



## **WORKFORCE DEVELOPMENT BOARD MEETING AGENDA**

**Thursday, March 26, 2020  
9:30 am**

**Business Services & Administrative Center Board Room  
5730 Chambertin Drive  
San Jose, CA 95118**

[www.work2future.org](http://www.work2future.org)

**Joseph Flynn, Chair**

**Susan Koepp-Baker, Vice Chair**

As of the date of this posting, March 19, 2020, Board members will be participating via teleconference or videoconference.

Members of the public can observe the meeting and provide public comment by

- Computer- and mobile device-accessible video conference at <https://zoom.us/j/511894333>
- Call Lawrence Thoo at 408.794.1170 or e-mail comments to [Lawrence.Thoo@sanjoseca.gov](mailto:Lawrence.Thoo@sanjoseca.gov) at least two (2) hours prior to the meeting, OR
- In person at the physical address above.

Public comment submitted at least two (2) hours prior to the meeting will be considered by the Board as much as if you are present in the meeting.

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 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.

**DIRECTORS OF THE WORKFORCE DEVELOPMENT BOARD**

January 2020

1. **Rose AMADOR-LE BEAU**  
President & CEO  
ConXion to Community
2. **Louise AUERHAHN**  
Director of Economic & Workforce Policy  
Working Partnerships USA
3. **Rajiv BATRA**  
Senior Legal Counsel  
PayPal, Inc.
4. **Chad BOJORQUEZ**  
Senior Director, Strategic Initiatives  
Destination: Home
5. **George CHAO**  
Manager, Advanced Manufacturing & Strategic  
Partnerships  
Manex
6. **Jack ESTILL**  
Lecturer, Economics  
San Jose State University
7. **Joseph A. FLYNN**  
Business Consultant
8. **Leslie GILROY**  
San Jose Job Corps Center Director  
Career Systems Development Corp.
9. **Blanca GOMEZ**  
Vice President and Community Development Sr.  
Consultant  
Wells Fargo
10. **Juan GUTIERREZ**  
Organizer  
UA Local Union 393 Plumbers, Steamfitters,  
Pipefitters, & HVACR Service Technicians
11. **Susan L. KOEPP-BAKER**  
Principal  
Enviro-Tech Services
12. **Van T. LE**  
Trustee and Clerk of the Board  
East Side Union High School District  
Agent  
State Farm Insurance
13. **Maria LUCERO**  
Employment Program Manager III  
Employment Development Department, State of  
California
14. **Rafaela PEREZ**  
Employment Services Director  
Santa Clara County Social Services Agency
15. **Steve PREMINGER**  
Director, Office of Strategic &  
Intergovernmental Affairs  
County of Santa Clara
16. **Priya SMITH, MPH**  
Medical Group Administrator  
The Permanente Medical Group  
Kaiser Permanente San Jose
17. **Alan TAKAHASHI**  
Vice President and General Manager  
Multifunction Microwave Solutions  
Cobham Advanced Electronic Solutions
18. **Henri VILLALVOZ**  
Director of Senior Employment Services  
Sourcewise
19. **Kishan VUJJENI**  
Co-chair  
South Bay Consortium for Adult Education  
Dean of College Transitions & Extension  
Programs  
San Jose Evergreen Community College District

**WORKFORCE DEVELOPMENT BOARD**

**March 26, 2020**

**9:30 am**

**AGENDA**

**I. CALL TO ORDER**

**II. QUORUM VERIFICATION & OPENING REMARKS**

*10 min*

**III. PUBLIC COMMENT**

*9:40 am end*

**IV. CONSENT ITEMS {Action}**

None

**V. BUSINESS ITEMS**

**A. Old Business**

**1. Minutes Approval (Action)**

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

*5 min*

*9:45 am end*

**B. New Business**

**1. Director's Report {Discussion}**

*Monique Melchor, Director*

work2future Director's report on various matters of interest to the Board.

