



## EXECUTIVE COMMITTEE SPECIAL MEETING

Monday, February 27, 2023, 2:00 pm

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

### COVID-19 NOTICE

Consistent with AB 361 and City of San Jose Resolution Nos. 80628, 80659, 80685, 80724, 80758, 80809, RES2023-1 and RES2023-2, this meeting will not be physically open to the public. Committee members will be videoconferencing from remote locations.

Members of the public can observe the meeting by computer, smartphone, and tablet at <https://zoom.us/j/98823522721?pwd=UjJPb3RzSVdGY0JtR1FocHBmWVY3UT09>

To provide Spoken Public Comment *during* the meeting:

- a) **Phone** (669) 219-2599, Meeting ID 988 2352 2721, Passcode 973260. **Press \*9** to Raise a Hand to let the Chair know that you'd like to speak. **Press \*6** to Mute and Unmute yourself.
- b) **Online** using the [Zoom link](#) above: 1) Use an up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. Mute all other audio before speaking. Using multiple devices can cause audio feedback. 2) Enter an email address and name. The name will be visible online and will be used to notify you that it is your turn to speak. 3) When the Chair calls for the Agenda Item on which you wish to speak, click on the "Raise Hand" icon or command. Speakers will be notified shortly before they are called on to speak.

Please limit remarks to the time limit allotted by the meeting chair, normally two minutes.

To submit written Public Comment *before* the committee meeting: Send by e-mail to [Lawrence.Thoo@sanjoseca.gov](mailto:Lawrence.Thoo@sanjoseca.gov) by 12:00 pm the day of the meeting. The e-mails will be posted with the agenda as "Letters from the Public". Please identify the Agenda Item Number in the subject line of your email.

To submit written Public Comment *during* the meeting: Send e-mail during the meeting to [Deanna.Walter@sanjoseca.gov](mailto:Deanna.Walter@sanjoseca.gov), identifying the Agenda Item Number in the e-mail subject line, to have the comments verbally read into the record, with a maximum of 250 words, which corresponds to approximately 2 minutes per individual comment, subject to the Chair's discretion. Comments received after the agenda item is heard but before the close of the meeting will be included as a part of the meeting record but will not be read into the record.

## EXECUTIVE COMMITTEE

### MEMBERS | 2023

Susan Koepp-Baker, *Board Chair*  
Principal  
Enviro-Tech Services

Priya Smith, MPH, *Board Vice-Chair*  
Medical Group Administrator  
The Permanente Medical Group  
Kaiser Permanente

John “Jack” Estill, *Youth Committee Chair*  
Partner  
Coactify

Alan Takahashi, *Business Services Committee Chair*  
Vice President and General Manager  
Multifunction Microwave Solutions  
CAES

Louise Auerhahn  
Director of Economic & Workforce Policy  
Working Partnerships USA

Rajiv Batra  
Senior Director  
Bluevine

Chad Bojorquez  
Chief Program Officer  
Destination: Home

*Ex Officio*

Monique Melchor  
work2future Director

**EXECUTIVE COMMITTEE**

**SPECIAL MEETING**

**February 27, 2023**

**2:00 pm**

**AGENDA**

- |             |  |                               |
|-------------|--|-------------------------------|
| <b>I.</b>   | <b>CALL TO ORDER &amp; ROLL CALL</b>   | <i>5 min<br/>2:05 pm end</i>  |
| <b>II.</b>  | <b>CONSENT ITEMS {Action}</b>  |                               |
|             | <b>A. Financial Status Report as of December 31, 2022</b>  | <i>5 min<br/>2:10 pm end</i>  |
| <b>III.</b> | <b>OPEN FORUM</b>  | <i>5 min<br/>2:15 pm end</i>  |
|             | Members of the public can address the committee on matters not on the agenda.<br>Comment is limited to two minutes unless modified by the Chair.   |                               |
| <b>IV.</b>  | <b>BUSINESS ITEMS</b>  |                               |
|             | <b>A. Preliminary Scenarios for FY2023-24 Program Operating Budget {Action}</b>  | <i>15 min<br/>2:30 pm end</i> |
|             | <i>Rehan Qedwai, Finance Manager</i>   |                               |
|             | Recommend Board approval of three preliminary budget scenarios for Fiscal Year 2023-24, as follows: a) Proposed FY 2023-24 WDB Program Budget based on a projected allocation of \$7.023 million (base scenario, allocation AS IS); b) Proposed FY 2023-24 WDB Program Budget based on a projected allocation of \$6.672 million (5% reduction from the previous allocation); and c) Proposed FY 2023-24 WDB Program Budget based on a projected allocation of \$7.374 million (5% increase from the previous allocation). |                               |
| <b>V.</b>   | <b>ADJOURNMENT</b>   |                               |

