initiative *	City of San Jose Youth Summer Program Initiative	Career Pathway Trust Closed	CALJOBS VOS Enhancement Touch Screen Closed	Regional Training Coordinator Closed	Regional Training Coordinator (NOVA) Closed	NDWG Flood Event 2017 Closed	Prison to Employment (NOVA)	Total
I. Actual as of June 30, 2018	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- 9/30/19	10/1/2018- 12/31/2019	
<b>Grant Period</b>										
<b>Original Allocation</b>	900,000	232,007	1,500,000	150,000	7,000	200,000	86,319	666,666	16,625	3,758,617
<b>Increase/(Decrease)</b>	468,750	311,699	91,400	100,000	0	0	29,351	333,334	7,938	1,342,472
<b>Adjusted Allocation</b>	1,368,750	543,706	1,591,400	250,000	7,000	200,000	115,670	1,000,000	24,563	5,101,089
<i>Expenditures as of June 30, 2018</i>	(1,286,215)	(499,312)	0	(150,717)	(3,436)	(86,025)	0	(624,277)	0	(2,649,982)
<i>Encumbrance as of June 30, 2018</i>	(45,213)	0	0	0	0	0	0	0	0	(45,213)
<b>Total Actual Expenditures/Encumbrances as of June 2018</b>	(1,331,428)	(499,312)	0	(150,717)	(3,436)	(86,025)	0	(624,277)	0	(2,695,195)
<b>Available Funds for FY 2018-2019</b>	37,322	44,394	1,591,400	99,283	3,564	113,975	115,670	375,723	24,563	2,405,894
<b>% Remaining</b>	3%	8%	100%	40%	51%	57%	100%	38%	100%	47%
<b>Available Funds for FY2018-2019</b>	82,535	44,394	1,591,400	99,283	3,564	113,975	115,670	375,723	24,563	2,451,107
<i>Expenditures as of June 30, 2019</i>	(82,535)	(44,394)	(998,886)	(99,283)	(3,564)	(113,975)	115,670	(375,723)	(16,625)	(1,619,315)
<i>Encumbrances as of June 30, 2019</i>			(409,063)		0	0	0	0	0	(409,063)
<b>Cumulative Expenditures/Encumbrances as of June 30, 2019</b>	(82,535)	(44,394)	(1,407,949)	(99,283)	(3,564)	(113,975)	115,670	(375,723)	(16,625)	(2,028,378)
<b>Remaining</b>	0	0	183,451	0	0	0	231,340	0	7,938	422,729
<b>% Remaining</b>	0%	0%	12%	0%	0%	0%	200%	0%	32%	17%
<b>III. Actual vs Projected Expenditures/Carry Over</b>										
<i>Actual Expenditures/Encumbrances through June 2019</i>	(82,535)	(44,394)	(1,407,949)	(99,283)	(3,564)	(113,975)	(115,670)	(375,723)	(16,625)	(2,259,718)
<i>Actual Carry Over through June 2019 (\$)</i>	0	0	183,451	0	0	0	0	0	7,938	191,389
<i>Actual Carry Over through June 2019 (%)</i>	0%	0%	12%	0%	0%	0%	0%	0%	32%	8%
<i>Projected Carry Over through June 2019 (\$)</i>	0	0	208,385	0	0	0	0	0	7,938	216,323
<i>Projected Carry Over through June 2019 (%)</i>	0%	0%	13%	0%	0%	0%	0%	0%	32%	9%

**work2future**  
**Financial Status Report as of 6/30/2019**  
**Pd 15 Stat 1 (Preliminary Close)**

Other Funds	CWDB	Bank of America (BOS)	NFTE	W2F Foundation	Total
<b>I. Actual as of June 30, 2018</b>		<b>CLOSED</b>	<b>CLOSED</b>		
Grant Period	N/A	N/A	N/A	N/A	
<b>Original Allocation</b>	<b>5,000</b>	<b>10,000</b>	<b>801</b>	<b>15,454</b>	<b>31,255</b>
Expenditure/Encumbrances as of June 2018	0	(3,258)	0	0	(3,258)
Total Actual Expenditures/Encumbrances as of June 2018	0	(3,258)	0	0	(3,258)
<b>Available Funds for FY 2018-2019</b>	<b>5,000</b>	<b>6,742</b>	<b>801</b>	<b>15,454</b>	<b>27,997</b>
% Remaining	100%	67%	100%	100%	90%
<b>II. Actual Expenditures</b>					
Available Funds for FY 2018-2019	<b>5,000</b>	<b>6,742</b>	<b>801</b>	<b>15,454</b>	<b>27,997</b>
Expenditures as of June 30, 2019		(6,742)	(801)	(530)	(8,073)
Encumbrances as of June 30, 2019		0	0	0	0
<b>Cumulative Expenditures as of June 30, 2019</b>	<b>0</b>	<b>(6,742)</b>	<b>(801)</b>	<b>(530)</b>	<b>(8,073)</b>
\$ Remaining	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>14,924</b>	<b>19,924</b>
% Remaining	100%	0%	0%	97%	71%
<b>III. Actual vs. Projected Expenditures and Encumbrances/Carry Over</b>					
Actual Carry Over through June 2019	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>14,924</b>	<b>19,924</b>
Actual Carry Over (%) through June 2019	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>97%</b>	<b>71%</b>
Projected Carry Over through June 2019	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>14,924</b>	<b>19,924</b>
Projected Carry Over (%) through June 2019	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>97%</b>	<b>71%</b>

## **IV.B**

November 30, 2019  
Financial Status Report

[Action]

## PRELIMINARY FINANCIAL STATUS AS OF NOVEMBER 30, 2019

### Key Highlights

- WIOA formula and Rapid Response carry-over funding from FY 2018-19 is projected to be fully spent by June 30, 2020.
- As of November 30, 2019, there is no change in the amount of funding anticipated to be carried over to FY 2020-21. It remains at \$1.765 million from the current Adult, Dislocated Worker, and Youth allocations to be carried over to FY 2020-21 representing:
  1. Board-mandated Reserve Account: \$869,474
  2. Board-approved Unallocated Reserve Account: \$693,789
  3. Additional funding of \$185,352 from actual savings at year-end close of June 30, 2019
  4. Projected net savings of \$16,480, as follows: a) \$3,585 from temporary unclassified position term expiring (30-day gap in employment prior to re-hire); b) over-accruals of \$17,395 from FY 18-19; c) savings of \$5,000 from consultancy services for a fiscal consultant; and d) *less* an expense of \$9,500 for an unbudgeted consultant for data analytics services.