*10 min*

*9:55 am end*

**2. FY 2018-19 Monitoring and Audit Completions {Discussion}**

*Monique Melchor, Director*

Report on the completion of the following:

- a)** FY 2018-19 Fiscal & Procurement Monitoring
- b)** PY 2018-19 Program Monitoring
- c)** FY 2018-19 Single-Audit

*5 min*

*10:00 am end*

**3. FY 2020-21 Preliminary Budget Scenarios (Action)**

*Monique Melchor, Director*

Approval of three preliminary Workforce Development Board program budget scenarios for Fiscal Year 2020-21, as follows:

- a)** AS IS—based on a projected allocation of \$5.796 million, the level of WIOA program funding in the current year, FY 2019-20;
- b)** 5% Reduction—based on a projected allocation of \$5.507 million, 5 percent less than FY 2019-20 WIOA program funding; and
- c)** 10% Reduction—based on a projected allocation of \$5.217 million, 10 percent less than FY2019-20 WIOA program funding;

*15 min*

*10:15 am end*

and authority for the work2future Director to manage allocations between budget items.

**4. Career Services RFP Recommendation {Action}**

25 min

*Colleen Brennan, Contracts Manager*

10:40 am end

*(Memorandum Replaced)*

Authorize staff to negotiate and execute agreements for WIOA services for Program Year (PY) 2020-21, with up to four one-year extensions through PY 2024-25, based on successful performance and funds availability, as follows:

- a)** Adult and Dislocated Worker Program, San Jose area, with Arbor E&T, LLC dba ResCare Workforce Services for an amount not to exceed \$2,160,000 to provide individualized career services to no fewer than 800 eligible individuals;
- b)** Adult and Dislocated Worker Program, South County area, with Eckerd Youth Alternatives, Inc. for an amount not to exceed \$483,000 to provide individualized career services to no fewer than 200 eligible individuals;
- c)** Youth Program, San Jose area, Arbor E&T, LLC dba ResCare Workforce Services for an amount not to exceed \$1,120,000 to provide individualized career services to no fewer than 160 eligible individuals;
- d)** Youth Program, South County area, with Eckerd Youth Alternatives, Inc. for an amount not to exceed \$250,000 to provide individualized career services to no fewer than 40 eligible individuals.

**VI. SUGGESTIONS FOR FUTURE AGENDA ITEMS**

**VII. ANNOUNCEMENTS**

5 min

10:45 am end

**VIII. ADJOURNMENT**

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Please note: *Times to the right of agenda items are estimates only of the duration of each 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**

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.

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### **Novel Coronavirus (COVID-19) Precautions**

- We want to remind you about the City's response to the latest guidance from the County of Santa Clara Public Health Department to slow the spread of the novel coronavirus (COVID-19) and to reduce the number of people infected.
- While the City is continuing regular operations, at City Board and Commission meetings we ask you to:
  - 1. Avoid handshakes
  - 2. Sit at least two arms' length from others
  - 3. Remember to sneeze or cough into a tissue or your sleeve and discard the tissue—there are tissues in the room. Hand sanitizer is also available.
  - 4. Remember to not touch your face
  - 5. Use a tissue when touching door handles and discard the tissue

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#### **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 always required in the meeting room.
- 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 meeting room, except as otherwise pre-approved by City staff.
- g. All persons entering the meeting room, 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 meeting room, 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 meeting room if a threat

exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Board or Committee:

- 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 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 work2future business on the agenda, unless they are speaking during open forum.
- d. Speakers' comments should be addressed to the full body. Requests to engage Board or Committee Members or Staff in conversation will not be honored. Abusive language is inappropriate.
- e. Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
- f. If an individual wishes to submit written information, he or she may give it to the 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 work2future's Business and Administrative Services Center 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

# 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

None

[Action]

**V.A.1**

Minutes Approval

[Action]

**work2future Board Meeting**  
**Thursday, November 21, 2019**  
**ACTION MINUTES**  
CTO: 11:39 AM

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

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

**I. CALL TO ORDER & INTRODUCTIONS**

Chair Joe Flynn called the meeting to order, read opening remarks and introduced new Board members Chad Bojorquez, Priya Smith and Alan Takahashi, who have been appointed to four-year terms ending October 31, 2023.

**II. QUORUM VERIFICATION**

**Present:** Louise Auerhahn, Chad Bojorquez, Jack Estill, Joe Flynn, Leslie Gilroy, Blanca Gomez, Susan Koepp-Baker, Maria Lucero, Pamela Moore, Rafaela Perez, Steve Preminger, Priya Smith, Alan Takahashi, Henri Villalovoz, Kishan Vujjeni.