---

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

## **CITY OF SAN JOSE CODE OF CONDUCT FOR PUBLIC MEETINGS**

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.

---

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

Consistent with the California Governor's Executive Order No. N-29-20, Resolution No. 79450 from the City of San José and the Santa Clara County Health Officer's March 16, 2020 Shelter in Place Order, the meeting will not be physically open to the public. Instead, the meeting will be conducted via video teleconference open to the public. The Code of Conduct will apply to the extent possible in a video teleconference setting.

---

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  
&  
Roll Call**

# **II**

## **Consent Items**

**Approval of the acceptance of:**

A. Financial Status Report as of December 31, 2022

**{Action}**

## **PRELIMINARY FINANCIAL STATUS AS OF DECEMBER 31, 2022**

### **Key Highlights**

- WIOA PY21-22 formula and PY22-23 Rapid Response funding is projected to be fully spent by June 30, 2023.
- As of December 31, 2022, work2future has \$5.09 million from the current Adult, Dislocated Worker, and Youth allocations to be carried over to FY 2023-24 representing:
  1. Board-mandated Reserve Account: \$1,053,521
  2. Unallocated Reserve Account: \$829,029
  3. Projected savings of \$3,212,351

### **Other Discretionary Funding**

- work2future received \$5,000 from the City of San Jose to assist WIOA clients in gathering information and documents (e.g., birth certificate, social security card, etc.) needed for program enrollment.
- A total of \$25,000 was awarded to work2future from the RPI 4.0 grant to the Bay-Peninsula RPU. The joint project's goal is to facilitate community conversations, engagement, and/or training on issues of race, equity, and high road principles for the purpose of promoting improved service delivery, income mobility for individuals with barriers to employment, and growth in the regional economy. The original grant period was April 1, 2021, to September 30, 2022, but was extended to December 31, 2022. In addition, funded amount was reduced from \$25,000 to \$2,768, and this amount was spent.
- work2future was granted \$600,000 of National Dislocated Worker Grant funds to the COVID-19 Employment Recovery NDWG Project in grant code 1194. The grant is focused to provide occupational skills training to individuals affected by COVID-19. The original term of these funds is from April 10, 2020, through March 31, 2022, but was extended to March 31, 2023. As of December 31, 2022, 75% of the grant were spent.
- NOVA Workforce Development Board (lead agency), in collaboration with work2future and San Francisco Workforce Development Board, was awarded funds to structure a program under Comprehensive and Accessible Reemployment through Equitable Employment Recovery (CAREER) National Dislocated Worker Grants (DWG). work2future was allotted \$500,000 to help implement the grant. The goal of the CAREER DWG is to help reemploy dislocated workers most affected by the COVID-19 pandemic. Grants will focus on serving those from historically marginalized communities, and/or those who have been unemployed for a prolonged period or have exhausted Unemployment Insurance (UI) or other Pandemic UI programs. Regionally, the project's primary aim is to promote equity in the pursuit of high-wage, high-growth jobs by specifically focusing job training and placement opportunities on Silicon Valley's Latino and Southeast Asian communities. The term of the grant is from October 1, 2021, to September 30, 2023. work2future program implementation starts on April 1, 2022. As of December 31, 2022, approximately 59% of the funds were spent.