### Other Discretionary Funding

- work2future received an allocation from the City's General Fund of \$1,500,000 for San Jose Works 5.0, in addition to the carry-over funding, net of adjustment of \$590,064 from FY 2018-19, for a total funding of \$2,090,064. As of November 30, 2019, over **94%** of the youth have successfully completed their subsidized internships, with a pending winter cohort of 53 students to complete the goal of 375 subsidized internships. An additional 287 participants have been placed in employer-paid opportunities. In addition to recruitment, placement, and onboarding services, youth were also provided career counselling, job readiness training, supportive services (e.g. bus passes), and financial literacy education. San Jose Works 6.0 planning has begun with a goal of serving 1,000 youth (375 subsidized and 625 subsidized). San Jose Works 5.0 ends in April 2020.
- work2future has received a funding allocation for the Prison to Employment (P2E) Initiative Planning Grant from the City of Sunnyvale (NOVA) in the amount of \$7,938. The funds will augment the initial grant of \$16,625 to support a portion of staff time associated with the development of ongoing relationships with 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. This grant ends in December 31, 2019 and will be fully expended.
- Additional P2E funding of \$661,784—\$607,977 for implementation and \$53,807 for work2future serving as the program lead—has been awarded to work2future. The funds, in partnership with Santa Clara County Probation and other corrective systems organizations, will support training, job placement and supportive services to eligible re-entry individuals. In addition, work2future will provide project coordination for P2E in the Bay-Area Peninsula Regional Planning Unit, comprised of four workforce development boards: San Francisco, NOVA, San Benito and work2future. The grant term for this award is from September 1, 2019 to March 31, 2022. To date, the grant award document is still being processed for execution.

- work2future received funding of \$15,000 for the Regional Training Coordinator grant to support trainings, conferences, travel costs and costs associated with travel and professional development of work2future and partners' staff. This grant ends in September 30, 2020 and is anticipated to be fully spent by the end of the grant.
- A total of \$11,653 was awarded to work2future from the Slingshot 2.0 Apprenticeship Initiative grant to the Bay-Peninsula RPU. The joint project is focused on regional apprenticeship system alignment and systems building. The development of a regional support network for non-traditional apprenticeships is projected to be the outcome of this grant. This grant ends on September 30, 2020 and is anticipated to be fully spent by the end of the grant.
- BusinessOwnersSpace (BOS) funds are unrestricted funds that have been sourced from various agencies and have been carried forward year after year until funding is fully exhausted.

###

Attachments

work2future

Financial Status Report as of 11/30/19

Pd 5 Status 3

Prepared by: Joy Salandanan

Approved by: Monique Melchor

WIOA Formula Funds	Adult	Dislocated Worker	Youth	RR	TOTAL WIOA
<b>I. Actual as of June 30, 2019</b>					
Grant Period	07/01/18-06/30/20	07/01/18-06/30/20	04/01/18-06/30/20	07/01/18-06/30/20	
Available Funds for FY2019-2020 PD 15 Stat 1	<b>2,572,678</b>	<b>1,697,196</b>	<b>2,074,062</b>	<b>498,339</b>	<b>6,842,275</b>
<i>Actual Expenditures as of June 30, 2019</i>	(1,439,475)	(325,291)	(1,197,645)	(498,339)	(3,460,750)
<i>Encumbrances/Spending Plan as of June 30 2019</i>	(43,096)	(609,014)	(51,435)	0	(703,545)
<i>Total Actual Expenditures/Encumbrances/Spending Plan as of June 2019</i>	(1,482,571)	(934,305)	(1,249,080)	(498,339)	(4,164,295)
Available Funds for FY2019-2020	<b>1,090,107</b>	<b>762,891</b>	<b>824,982</b>	<b>0</b>	<b>2,677,980</b>
% Remaining	42%	45%	40%	0%	39%
<b>II. Actual Expenditures/Encumbrances</b>					
(a) Available Funds from Carry over for FY2019-2020 (remaining plus enc.)	<b>1,133,203</b>	<b>1,371,905</b>	<b>876,417</b>	<b>0</b>	<b>3,381,525</b>
<i>Expenditures as of November 30, 2019</i>	(533,203)	(518,762)	(497,442)		(1,549,407)
<i>Encumbrances as of November 30, 2019</i>	(600,000)	(819,850)	(378,975)	0	(1,798,825)
Total Actual Expenditures/Encumbrances as of November 30, 2019	(1,133,203)	(1,338,612)	(876,417)	0	(3,348,232)
<b>\$ Remaining</b>	<b>0</b>	<b>33,293</b>	<b>0</b>	<b>0</b>	<b>33,293</b>
<b>% Remaining</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>
(b) <b>Current Allocation for FY 2019-2020</b>	1,781,557	2,140,840	1,874,095	590,483	6,386,975
Additional Funding	4,370	1,256		347	5,973
Rescission	0	0	0	0	0
<b>Adjusted Allocation for FY 2019-2020</b>	<b>1,785,927</b>	<b>2,142,096</b>	<b>1,874,095</b>	<b>590,830</b>	<b>6,392,948</b>
<i>Expenditures as of November 30, 2019</i>	(406,766)	(53,552)	(67,630)	(163,610)	(691,558)
<i>Encumbrances as of November 30, 2019</i>	(615,966)	0	(1,052,825)	(5,000)	(1,673,791)
Total Actual Expenditures/Encumbrances as of November 30, 2019	(1,022,732)	(53,552)	(1,120,455)	(168,610)	(2,365,349)
<b>\$ Remaining</b>	<b>763,195</b>	<b>2,088,544</b>	<b>753,640</b>	<b>422,220</b>	<b>4,027,599</b>
<b>% Remaining</b>	<b>43%</b>	<b>98%</b>	<b>40%</b>	<b>71%</b>	<b>63%</b>
<b>Total Available Funds for FY2019-2020</b>	<b>2,919,130</b>	<b>3,514,001</b>	<b>2,750,512</b>	<b>590,830</b>	<b>9,774,473</b>
<b>Total Cumulative Expenditures/Encumbrance as of November 30, 2019</b>	(2,155,935)	(1,392,164)	(1,996,872)	(168,610)	(5,713,581)
<b>\$ Remaining</b>	<b>763,195</b>	<b>2,121,837</b>	<b>753,640</b>	<b>422,220</b>	<b>4,060,892</b>
<b>% Remaining</b>	<b>26%</b>	<b>60%</b>	<b>27%</b>	<b>71%</b>	<b>42%</b>
<b>III. Projected Expenditures/Carry Over through June 30, 2020</b>					
<i>Projected Expenditures/Encumbrances through June 2020</i>	(1,356,346)	(1,256,144)	(1,428,118)	(587,245)	(4,627,853)
<i>Projected Carry Over through June 2020 (\$)</i>	429,581	885,952	445,977	3,585	1,765,095
<i>Projected Carry Over through June 2020 (%) with Rapid Response</i>	24%	41%	24%	1%	28%
<i>Projected Carry Over through June 2020 (%) without Rapid Response</i>	24%	41%	24%	0%	30%