Van Le arrived at 11:55 AM.

**Absent:** Rose Amador-Le Beau, Rajiv Batra, George Chao, Juan Gutierrez,

**III. PUBLIC COMMENTS:**

None

**IV. CONSENT ITEMS**

**ACTION:** It was moved by Mr. Preminger, seconded by Ms. Koepp-Baker, and approved unanimously to accept the following:

- A. Fiscal Year 2019 Year-End (June 30) Financial Status Report
- B. Financial Status as September 30, 2019
- C. FY 2019-20 Program Operating Budget Reconciliation
- D. Performance and Service Delivery as of September 30, 2019
- E. Completion Report on work2future Foundation Services & Lessons Learned
- F. Labor Market Review

**V. BUSINESS ITEMS**

**A. Old Business**

**1. Minutes Approval**

**ACTION:** Upon a motion by Mr. Estill, seconded by Mr. Villalovoz, the minutes of the June 20, 2019 Board meeting were approved, with Mr. Takahashi abstaining.

**B. New Business**

**1. Director's Report**

work2future Director Monique Melchor apprised the Board that a new and completely redesigned work2future website is nearing completion and would soon be launched. She informed the Board of the reappointment of four board members—Mr. Flynn, Ms. Gilroy, Ms. Gomez and Mr. Villalovoz—and of a pending new research project on the on the likely impact of Automation and Artificial Intelligence on occupations in Silicon Valley in the coming years.

**2. Amendments to the Board By-Laws**

Staff Liaison to the Board Lawrence Thoo provided a summary of proposed amendments to the Board by-laws, which had been unanimously recommended for Board approval by the Executive Committee at a special meeting on November 8, 2019. The amendments comply with requirements of the California Unemployment Insurance Code, add the June 16, 2016 Board approved delegation of certain approval authority to the Executive Committee, and clarify and streamline standing committees. In response to questions, staff noted that in lieu of a Youth standing committee, the Board Chair could appoint an ad hoc committee to consider youth-related matters if and as the need arises.

**ACTION:** Upon a motion by Mr. Preminger, seconded by Ms. Koepp-Baker, the Amendments to the Board By-Laws were approved unanimously.

**3. Elections**

**Officers:**

Mr. Flynn was elected by acclamation to a new term as Chair.

Ms. Koepp-Baker was elected by acclamation to a new term as Vice-Chair.

The new terms begin January 1, 2020 and end December 31, 2021.

**Executive Committee:**

Board members nominated Ms. Auerhahn, Mr. Bojorquez, Ms. Lucero, Ms. Perez and Mr. Preminger for the four at-large seats on the Executive Committee. In a confidential paper ballot, Ms. Auerhahn, Ms. Lucero, Ms. Perez and Mr. Preminger received the larger numbers of votes. In a subsequent blind drawing, Mr. Preminger and Ms. Perez won one-year terms, through December 31, 2020, while Ms. Auerhahn and Ms. Lucero won two-year terms, through December 31, 2021.

**ACTION:** The elections were conducted by staff and unanimously approved by the Board following a motion by Ms. Gilroy, seconded by Ms. Gomez.

**4. 2020 Meeting Schedule**

**ACTION:** Upon a motion by Ms. Koepp-Baker seconded by Mr. Estill, the 2020 Meeting Schedule was unanimously approved as follows:

- Thursday, March 19, 2020
- Thursday, June 18, 2020
- Thursday, September 17, 2020
- Thursday, November 19, 2020

**VI. SUGGESTIONS FOR FUTURE AGENDA ITEMS**

Update on board member interest in serving on an ad hoc youth committee, as needed.

**VII. ANNOUNCEMENTS**

- A.** Ms. Moore announced that she will be retiring at the end of 2019 from the Department of Rehabilitation and, therefore, resigning from the Board. Ms. Koepp-Baker spoke on the Board's behalf and thanked Ms. Moore for her service.
- B.** Mr. Thoo reminded all Board members to complete their annual Form 700 filing in the new year, and new Board members to complete their "taking office" Form 700 by the end of November.