- work2future received \$250,000 from the State of California as one of the recipients of the Workforce Accelerator 9.0 grant. The project's primary aim is to promote equity in the pursuit of high-wage, high-growth jobs by specifically focusing job training and placement opportunities on Silicon Valley's Latino and Southeast Asian communities. Specifically, this initiative's development and assessment of multiple gateways to jobs in the advanced manufacturing sector will measure effectiveness of interventions with these specific populations. Original term of the grant is from June 1, 2021, to December 31, 2022, but was extended to March 31, 2023. Approximately 84% of the funds were spent as of December 31, 2022.
- NPower, a national non-profit organization that creates pathways to economic prosperity by launching digital careers for military veterans and young adults from underserved communities sub-awarded \$57,200 to work2future to help implement a project under the Veterans' Employment Related Assistance Program grants. The project named "The NPower Veteran Patriot Project" targets low-income veterans who make no more than 200% of the federal poverty level. Its aim is to co-enroll Veterans in both NPower and work2future's programs, capitalizing on WIOA eligibility and leveraging other training funds whenever possible with the goal of improving the careers and lives of local Veterans and engineer a better system to upskill underrepresented people for in-demand tech jobs. The term of the grant is from April 1, 2021, to March 31, 2023. As of December 31, 2022, approximately 25% of the funds were spent. On November 30, 2022, NPower informed work2future that the State has discontinued their funding until further notice. work2future is waiting for an official letter from NPower.
- work2future received an allocation from the City's General Fund of \$1,647,000 for San Jose Works 8.0, in addition to the carry over funding, net of adjustment of \$1,035,070 from FY 2021-22 for a total funding of \$2,682,070. As of December 31, 2022, 376 participants have been served where 350 students are expected to complete the program. In addition to recruitment, placement, and onboarding services, youth also were also provided career counseling, job readiness training, supportive services (e.g., bus passes), and financial literacy education.
- EDPR CA Solar Park, one of renewable energy developers of the City's Community Energy Department is required to perform certain obligations related to workforce development and community investment as stated in the Renewable Power Purchase Agreement with the City of San Jose. In relation to this, EDPR agreed to contribute \$275,000 in three annual installments - \$91,667 on or before May 31, 2020, \$91,667 on or before May 31, 2021, and \$91,666 on or before May 31, 2022. The funds will be used to support the San Jose Work program aimed for participant placements in partner companies related to clean energy and sustainability. First and second rounds of funding were fully spent.
- Cities of Financial Empowerment (CFE) pledged to provide work2future \$30,000 to support a Summer Jobs Connect Program. This will provide banking access and financial empowerment training to participants in municipal Summer Youth Employment Programs. A portion of the grant will also be used to support the participant wages for the San Jose Works internship program. The grant term will begin on May 1, 2022, and end on April 30, 2023. As of December 31, 2022, 90% of funds are spent. It is expected that money will be fully spent before the term end date.
- work2future foundation awarded us \$197,400 of grants and contributions from various sources to support the San Jose Works Program. Below is the list of the funding sources and amounts.

Funding Source	Sponsorship/Contributions	Sub-grants
Bank of America	-	\$84,900
Wells Fargo	\$7,500	-
Amazon	\$100,000	-
Flagship	\$5,000	-

- BusinessOwnersSpace (BOS) and CA Workforce Development Board (CWDB) funds are unrestricted funds that have been sourced from various agencies and have been carried forward year after year until funding is fully exhausted.
- Wells Fargo donated \$25,000 for San Jose Works 8.0 Work Experience program.
- Google donated \$300,000 for moving costs, tenant site improvements, and technology upgrades to the new work2future San Jose Job Center location. The donation is in relation to Google's commitment to partner with work2future in its efforts to help Santa Clara County residents get the skills and coaching they need to find a new job, get a promotion, or start a new career and to support provision of client services at the new job center.
- Google's Downtown West Mixed-Use Plan approved by the City Council on May 25, 2021, includes a Development Agreement citing a total of \$200 million Community Benefits Payment that will be used for investments that go beyond the City's baseline requirements to address the community's top priorities. The City of San Jose has then received \$4.5 million early payment which are allocated to various programs. Out of the \$4.5 million funding, work2future will manage \$625,000 which is allotted for paid work experience and occupational skills training program. An "Earn and Learn" approach will be implemented in this program with a focus on high growth, high wage careers in advanced manufacturing, information technology, health care, or construction and trades. There is also \$600,000 that work2future will help manage to provide subsidies for participants of workforce development programs to cover childcare costs required for their participation in the program.