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Other Discretionary Funds	City of San Jose Youth Summer Program Initiative	Prison to Employment Planning (NOVA)	Prison To Employment Direct Service Earn and Learn (NOVA)	Prison to Employment Program Lead	Regional Training Coordinator Funds (NOVA)	SlingShot 2.0 Apprenticeship Initiative (NOVA)	Total
			NEW GRANT	NEW GRANT	NEW GRANT	NEW GRANT	
<b>I. Actual as of June 30, 2019</b>							
<b>Grant Period</b>	<b>07/01/2019-6/30/2020</b>	<b>10/1/2018-12/31/2019</b>	<b>9/1/19-3/31/2022</b>	<b>9/1/19-3/31/2022</b>	<b>4/1/2019-9/30/2020</b>	<b>4/1/2019-9/30/2020</b>	
Original Allocation	1,500,000	16,625	607,977	53,807	15,000	11,653	2,205,062
Increase/(Decrease)	91,400	7,938	0	0	0	0	99,338
Adjusted Allocation	1,591,400	24,563	607,977	53,807	15,000	11,653	2,304,400
Expenditures as of June 30, 2019	(998,886)	(16,625)	0	0	0	0	(1,015,511)
Encumbrance as of June 30, 2019	(409,063)	0	0	0	0	0	(409,063)
<b>Total Actual Expenditures/Encumbrances as of June 2019</b>	<b>(1,407,949)</b>	<b>(16,625)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,424,574)</b>
Available Funds for FY 2019-2020	183,451	7,938	607,977	53,807	15,000	11,653	879,826
% Remaining	12%	32%	100%	100%	100%	100%	38%
Available Funds for FY2019-2020	592,514	7,938	607,977	53,807	15,000	11,653	1,288,889
Funding 19-20	1,500,000	0	0	0	0	0	1,500,000
Adjustment	(2,450)	0	0	0	0	0	(2,450)
Total Available Funding for FY 2019-2020	2,090,064	7,938	607,977	53,807	15,000	11,653	2,786,439
Expenditures as of November 30, 2019	(416,009)	(4,067)	0	0	0	0	(420,076)
Encumbrances as of November 30, 2019	(598,567)	0	0	0	0	0	(598,567)
<b>Cumulative Expenditures/Encumbrances as of November 30, 2019</b>	<b>(1,014,576)</b>	<b>(4,067)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,018,643)</b>
Remaining	1,075,488	3,871	607,977	53,807	15,000	11,653	1,767,796
% Remaining	51%	49%	100%	100%	100%	100%	63%
<b>III. Projected Expenditures/Carry Over</b>							
Projected Expenditures/Encumbrances through June 2020	(1,566,054)	(7,938)	(265,000)	(23,060)	(15,000)	(11,653)	(1,888,705)
Projected Carry Over through June 2020 (\$)	524,010	0	342,977	30,747	0	0	897,734
Projected Carry Over through June 2020 (%)	25%	0%	56%	57%	0%	0%	32%

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Other Funds	CWDB	Others	Total
<b>I. Actual as of June 30, 2019</b>			
Grant Period	N/A	N/A	
Original Allocation	5,000	15,454	20,454
Expenditure/Encumbrances as of June 2019	0	(530)	(530)
Total Actual Expenditures/Encumbrances as of June 2019	0	(530)	(530)
Available Funds for FY 2019-2020	5,000	14,924	19,924
% Remaining	100%	97%	97%
<b>II. Actual Expenditures</b>			
Available Funds for FY 2019-2020	5,000	14,924	19,924
Expenditures as of November 30, 2019	(957)	(763)	(1,720)
Encumbrances as of November 30, 2019	0	0	0
Cumulative Expenditures as of November 30, 2019	(957)	(763)	(1,720)
\$ Remaining	4,043	14,161	18,204
% Remaining	81%	95%	91%
<b>III. Projected Expenditures and Encumbrances/Carry Over</b>			
Projected Carry Over through June 2020	4,043	14,161	18,204
Projected Carry Over (%) through June 2020	81%	95%	91%

**V.A.1**

**Minutes Approval**

**[Action]**

**EXECUTIVE COMMITTEE**

**Thursday, January 23, 2020**

Staff present: Kathryn Azevedo, Sangeeta Durrall, Monique Melchor, Joy Salandanan, Lawrence Thoo

**MEETING MINUTES**

Prepared by L. Thoo; approved by M. Melchor

**I. CALL TO ORDER & QUORUM VERIFICATION**

Chair Joe Flynn called the meeting to order at 11:37 am

**Present:** Louise Auerhahn, George Chao, Joe Flynn, Maria Lucero, Rafaela Perez, Steve Preminger

**Absent:** Susan Koepp-Baker

**II. OPENING REMARKS**

Mr. Flynn read opening remarks.