**VIII. ADJOURNMENT:** Mr. Flynn adjourned the meeting at 12:28 pm in order to begin the Community Builder Award presentations.

**V.B.1**

Director's Report

[Discussion]

## **DIRECTOR'S REPORT**

work2future Director Monique Melchor will update the committee on various matters of interest, including without limitation:

- Public workforce development system's national, state and local response to the novel coronavirus (COVID-19) emergency
- work2future operations and services during the novel coronavirus (COVID-19) emergency
- Retirement of work2future's long-time finance manager

###

## **V.B.2**

### **FY 2018-19 Monitoring and Audit Completions**

**[Discussion]**



**2018-19 FISCAL AND PROGRAM MONITORING AND CITY SINGLE AUDIT 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.

In addition, the City Single Audit report for FY 2019 was issued early in February 2020, and there no findings or recommendations with respect to the City's management of WIOA funds.

Both final reports and the e-mail notification regarding the City Single Audit are attached.

###

Attached: PY 18-19 Program Final Report  
FY 18-19 Fiscal & Procurement Final Report  
FY 18-19 City Single Audit Notification E-mail



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, reading "Jojo Sanchez-Gajo". The signature is fluid and cursive, with the first name "Jojo" being more prominent.

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

**From:** Guian Chhim <gchhim@mgocpa.com>  
**Sent:** Monday, February 10, 2020 12:13 PM  
**To:** Salandanan, Joy <Joy.Salandanan@sanjoseca.gov>  
**Subject:** FY 2019 SJ Single Audit

[External Email]

Hi Joy,

This is FYI that we issued the City Single Audit report last week. WIA cluster was one of the major programs, no finding/recommendation. WIA is clean. Sorry we've had so much staffing turnover and I completely forgot to let you know of the results.

If you have any questions, please let me know.

Guian

**GUIAN CHHIM, CPA, CGMA**  
**SENIOR MANAGER**

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Walnut Creek, CA 94596  
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**V.B.3**

FY 2020-21

Preliminary Budget Scenarios

[Action]





## Memorandum

**TO:** WORKFORCE DEVELOPMENT BOARD

**FROM:** Joy Salandanan

**SUBJECT:** See Below

**DATE:** February 26, 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**

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
Shortfall in Funding compared to 2019-20 (\$)		0	(289,825)	(579,649)
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

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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:

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<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  <i>Base</i> 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

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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**

Career Services RFP  
Recommendation

[Action]



## *Memorandum*

**TO:** WORKFORCE DEVELOPMENT BOARD

**FROM:** Colleen Brennan

**SUBJECT:** Career Services RFP Recommendation

**DATE:** March 17, 2020

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Approved

Date

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### **REPLACEMENT MEMORANDUM**

#### **RECOMMENDATION**

Authorize staff to negotiate and execute agreements for WIOA services for Program Year (PY) 2020-21, with up to four one-year extensions through PY 2024-25, based on successful performance and funds availability, as follows:

1. Adult and Dislocated Worker Program, San Jose area, with Arbor E&T, LLC dba ResCare Workforce Services for an amount not to exceed \$2,160,000 to provide individualized career services to no fewer than 800 eligible individuals;
2. Adult and Dislocated Worker Program, South County area, with Eckerd Youth Alternatives, Inc. for an amount not to exceed \$483,000 to provide individualized career services to no fewer than 200 eligible individuals;
3. Youth Program, San Jose area, with Arbor E&T, LLC dba ResCare Workforce Services for an amount not to exceed \$1,120,000 to provide individualized career services to no fewer than 160 eligible individuals;
4. Youth Program, South County area, with Eckerd Youth Alternatives, Inc. for an amount not to exceed \$250,000 to provide individualized career services to no fewer than 40 eligible individuals.

The recommendation above is based on the Request for Proposals (RFP), which provided the maximum cost per participant and the number of participants for each population in each area.

It was approved unanimously by the Executive Committee at its March 16, 2020 special meeting.

#### **BACKGROUND**

work2future held a community input meeting on January 14, 2020 to gain insight from other Community Based Organizations (CBOs) that serve similar populations. There were thirteen (13) attendees from eleven (11) different agencies. The input received by work2future staff during the community input meeting was taken into consideration in drafting the final RFP.