###

Attachments

WIOA Formula Funds	Adult	Dislocated Worker	Youth	RR	TOTAL WIOA FORMULA FUNDS
<b>I. Actual as of June 30, 2022</b>					
Grant Period	07/01/21-06/30/23	07/01/21-06/30/23	07/01/21-06/30/23	07/01/21-06/30/23	
Available Funds for FY2021-2022 PD 14 Stat 3	<b>2,472,320</b>	<b>1,528,157</b>	<b>1,975,827</b>	<b>505,829</b>	<b>6,482,133</b>
<i>Actual Expenditures as of June 30, 2022</i>	(938,673)	(285,170)	(455,272)	(144,241)	(1,823,356)
<i>Encumbrances/Spending Plan as of June 30, 2022</i>	(2,921)	(2,435)	(40,625)	0	(45,981)
<i>Total Actual Expenditures/Encumbrances/Spending Plan as of June 2022</i>	(941,594)	(287,605)	(495,897)	(144,241)	(1,869,337)
Available Funds for FY2022-2023	<b>1,530,726</b>	<b>1,240,552</b>	<b>1,479,931</b>	<b>361,588</b>	<b>4,612,796</b>
<i>% Remaining</i>	62%	81%	75%	71%	71%
<b>II. Actual Expenditures/Encumbrances</b>					
(a) Available Funds from FY2021-2022 Carry over for FY2022-2023 (remaining plus enc.)	<b>1,533,647</b>	<b>1,242,987</b>	<b>1,520,555</b>	<b>361,588</b>	<b>4,658,777</b>
Transfer between Adult and Dislocated Worker	0	0	0	0	0
Rescission				(152,905)	(152,905)
<i>Expenditures as of December 31, 2022</i>	(1,084,760)	(644,642)	(839,497)	(208,683)	(2,777,582)
<i>Encumbrances as of December 31, 2022</i>	(448,887)	(505,111)	(681,058)	0	(1,635,057)
<i>Total Actual Expenditures/Encumbrances as of December 31, 2022</i>	(1,533,647)	(1,149,753)	(1,520,555)	(208,683)	(4,412,639)
<b>\$ Remaining</b>	0	93,233	(0)	0	93,233
<b>% Remaining</b>	0%	8%	0%	0%	2%
(b) Current Allocation for FY 2022-2023	<b>2,181,118</b>	<b>2,586,974</b>	<b>2,255,378</b>	<b>512,371</b>	<b>7,535,841</b>
Additional Funding	0	0	0	0	0
Transfer between Adult and Dislocated Worker	0	0	0	0	0
Rescission	0	0	0	0	0
<b>Adjusted Allocation for FY 2022-2023</b>	<b>2,181,118</b>	<b>2,586,974</b>	<b>2,255,378</b>	<b>512,371</b>	<b>7,535,841</b>
<i>Expenditures as of December 31, 2022</i>	(93,985)	(112,265)	(30,139)	(128,679)	(365,068)
<i>Encumbrances as of December 31, 2022</i>	(961,009)	(165,207)	(927,472)	(30,750)	(2,084,438)
<i>Total Actual Expenditures/Encumbrances as of December 31, 2022</i>	(1,054,994)	(277,472)	(957,610)	(159,429)	(2,449,506)
<b>\$ Remaining</b>	<b>1,126,124</b>	<b>2,309,502</b>	<b>1,297,768</b>	<b>352,942</b>	<b>5,086,335</b>
<b>% Remaining</b>	<b>52%</b>	<b>89%</b>	<b>58%</b>	<b>69%</b>	<b>67%</b>
<b>Total Available Funds for FY2022-2023</b>	<b>3,714,765</b>	<b>3,829,961</b>	<b>3,775,933</b>	<b>873,959</b>	<b>12,194,618</b>
<b>Total Cumulative Expenditures/Encumbrance as of December 30, 2022</b>	(2,588,641)	(1,427,226)	(2,478,166)	(368,112)	(6,862,145)
<b>\$ Remaining</b>	<b>1,126,124</b>	<b>2,402,735</b>	<b>1,297,768</b>	<b>505,847</b>	<b>5,332,473</b>
<b>% Remaining</b>	<b>30%</b>	<b>63%</b>	<b>34%</b>	<b>58%</b>	<b>44%</b>
<b>III. Projected Expenditures/Carry Over through June 30, 2023</b>					
<i>Projected Expenditures through June 2023</i>	(1,359,334)	(1,053,120)	(1,244,404)	(512,371)	(4,169,229)
<i>Projected Carry Over through June 2023 (\$)</i>	1,270,671	2,132,199	1,692,032	0	5,094,902
<i>Projected Carry Over through June 2023 (%) with Rapid Response</i>	58%	82%	75%	0%	68%
<i>Projected Carry Over through June 2023 (%) without Rapid Response</i>	58%	82%	75%	0%	73%