**III. PUBLIC COMMENT**

None.

**IV. CONSENT ITEMS**

**Action:** It was moved by Mr. Preminger, seconded by Ms. Lucero and approved unanimously by the committee to accept the

**A. October 31, 2019 Financial Status Report**

**V. BUSINESS ITEMS**

**A. Old Business**

**1. Minutes Approval**

**Action:** On a motion by Mr. Preminger, seconded by Ms. Lucero, the committee voted unanimously to approve the minutes of the November 8, 2019 Executive Committee Special Meeting.

**B. New Business**

**1. Director's Report**

Director Melchor informed the committee of upcoming annual state monitoring activities: Equal Employment Opportunity compliance and Youth Program services in March, and Fiscal and Procurement monitoring in June. She said that the monitoring process this year appears to require more information and will be more time consuming. She also informed the committee that Finance Manager Joy Salandanan and a long-time member

of her staff will be retiring by the end of February, and that recruiting to fill the vacancies will begin soon.

**2. Business Services Committee**

Mr. Chao, elected as the first chairperson of the new Business Services Committee, reported on the committee's first meeting, which served primarily as an opportunity for the committee to be briefed on the various business engagement activities of work2future.

**3. Career Services RFP**

Director Melchor reported on the January 15 release of the Request for Proposal (RFP) for new career services providers and took questions and comments from committee members primarily around timing and community engagement.

**4. Prison-to-Employment Initiative**

Special Projects Officer Durrall provided an overview of planning for the pending launch of the Prison-to-Employment Initiative, which will see its first cohort of participants in February, and took suggestions from committee members.

**5. Automation | AI | Future of Work**

Strategic Engagement Manager Thoo reported that work has begun on the project to identify actions that work2future might consider in anticipation of workforce impacts of continuing adoption of automation and artificial intelligence (AI) resources by local employers. Project consultants met with a stakeholder advisory panel on January 16 and plan to meet with the panel again before finalizing recommendations to present to the Board in March.

**VI. AGENDA SUGGESTIONS**

- A. Report on Youth Program outreach, including plans moving forward, to youth-serving community organizations, with a focus on scope of outreach
- B. Prison to Employment update
- C. Automation|AI|Future of Work update

**VII. ANNOUNCEMENTS**

- A. Next Executive Committee meeting: February 20, 2020, 11:30 am
- B. Mr. Chao likely to miss meetings for the next few months as his family is expecting the birth of a new baby.

**VIII. ADJOURNMENT**

Mr. Flynn adjourned the meeting at 12:55 pm

DRAFT

**V.B.1**

Director's Report

[Discussion]

**DIRECTOR'S REPORT**

work2future Director Monique Melchor will update the committee on various matters of interest.

###

**V.B.2**

2018-19

Monitoring Reports

[Discussion]

### **2018-19 FISCAL AND PROGRAM MONITORING REPORTS**

With the receipt of the Fiscal Year 2018-19 Fiscal and Procurement Monitoring final report from the California Employment Development Department (EDD), staff can report that work2future carried out both its program services and its fiscal and procurement activities in 2018-19 in a manner that met the requirements of the State of California. As a result, there were no findings either in the state's monitoring of fiscal and procurement activities or monitoring of program activities.

Both final reports are attached.

**###**

Attached: PY 18-19 Program Final Report  
FY 18-19 Fiscal & Procurement Final Report



September 12, 2019

Ms. Monique Melchor  
Director  
San Jose Silicon Valley - work2future  
5730 Chambertin Drive  
San Jose, CA 95118

WORKFORCE INNOVATION AND OPPORTUNITY ACT  
PROGRAM YEAR 2018-19  
PROGRAM REVIEW  
FINAL MONITORING REPORT

Dear Ms. Melchor:

This final monitoring report is to inform you of the results of our monitoring review for Program Year (PY) 2018-19 of the Silicon Valley Workforce Investment Network's (SVWIN's) Workforce Innovation and Opportunity Act (WIOA) program operations. For this review we focused on WIOA activities for the youth, adult and dislocated worker programs, including the following areas: Workforce Development Board and Standing Committee composition, local program oversight and monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, participant eligibility, career services, and Rapid Response activities.

This review was conducted by Mr. Leonardo Ruffino from February 4, 2019, through February 8, 2019. Our review was conducted under the authority of WIOA Sections 183(a) and 184(a)(4). The scope of this review was to determine SVWIN compliance to the WIOA grant program, federal and state regulations, and applicable state directives.

During the review, we performed the following procedures:

- Reviewed laws, regulations, policies, procedures, and directives related to WIOA.
- Obtained and reviewed SVWIN policies and procedures specific to the following areas:
  - Adult, dislocated worker, and youth eligibility determination
  - Personally Identifiable Information
  - Grievance Procedures
  - Conflict of Interest
  - Career Services

- Youth Services
- Supportive Services
- Oversight and Monitoring
- Veteran's Priority of Service
- Training
- Rapid Response Assistance and Services
- Reviewed Local Workforce Development Board rosters, by-laws, and standing committees.
- SVWIN Memorandums of Understanding with partners.
- Reviewed SVWIN monitoring policies, procedures, logs and reports.
- Interviewed SVWIN representatives and service provider staff (if applicable).
- Reviewed SVWIN responses to the On-Site Monitoring Guide.
- Obtained and reviewed sample case files for adult and dislocated workers enrolled from July 1, 2017 through February 1, 2019.

## **BACKGROUND**

The SVWIN was awarded WIOA funds to administer a comprehensive workforce development system designed to help job seekers access employment, training, and supportive services to succeed in the labor market and match employers with the skilled workers they need to compete in the global economy. For PY 2017-18, the SVWIN was allocated: \$1,967,695 to serve adult participants; \$2,067,738 to serve youth participants; and \$2,291,502 to serve dislocated worker participants.