The RFP was structured such that proposers could choose to provide Adult/Dislocated Worker services or Youth services in either the San José area or the South County Area. Proposers could select which populations and areas they wished to propose for, however they could also propose to serve both Adults/Dislocated Workers and Youth in one or the other area.

The RFP was released on January 15, 2020. Prior to releasing the RFP, due diligence was conducted to outreach to potential proposers. The RFP was posted on the City of San José WebGrants website, which made it available to over 4,500 users, and an email announcement was sent to over 70 stakeholders, including work2future board members, work2future partners, current providers, and non-profits from around the region. The RFP was also posted on both the work2future.org and work2future.biz websites.

A Technical Assistance Conference was held at the work2future Business Services Center on January 29, 2020. There were seven (7) attendees from three (3) organizations. The submittal deadline for proposals was February 28, 2020.

Four proposals were received prior to the deadline and were screened for compliance with minimum qualification requirements as stated in the RFP. None of the proposals were disqualified due to incomplete documentation of minimum qualifications. Therefore, the proposals were forwarded to the RFP rating panel for evaluation. Service delivery for Adult/Dislocated Workers and Youth were rated separately.

## **ANALYSIS**

The RFP requested proposals for services to Adults/Dislocated Workers or Youth, or both populations. Proposers could select to provide services in either the San José area or the South County area. The San José service area consists of San José, Los Gatos, Monte Sereno, Saratoga, Los Altos Hills, Campbell, and the unincorporated areas of Santa Clara County contiguous to those cities. The South County service area consists of Gilroy, Morgan Hill, and the unincorporated areas of Santa Clara County contiguous to those cities.

Two proposals were received for Adult/Dislocated Worker Services in the San José area, and four proposals were received for Youth Services in the San José area. Although no proposals were received for Adult/Dislocated Worker Services or Youth Services in the South County area, the RFP specified that the WDB could, at its sole discretion, award a contract to a proposer to provide either Adult/Dislocated Worker services or Youth services in both the San José and South County areas based on the scoring of the submitted proposals and the needs of the WDB.

The RFP specified the following minimum numbers of participants to be served:



### **Adults/Dislocated Workers**

Maximum cost per participant: \$2,700

San José area            800  
South County area      200

### **Youth**

Maximum cost per participant: \$7,000

San José area:            160  
South County area:      40

The cost per participant includes both personnel costs and work experience costs but does not include training costs or supportive services.

The RFP rating panel was selected to avoid any situation where the evaluators could be subject to competing professional or personal obligations, or personal or financial interests that would make it difficult for them to fulfill their duties fairly. The rating panel included a work2future Workforce Development Board member as well as outside experts from the workforce community. The budget and financial management section was evaluated by a senior executive financial analyst familiar with workforce development.

Proposals were reviewed and scored according to these criteria outlined in the RFP:

<b>Description</b>	<b>Weight</b>
Proposal Responsiveness and Minimum Qualifications	Pass/Fail
Organization, Structure, Experience and Past Performance	15
Staffing Plan and Organizational Chart	20
Employer Linkages	20
Service Delivery Strategy	30
Budget & Financial Management	15
Total	100

All proposals were given a preliminary score based on their written proposals. All proposers were invited to participate in oral interviews, which all four accepted. After the oral interviews the review panel had the opportunity to adjust their score before it became final.

The following proposals were received and met the minimum criteria for Proposal Responsiveness and Minimum Qualifications:

- Arbor E&T, LLC dba ResCare Workforce Services
- Eckerd Youth Alternatives, Inc.
- International Rescue Committee
- JobTrain

work2future staff recommends funding proposers as follows, including allocation for work experience:

Proposer	Population	Funding Amount
Arbor E&T, LLC dba ResCare Workforce Services	Adult/Dislocated Worker Program, San José Area	\$2,160,000
Eckerd Youth Alternatives, Inc	Adult/Dislocated Worker Program, South County Area	\$483,000
Arbor E&T, LLC dba ResCare Workforce Services	Youth Program, San José Area	\$1,120,000
Eckerd Youth Alternatives, Inc	Youth Program, South County Area	\$250,000

The Arbor E&T, LLC dba ResCare Workforce Services (ResCare) proposal showed a strong and detailed plan including a timeline for transition; ensuring continuity of services to clients enrolled prior to July 1, 2020 and new clients beginning July 1, 2020. ResCare's Service Delivery Flow Chart showed a strong plan to ensure clients receive appropriate services from their first interaction with staff through 12 months follow-up.