Other Discretionary Funds	Emerging Needs - Local Assistance Funds	SlingShot/Regional Plan Implementation (NOVA)	National Dislocated Worker Grant Funds to COVID-19 Employment Recovery NDWG Project	Career NDWG	Workforce Accelerator Fund 9.0	Veterans' Employment- Related Assistance	Total
<b>I. Actual as of June 30, 2022</b>							
<b>Grant Period</b>		10/1/2021 - 12/31/2022	4/10/2020 - 3/31/2023	04/1/2022- 12/31/2023	06/01/2021 - 03/31/2023	10/14/2021 - 03/31/2023	
Original Allocation/Available Funds for FY21-22	5,000	25,000	493,424	500,000	250,000	57,200	1,330,624
Increase/(Decrease)	0	0	0	0	0	0	0
Adjusted Allocation	5,000	25,000	493,424	500,000	250,000	57,200	1,330,624
Expenditures as of June 30, 2022	0	(768)	(334,734)	(25,816)	(36,999)	(509)	(398,827)
Encumbrance as of June 30, 2022	0	0	(21)	0	0	0	(21)
<b>Total Actual Expenditures/Encumbrances as of June 2022</b>	0	(768)	(334,755)	(25,816)	(36,999)	(509)	(398,848)
Available Funds for FY 2022-2023	5,000	24,232	158,669	474,184	213,001	56,691	931,776
% Remaining	100%	97%	32%	95%	85%	99%	70%
<b>II. Actual Expenditures/Encumbrances</b>							
Available Funds for FY2022-2023	5,000	24,232	158,690	474,184	213,001	56,691	931,797
Funding 22-23	0	0	0	0	0	0	0
Adjustment	0	(22,232)	0	0	0	0	(22,232)
<b>Total Available Funding for FY 2022-2023</b>	5,000	2,000	158,690	474,184	213,001	56,691	909,565
Expenditures as of December 31, 2022	0	(1,724)	(50,920)	(61,038)	(20,973)	(13,919)	(148,574)
Encumbrances as of December 31, 2022	0	0	(67,397)	(218,851)	(158,392)	0	(444,640)
<b>Cumulative Expenditures/Encumbrances as of December 31, 2022</b>	0	(1,724)	(118,317)	(279,889)	(179,365)	(13,919)	(593,214)
Remaining	5,000	276	40,373	194,295	33,636	42,772	316,351
% Remaining	100%	14%	25%	41%	16%	75%	35%
<b>III. Projected Expenditures/Carry Over</b>							
Projected Expenditures through June 2023	0	(1,724)	(158,690)	(316,122)	(213,001)	(56,691)	(746,228)
Projected Carry Over through June 2023 (\$)	5,000	0	0	158,062	(0)	(0)	163,061
Projected Carry Over through June 2023 (%)	100%	0%	0%	33%	0%	0%	18%