For the quarter ending December 31, 2018 SVWIN reported the following WIOA expenditures: \$154,002 for adult participants; \$514,765 for youth participants; and \$88,852 for dislocated worker participants.

We reviewed 22 case files of the 517 participants enrolled in the WIOA program as of February 1, 2019.

## **PROGRAM REVIEW RESULTS**

During this review we did not identify any findings or concerns; therefore, we are issuing this report as the final report.

Ms. Monique Melchor  
September 12, 2019  
Page 3

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. The SVWIN is responsible to ensure that its systems, programs, and related activities comply with the WIOA grant program, federal and state regulations, and applicable state directives. Therefore, SVWIN is responsible for any deficiencies identified in subsequent reviews or audits.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Karen Fuller-Ware, Compliance Monitoring Supervisor, at 1-916-653-4174 or [Karen.FullerWare@edd.ca.gov](mailto:Karen.FullerWare@edd.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Jojo Sanchez-Gajo". The signature is fluid and cursive, with the first name "Jojo" being the most prominent part.

JOJO SANCHEZ-GAJO, Chief  
Compliance Monitoring Section 1  
Compliance Review Office

cc: Jessica Encarnacion, MIC 22  
Karen Fuller-Ware, MIC 22M  
Jaime Gutierrez, MIC 50  
Jennifer Gouvaia, MIC 50  
MaryLiz Kerecman, MIC 50



November 27, 2019

Ms. Monique Melchor  
City of San Jose/Work2Future  
5730 Chambertin Drive  
San Jose, CA 95118

WORKFORCE INNOVATION AND OPPORTUNITY ACT  
FISCAL AND PROCUREMENT REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2018-19

Dear Ms. Melchor:

This final monitoring report is to inform you of the results of the Employment Development Department, Compliance Review Office's (CRO's) Workforce Innovation and Opportunity Act (WIOA) review of the City of San Jose Work2Future's (W2F) fiscal and procurement systems for Program Year (PY) 2018-19. The W2F was awarded WIOA funds to provide centralized comprehensive workforce services to adults, dislocated workers, youth, and those in need of rapid response through one comprehensive and two affiliate America's Job Centers of California<sup>SM</sup> (AJCC) that contracted with the San Jose AJCC, Gilroy Affiliate AJCC, and North San Jose Affiliate AJCC, respectively.

Our review was conducted under the authority of WIOA, Sections 183(a) and 184(a)(4). The purpose of this review was to determine the level of compliance by W2F with applicable federal and state laws, regulations, policies, and directives related to the WIOA grant specific to financial management and procurement activities for PY 2018-19. The scope of the review covered the period of June 1, 2018, through May 31, 2019.

For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, financial reporting, expenditures charged to the WIOA grants, cost allocation, indirect cost rate, cash management, internal controls, oversight of your subrecipients, audits, and debt collection. For the procurement portion of the review, we examined procurement transactions and property management.

The on-site review was conducted Mr. James Williams, Jr., from June 3, 2019, through June 7, 2019. The exit conference for this review was held on June 7, 2019. We

Ms. Monique Melchor  
November 27, 2019  
Page 2

collected the information for this report through interviews with W2F representatives; and by reviewing applicable policies, procedures, a sample of PY 2017-18 and PY 2018-19 expenditures and procurements, and your response to Sections I and II of the WIOA Fiscal and Procurement On-Site Monitoring Guide.

### **FISCAL REVIEW RESULTS**

We conclude that we did not identify any areas of W2F not meeting WIOA requirements concerning financial management.

### **PROCUREMENT REVIEW RESULTS**

We conclude that we did not identify any areas of W2F not meeting applicable WIOA requirements concerning procurement.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all areas included in our review. It is W2F's responsibility to ensure that the systems, programs, and related activities comply with the WIOA grant program, federal and state regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain W2F's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. James Williams, Jr., Compliance Monitoring Analyst, at 1-916-654-2537 or [James.WilliamsJr@edd.ca.gov](mailto:James.WilliamsJr@edd.ca.gov); or Ms. Melissa McDaniel, Compliance Monitoring Supervisor, at 1-916-654-7825 or [Melissa.McDaniel@edd.ca.gov](mailto:Melissa.McDaniel@edd.ca.gov).

Sincerely,



SCHENELLE FLORES, Acting Chief  
Compliance Review Office

cc: Jennifer Gouvaia, MIC 50  
Jaime Gutierrez, MIC 50  
MaryLiz Kerecman, MIC 50  
Melissa McDaniel, MIC 22M  
Tim Reynaga, MIC 50  
James Williams, Jr., MIC 22M

# **V.B.3**

## **Budget Scenarios for FY 2020-21**

**[Action]**



# Memorandum

**TO:** EXECUTIVE COMMITTEE

**FROM:** Joy Salandanan

**SUBJECT:** See Below

**DATE:** February 14, 2020

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Approved

Date

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**SUBJECT: Preliminary Scenarios for the Workforce Development Board (WDB) Program  
Operating Budget for FY 2020-2021**

## **RECOMMENDATION**

Recommend Board approval of the following:

1. Three preliminary Budget Scenarios for Fiscal Year 2020-21, as follows:
  - Proposed FY 2020-21 WDB Program Budget based on a projected allocation of \$5.796 million **(AS IS, same allocation as for FY 2019-20)**,
  - Proposed FY 2020-21 WDB Program Budget based on a projected allocation of \$5.507 million **(base allocation, 5% cut from FY 2019-20 allocation)**, and
  - Proposed FY 2020-21 WDB Program Budget based on a projected allocation of \$5.217 million **(10% cut from FY 2019-20 allocation)**;
2. work2future Director's authority to approve the transfer of funds between program budget line items, so long as there is no change to the overall amounts for personnel and non-personnel expenses, and if the budget transfer does not increase the Board-approved Program Budget total.
3. work2future Director's authority to approve the transfer of funds between the Adult and Dislocated Worker programs as needed to accommodate changes in the numbers of clients being served by the two programs.