ResCare has experience partnering with libraries as on-ramps to services throughout their service areas, and has experience serving school dropouts, economically disadvantaged individuals, youth dropouts, and individuals involved in the juvenile justice system. They have a good outreach plan, especially for youth, and established have partnerships with businesses in their existing local service areas, including partners that place youth, and community-based organizations that serve similar

populations such as the Conservation Corps. Rescare indicated several national and local business partnerships such as LinkedIn, TJX Companies, Expert Drywall Systems, and Morgan Stanley.

Eckerd Youth Alternatives, Inc. (Eckerd Connects) is the current provider of both Adult/Dislocated Worker and Youth in both service areas. Eckerd came on board to serve Adults/Dislocated Workers in both service areas and Youth in the San José area in July 1, 2019 and showed great capability of ramping up their program in a very short time. Eckerd Connects' proposal described working with work2future's current partnerships such as the PG&E Power Pathways program and the Trades Orientation Program. Additionally, Eckerd Connects described partnerships with many CBOs that provide wrap-around services as well as local partnerships with priority sector employers for On-the-Job Training, such as Nidaan Systems, DZ Cabinets, and Mesa3. Eckerd Connects can use the same business outreach model to develop similar relationships in South County. Eckerd Connects described their "Youth Development Approach", which will support the youth population in the South County area. The South County will also benefit from Eckerd Connects' strategy to utilize community locations beyond the AJCC to outreach to potential Adult/Dislocated Worker and Youth clients.

Contracts developed as a result of these awards will ensure compliance with WIOA laws and regulations and will incorporate work2future's strategic guiding principles. work2future will conduct contract monitoring on a regular basis during the contract term using State monitoring guidelines to ensure compliance with all contractual obligations.

As with prior work2future contracts, the contracts will be a combination of eighty-five to ninety percent (85%-90%) cost reimbursement and ten to fifteen percent (10% - 15%) performance-based compensation, which will be based on the following performance measures:

- Enrollments
- Number of exited clients (Adult/Dislocated Worker and Youth) employed in priority industry sectors/in-demand occupations
- Number of exited clients (Adult/Dislocated Worker and Youth) employed in other sectors.

Contractors are required to provide a match in the form of cash, supplies or equipment, a percentage of employee salaries/benefits, or supportive services. The amount of match provided was considered when scoring the budget and financial management criteria.

/s/  
Colleen Brennan  
Contracts Manager

cc: Monique Melchor  
Attachment: RFP Scores

### Youth Scores

Criteria	Maximum Score Possible	Arbor E&T, LLC dba Rescare Workforce Services	Eckerd Youth Alternatives, dba Eckerd Connects	International Rescue Committee, Inc.	JobTrain
Minimum Qualifications	Pass/Fail	Pass	Pass	Pass	Pass
Organization Structure, Experience, and Past Performance	15	13.5	13.5	13	12.5
Staffing Plan and Organization Chart	20	16.25	17	17.5	14.25
Employer Linkages	20	15.5	17.5	3	15.75
Youth Service Delivery Strategy	30	21.5	23.5	24.75	21
Budget	15	11	10	24.75	13
Total	100	77.75	81.5	70.25	76.5

### Adult/DW Scores

Criteria	Maximum Score Possible	Arbor E&T, LLC dba Rescare Workforce Services	Eckerd Youth Alternatives, dba Eckerd Connects
Minimum Qualifications	Pass/Fail	Pass	Pass
Organization Structure, Experience, and Past Performance	15	13.5	13.5
Staffing Plan and Organization Chart	20	16.25	17
Employer Linkages	20	15.5	17.5
Adult/Dislocated Worker Service Delivery Strategy	30	22	23.5
Budget	15	11	10
Total	100	78.25	81.5

## **VI.**

Suggestions For Future Agenda  
Items

## **VII.**

Announcements

## **VIII.**

Adjournment