Other Discretionary Funds	City of San Jose Youth Summer Program Initiative	San Jose Works (EDP Renewables)	San Jose Works (CFE)	w2ff - San Jose Works (Bank of America)	w2ff - San Jose Works (Wells Fargo)	w2ff - San Jose Works (Amazon)	w2ff - San Jose Works (Flagship)	Total
I. Actual as of June 30, 2022					Contribution	Contribution	Contribution	
Grant Period	04/30/2022 - 4/30/2023	Execution - 5/31/2023	Execution - 4/30/2023	Execution - 6/30/2023	N/A	N/A	N/A	
Original Allocation/Available Funds for FY21-22	1,141,908	183,333	25,000	55,250	15,000	100,000	5,000	1,525,491
Increase/(Decrease)	1,500,000	0	0	0	0	0	0	1,500,000
Adjusted Allocation	2,641,908	183,333	25,000	55,250	15,000	100,000	5,000	3,025,491
Expenditures as of June 30, 2022	(1,505,554)	(91,667)	(25,000)	(55,250)	(7,500)	0	0	(1,684,971)
Encumbrance as of June 30, 2022	(1,035,070)	0	0	0	0	0	0	(1,035,070)
Total Actual Expenditures/Encumbrances as of June 2022	(2,540,624)	(91,667)	(25,000)	(55,250)	(7,500)	0	0	(2,720,041)
Available Funds for FY 2022-2023	101,284	91,666	0	0	7,500	100,000	5,000	305,450
% Remaining	4%	50%	0%	0%	50%	100%	100%	10%
II. Actual Expenditures/Encumbrances								
Available Funds for FY2022-2023	1,035,070	91,666	0	0	7,500	100,000	5,000	1,239,236
Funding 22-23	1,647,000	0	30,000	84,900	0	0	0	1,761,900
Adjustment	0	0	0	0	0	0	0	0
Total Available Funding for FY 2022-2023	2,682,070	91,666	30,000	84,900	7,500	100,000	5,000	3,001,136
Expenditures as of December 31, 2022	(1,033,193)	(91,666)	(26,882)	0	0	0	0	(1,151,741)
Encumbrances as of December 31, 2022	(319,596)	0	0	0	0	0	0	(319,596)
Cumulative Expenditures/Encumbrances as of December 31, 2022	(1,352,789)	(91,666)	(26,882)	0	0	0	0	(1,471,337)
Remaining	1,329,281	0	3,118	84,900	7,500	100,000	5,000	1,529,799
% Remaining	50%	0%	10%	100%	100%	100%	100%	51%
III. Projected Expenditures/Carry Over								
Projected Expenditures through June 2023	(2,011,033)	(91,666)	(30,000)	(84,900)	0	0	0	(2,217,599)
Projected Carry Over through June 2023 (\$)	671,037	0	0	0	7,500	100,000	5,000	783,537
Projected Carry Over through June 2023 (%)	25%	0%	0%	0%	100%	100%	100%	26%

work2future  
Preliminary Financial Status Report as of 12/31/22  
Pd 6 Status 3

Other Funds	CWDB	BOS	Total
<b>I. Actual as of June 30, 2022</b>			
<b>Grant Period</b>	<b>N/A</b>	<b>N/A</b>	
<b>Original Allocation/Available Funds for FY21-22</b>	<b>4,042</b>	<b>8,900</b>	<b>12,942</b>
Expenditure/Encumbrances as of June 2022	0	(1,062)	(1,062)
<i>Total Actual Expenditures/Encumbrances as of June 2022</i>	0	(1,062)	(1,062)
<b>Available Funds for FY 2022-2023</b>	<b>4,042</b>	<b>7,838</b>	<b>11,880</b>
<b>% Remaining</b>	<b>100%</b>	<b>88%</b>	<b>92%</b>
<b>II. Actual Expenditures/Encumbrances</b>			
Available Funds for FY 2022-2023	<b>4,042</b>	<b>7,838</b>	<b>11,880</b>
<i>Expenditures as of December 31, 2022</i>	0	(600)	(600)
<i>Encumbrances as of December 31, 2022</i>	0	0	0
<b>Cumulative Expenditures as of December 31, 2022</b>	0	(600)	(600)
<b>\$ Remaining</b>	<b>4,042</b>	<b>7,238</b>	<b>11,280</b>
<b>% Remaining</b>	<b>100%</b>	<b>92%</b>	<b>95%</b>
<b>III. Projected Expenditures/Carry Over</b>			
<b>Projected Carry Over through June 2023</b>	<b>4,042</b>	<b>7,238</b>	<b>11,280</b>
<b>Projected Carry Over (%) through June 2023</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