The three Budget Scenarios above are based on early *estimates* of WIOA funding allocations to be received. The California Employment Development Department (EDD) normally conveys the Adult, Dislocated Worker, and Youth funding allocations to the 46 local WDBs in April/May of each year. Once notification of the *final* allocation from the EDD is received and after the Board's next scheduled meeting on March 26, 2020, staff will present a *balanced* Program Operating Budget to the Executive Committee for a recommendation to the Board at its June 2020 meeting.

**BACKGROUND AND ANALYSIS**

**Funding Allocations**

As in previous years, staff developed the scenarios as follows: AS IS or no change in allocation; 5% funding reduction (*base*), and 10% funding reduction compared to the WIOA Adult, Dislocated Worker, and Youth final funding allocation for FY 2019-20.

Proposed Allocation	2019-20 Final Allocation	Proposed 2020-21 AS IS	Proposed 2020-21 <i>Base</i>  5% Reduction	Proposed 2020-21  10% Reduction
	A	B	C	D
Formula Allocation	\$5,796,492	\$5,796,492	\$5,506,667	\$5,216,843
<b>Shortfall in Funding compared to 2019-20 (\$)</b>		<b>0</b>	<b>(289,825)</b>	<b>(579,649)</b>
Shortfall in Funding (%)		0%	5%	10%

**Proposed Program Budgets**

Approval of the proposed budgets includes: a) re-budgeting of the 15% Board-mandated Reserve carry-over funding from FY 2019-20 of \$869,474 and b) re-budgeting of the June 2019 Board-approved Unallocated Contingency Account for Training and Other Services of \$693,789; the additional \$185,352 contingency reserve amount approved by the Board in November 2019 and projected savings through June 30, 2020 of \$12,895 as per November Financial Report, for a combined total of \$892,036. The proposed budgets also considered the setting aside of the 15% Board-mandated reserve account for FY 2021-22, which reduces the funding available for program operations for FY 2020-21 across all three budget scenarios. In addition, since this is a “strictly” program operating budget, as in previous years, the administrative budget is reported separately.

FISCAL YEAR	2019-2020 Base  June 2019 Board Approved Budget	2020-2021  AS IS	2020-2021  5% Reduction	2020-2021  10% Reduction
Funding Allocation	\$5,796,492	\$5,796,492	\$5,506,667	\$5,216,843

15% Board-mandated Reserve from Prior Year	948,373	869,474	869,474	869,474
Projected Savings (includes Board-Approved Contingency Account)	1,546,626	892,036	892,036	892,036
Carry Over to FY 2021-22 for 15% Board-mandated Reserve	(869,474)	(869,474)	(826,000)	(782,526)
Administrative Funding	(579,649)	(579,649)	(550,667)	(521,684)
<b>Proposed Program Budget</b>	<b>\$6,842,368</b>	<b>\$6,108,879</b>	<b>\$5,891,510</b>	<b>\$5,674,143</b>
Shortfall in Funding (\$)		(\$733,489)	(\$950,858)	(\$1,168,225)
Shortfall in Funding (%)		-11%	-14%	-17%

As can be gleaned from the first table above, even if the funding shortfall is zero for the AS IS scenario, and \$289,825 and \$579,649 funding shortfall for the 5% and 10% budget scenarios, respectively, the funding impact on the Proposed Operating Budget for FY 2020-21 is greater with a funding shortfall between approximately \$730,000 and \$1.2 million or between 11% and 17% , across all three budget scenarios due to the 15% Board-mandated carry-over funding set aside for FY 2021-22 and the 10% funding set aside for the administration of the programs.

**Recommended Budgetary Actions**

The following budgetary actions are recommended with the Proposed Operating Budget Scenarios:

- Assume the same staffing level funded in FY 2019-20; assumes COLA (cost of living adjustment) of 3%.
- Assume the same budget amount for other non-personnel costs other than rent/utilities account which is adjusted to reflect current rent/utilities rate with City Parks, Recreation and Neighborhood Services Department.
- Assume the same budget for other non-personnel costs.
- Assume 20% of Youth “program” (90% of Youth Program Allocation) is spent on work experience.
- Assume 20% of Adult and Dislocated Worker Program Allocations is spent on SB 734 training; 10% is sourced from leveraged sources.
- Assume zero amount for Unallocated Contingency Reserve Accounts.
- Assume the same funding provisions for service providers.

The following table shows the funding impact of the above budgetary assumptions into the Proposed Operating Budget across all three budget scenarios:

<b>Proposed Uses</b>	<b>2019-20 June 2019 Board Approved Budget</b>	<b>Proposed Budget 2020-21  AS IS</b>	<b>Proposed Budget 2020-21  Base  5% Funding Reduction</b>	<b>Proposed Budget 2020-21  10% Funding Reduction</b>
Personnel Costs	\$2,076,879	\$2,139,185	\$2,139,185	\$2,139,185
Non-Personnel Costs	508,128	547,133	547,133	547,133
Adult Client-Related Services	1,029,479	1,029,479	990,255	951,031
Youth Client-Related Services	480,337	480,337	463,470	446,603
Other Client-Related Services (One-Stop Operator)	35,000	35,000	35,000	35,000
Unallocated Contingency Account-Training	405,759	0	0	0
Unallocated Contingency Account-Others	288,030	0	0	0
Distribution to Service Providers	2,018,756	2,018,756	2,018,756	2,018,756
<b>Total Proposed Budget</b>	<b>\$6,842,368</b>	<b>\$6,249,890</b>	<b>\$6,193,799</b>	<b>\$6,137,708</b>
<b>Projected Funding</b>	<b>6,842,368</b>	<b>6,108,879</b>	<b>5,891,510</b>	<b>5,674,143</b>
<b>Shortfall in Funding (\$)</b>	<b>\$0</b>	<b>(\$141,011)</b>	<b>(\$302,289)</b>	<b>(\$463,565)</b>
<b>Shortfall in Funding (%)</b>	<b>0</b>	<b>-2%</b>	<b>-4%</b>	<b>-7%</b>

The elimination of the Unallocated Contingency Accounts totaling to \$693,789 reduces the funding shortfall. Thus, instead of the budget shortfall being in the range between 11% and 17% across all three budget scenarios, the budget shortfall is now between 2% and 7%. It is important to note though, that work2future has to find possible ways to mitigate the funding impact of this budgetary action when preparing the program operating budget for FY 2021-22 since this will reduce the funding available for the following year.

None of the scenarios envision dipping into the Board-mandated reserve. Instead, work2future staff is examining the following:

- Address funding shortfalls through cost savings and elimination of one-time service costs that are not ongoing operational needs, with the goal of avoiding major service

reductions or significant impact to employees, while helping to ensure the fiscal stability of work2future programs.

- Provide flexibility in the budget development process to allocate resources to the highest priority needs;
- Continue to adjust client service delivery models, operations, and staffing to effectively deliver services, and
- Pursue other discretionary grants and leveraged other resources through collaboration and partnerships with other community organizations and educational institutions.

At the final year-end close of June 30, 2020, should additional savings be generated, staff will recommend that a portion of the additional savings be set aside for the Unallocated Contingency Accounts. As in the past, work2future would use the Unallocated Contingency Accounts to augment current-year program operating budgets should an unanticipated need arise, or if unspent, bridge the funding gap in the program operating budget for the following fiscal year.

Staff will be bringing to the Board at its June 2020 meeting a *balanced* program operating budget along with Rapid Response, Administration and other discretionary grants.

As in previous years, in order to ensure that there is sufficient operational flexibility to respond to changing conditions, it is recommended that the Board allow 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 if the requested budget transfer keeps within the bottom line of the Board-approved Operating Budget.

Also as in previous years, it is recommended that the Board allow for the transfer of funds between the Adult and Dislocated Worker programs as needed to accommodate changes in the numbers of clients being served by the two programs without having to return to the Board for approval.

/s/  
Joy Salandanan  
Finance Manager

cc: Kim Walesh  
Jeff Ruster  
Monique Melchor

/js

**V.B.4**

**Program Services  
Performance Update**

**[Discussion]**



**ADULT/DISLOCATED WORKER PROGRAM - PROGRAM SERVICES AS OF 02/12/20**

Prepared by Meredith Studebaker Approved by Monique Melchor

**Reporting Period: July 1, 2019 - January 31, 2020**

Number of Carryover Participants:	526
Total Enrollments from July 1, 2019 (Jan = 60 participants):	397
Participants Provided Services:	923
Participants Exited:	528
Active Participants:	395

**ADULT/DISLOCATED WORKER PROGRAM ENROLLMENTS FY 2019-2020**

Program	POP as of 01/31/20	Actual	% of Goal	YEAR END - June 30, 2020	
				Goal	% of Projection
San Jose	467	334	72%	800	42%
South County	117	63	54%	200	32%
<b>Total:</b>	584	397	68%	1,000	40%

**Eckerd - North County**

	Actuals	Year-End Goal	% of Year-End Goal
Participants in Training	33	70	47.1%

**Eckerd - South County**

	Actuals	Year-End Goal	% of Year-End Goal
Participants in Training	3	23	13.0%

**AD/DW CLIENT OUTCOMES PY 2019-20**

**July 1, 2019 - December 31, 2019 - 2nd Quarter**

	Actual	% of Total
Employed in Priority Sector/ In-Demand Occupation	89	66%
Employed Other	46	34%
Unemployed - Exited follow-up services complete	0	0%
<b>Total Employed and Unemployed</b>	<b>135</b>	<b>100%</b>
Exited participants currently in follow-up	178	N/A

Total: 68 / 178 Follow-up

Staff expects that the Career Pathway's Priority Sector placement goal of 50% will be met, given that of these pending 178 clients only 68 (38%) need to secure Priority Sector/In demand occupation placements.



**YOUTH PROGRAM - PROGRAM SERVICES AS OF 02/12/20**

Prepared by Meredith Studebaker Approved by Monique Melchor

**Reporting Period: July 1, 2019 - January 31, 2020**

Number of Carryover Participants:	134
Total Enrollments from July 1, 2019 (Jan = 34 participants):	116
Participants Provided Services:	250
Participants Exited:	118
Active Participants:	132

**YOUTH PROGRAM ENROLLMENTS**

	POP as of 01/31/20	Actual	% of Goal	YEAR END - JUNE 30, 2019	
				Goal	% of Projection
San Jose	123	100	81.3%	160	62.5%
South County	23	16	69.6%	30	53.3%
<b>Total:</b>	<b>146</b>	<b>116</b>	<b>79.5%</b>	<b>190</b>	<b>61.1%</b>

**WORK EXPERIENCE & TRAINING FY 2019-2020**

	Actual - JAN 31, 2020			YEAR END - JUNE 30, 2020	% of WEX \$ Spent
	ETPL Participants	WEX Participants	WEX Amount	WEX Amount*	
San Jose	0	6	\$8,950.69	\$286,736.00	3.1%
South County	1	9	\$16,531.11	\$50,601.00	32.7%
<b>Total:</b>	<b>1</b>	<b>15</b>	<b>\$25,481.80</b>	<b>\$337,337.00</b>	<b>7.6%</b>

\*Carryover from FY 2018-19 Foundation is **\$43,890.78**, which is being charged to Eckerd's FY 2019-20 Costs.

**YOUTH CLIENT OUTCOMES PY 2019-20**  
**July 1, 2019 - December 31, 2019 - 2nd Quarter**

	Actual	% of Total
Employed in Priority Sector/ In-Demand Occupation	13	54%
Employed Other	11	46%
Unemployed - Exited follow-up services complete	0	0%
<b>Total Employed and Unemployed</b>	<b>24</b>	<b>100%</b>
Exited participants currently in follow-up	52	N/A

Total: 25 / 52 Follow-up

Staff expects that the Career Pathway's Priority Sector placement goal of 50% will be met, given that of these pending 52 clients only 25 (48%) need to secure Priority Sector/In demand occupation placements.

**V.B.5**

Youth Program  
Outreach

[Discussion]

### **YOUTH PROGRAM OUTREACH**

Staff will report on the scope and scale of Eckerd Connects' outreach to youth-serving community-based organizations and outreach plans going forward.

Eckerd Connects is the provider of WIOA career services, including the Youth Program, for work2future.

###

**V.B.6**

RFP Update

[Discussion]

### **2020 CAREER SERVICES RFP UPDATE**

- The deadline to submit a proposal in response to the Request for Proposals (RFP) for WIOA Career Services is Friday, February 28, 2020.
- work2future released the RFP for WIOA Career Services on Wednesday, January 15, 2020. There is a single RFP for both Adult/Dislocated Worker (Adult/DW) and Youth Services. work2future incorporated the following into the RFP:
  - work2future anticipates awarding contracts to multiple providers, if the proposals attain high scores in serving one population or area.
- On January 29, 2020 work2future held a technical assistance conference for potential proposers. An overview was given to the attendees, after which they asked questions. The questions and answers were uploaded to the RFP in WebGrants for all proposers to view.
- Answers to questions submitted by e-mail are also posted in WebGrants.
- A review panel consisting of subject matter experts will evaluate the submitted proposals by Friday March 6, 2020. There will be opportunity for the highest scoring proposers to provide additional input in an interview with the review panel.
- Staff recommendations will be submitted to the Executive Committee for approval at a special meeting of the committee in mid-March to be scheduled.
- The Executive Committee's recommendation will be included in the agenda for the next meeting of the work2future Board, currently scheduled for Thursday, March 26, 2020.

###

**V.B.7**

Prison to Employment

[Discussion]

## PRISON TO EMPLOYMENT INITIATIVE

Grant services for the Prison to Employment Initiative commenced on February 5, 2020 and will continue through September 30, 2021.

### OVERVIEW

In July 2018, the California Legislature approved SB 856 (Budget & Fiscal Review, Chapter 30, Statutes of 2018), which included \$37 million in state general funds to resource the Prison to Employment Initiative proposed by Governor Jerry Brown in his 2018 budget proposal. Funding for the Prison to Employment Initiative is intended to support regional planning efforts, fund regional plan implementation, and provide resources for direct services to the formerly incarcerated and other justice-involved individuals. It also sets aside specific resources for both supportive services and earn-and-learn activities.

The Bay-Peninsula Regional Planning Unit (RPU) was awarded \$1,797,318 by the California Workforce Development Board for services under this initiative. NOVA serves as fiscal lead for the RPU, and work2future as program lead.

### work2future PROGRAM DESIGN

work2future, in partnership with the Santa Clara County Probation Department—Office of Reentry Services (ORS) and Goodwill of Silicon Valley, will provide workforce services to 225 justice-involved participants. These participants will receive the following services:

- Job Readiness Workshops
- Digital Literacy Workshops
- Mental Health Services, using a Cognitive-Behavioral model to help address factors that are likely to cause criminal behavior, as they relate to job retention and life skills.
- Pre-Apprenticeship Training for a total of 80 participants in four cohorts.

### PROJECT LEAD

work2future will provide project leadership for the Prison to Employment Initiative in the Bay-Peninsula RPU, which will include following duties:

- Overall project management to achieve project deliverables and goals
- Compile and coordinate submission of required monthly/quarterly reports
- Lead project planning efforts
- Coordinate fulfillment of grantor requirements, including reporting
- Dissemination of grantor information and instructions
- Coordinate and manage required monitoring by grantor
- Provide technical assistance to Workforce Development Boards for compliance and improved performance

**V.B.8**

Automation | AI | Future of Work

[Discussion]

## **AUTOMATION, AI & THE FUTURE OF WORK IN SILICON VALLEY PROGRESS REPORT**

Social Policy Research Associates (SPR) is at approximately the mid-point of its study into actions that work2future and its affiliates and partners might take to meet the workforce challenges and opportunities likely to result from the deployment of automation and/or artificial intelligence (AI) in Silicon Valley workplaces over the next five to ten years.

Members of the SPR team have largely completed their secondary research and are well into interviews with employers and other stakeholders who have qualitative information that can provide a local perspective on the larger trends tracked in secondary data.

They have met once with an advisory panel comprised primarily of employer representatives, education representatives and entrepreneurs. Several are also members of work2future's new Business Services Committee. The SPR team will meet once more with the advisory panel on March 19, tentatively, prior to finalizing findings and recommendations for presentation to the Board at the March 26 Board meeting.

The study is most focused on the five-year horizon and on the challenges and opportunities that middle-skill, low-skill and unskilled workers and job seekers are most likely to face as a result of technology change.

The project's goal remains the improvement of work2future's capacity to empower area residents who need help getting onto career pathways that lead to economic self-sufficiency, while helping employers find locally the talent that their businesses need to succeed in a highly competitive market.

### **Deliverables**

- Summary of occupations at highest risk of automation or change due to AI, and types of workers who appear to be most vulnerable as a result.
- Analysis of interviews and focus groups with approximately 30 employers and other stakeholders
- Two convenings of a project advisory panel comprised of select stakeholders, including members the work2future Business Services Committee
- Presentation of findings and recommendations at the March 2020 meeting of the Board
- Published report that incorporates feedback from the Workforce Development Board presentation

### **Consultant**

- Social Policy Research Associates, Inc., a leading research, evaluation and capacity building firm with a specialty in the fields of workforce and education. SPR has earned wide respect for its work with Future of Work clients at the national, state and regional levels.
- Additional support is provided informally by two Brookings Institution Fellows who are conducting an independent project related to the future of work in the Bay Area.

###

## **VI.**

# Agenda Suggestions

## **VII.**

# Announcements

### **VII.A**

The work2future Board is scheduled to meet next on Thursday, March 26, 2020.

### **VII.B**

Other

## **VIII.**

# Adjournment