work2future  
Preliminary Financial Status Report as of 12/31/22  
Pd 6 Status 3

Other Funds	Google work2future Relocation	Google WEX and Training	Google Child Care	Total
<b>I. Actual as of June 30, 2022</b>				
<b>Grant Period</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>Original Allocation/Available Funds for FY21-22</b>	<b>300,000</b>	<b>625,000</b>	<b>600,000</b>	<b>1,525,000</b>
Expenditure/Encumbrances as of June 2022	(75,749)	0	0	(75,749)
Encumbrance	(700)	0	0	(700)
<i>Total Actual Expenditures/Encumbrances as of June 2022</i>	<i>(76,449)</i>	<i>0</i>	<i>0</i>	<i>(76,449)</i>
<b>Available Funds for FY 2022-2023</b>	<b>223,551</b>	<b>625,000</b>	<b>600,000</b>	<b>1,448,551</b>
<b>% Remaining</b>	<b>75%</b>	<b>100%</b>	<b>100%</b>	<b>95%</b>
<b>II. Actual Expenditures/Encumbrances</b>				
Available Funds for FY 2022-2023	<b>224,251</b>	<b>625,000</b>	<b>600,000</b>	<b>1,449,251</b>
<i>Expenditures as of December 31, 2022</i>	<i>(68,846)</i>	<i>0</i>	<i>0</i>	<i>(68,846)</i>
<i>Encumbrances as of December 31, 2022</i>	<i>(700)</i>	<i>0</i>	<i>0</i>	<i>(700)</i>
<b>Cumulative Expenditures as of December 31, 2022</b>	<b>(69,546)</b>	<b>0</b>	<b>0</b>	<b>(69,546)</b>
<b>\$ Remaining</b>	<b>154,705</b>	<b>625,000</b>	<b>600,000</b>	<b>1,379,705</b>
<b>% Remaining</b>	<b>69%</b>	<b>100%</b>	<b>100%</b>	<b>95%</b>
<b>III. Projected Expenditures/Carry Over</b>				
<b>Projected Carry Over through June 2023</b>	<b>154,705</b>	<b>625,000</b>	<b>600,000</b>	<b>1,379,705</b>
<b>Projected Carry Over (%) through June 2023</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# III

## Open Forum



## **IV.A**

# **Preliminary Scenarios for FY2023-24 Program Operating Budget**

**{Action}**



## *Memorandum*

**TO:** EXECUTIVE COMMITTEE

**FROM:** Rehan Qedwai

**SUBJECT:** See Below

**DATE:** February 23, 2023

---

Approved

Date

---

**SUBJECT:** Preliminary Scenarios for the Workforce Development Board (WDB) Program Operating Budget for FY 2023-2024

### **RECOMMENDATION**

Recommend Board approval of the following three preliminary budget scenarios for Fiscal Year 2023-24, as follows:

- Proposed FY 2023-24 WDB Program Budget based on a projected allocation of \$7.023 million (**base scenario, allocation As IS**),
- Proposed FY 2023-24 WDB Program Budget based on a projected allocation of \$6.672 million (**5% reduction from the previous allocation**), and
- Proposed FY 2023-24 WDB Program Budget based on a projected allocation of \$7.374 million (**5% increase from the previous allocation**);

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 45 local WDBs in April/May of each year. Once notification of the *final* allocation from the EDD is received staff will present a *balanced* Program Operating Budget to the Executive Committee for a recommendation to the Board at the June 2023 Board meeting.

### **BACKGROUND AND ANALYSIS**

#### **Funding Allocations:**

Based on current circumstances and preliminary State planning estimates, staff developed the scenarios as follows: AS IS, i.e., no change in allocation (**base**); 5% funding reduction, and 5% funding increase compared to the WIOA Adult, Dislocated Worker, and Youth final funding allocation for FY 2022-23.

Proposed Allocation	2022-23 Final Allocation	Proposed 2023-24 AS IS (base)	Proposed 2023-24 5% Decrease	Proposed 2023-24 5% Increase
	A	B	C	D
Formula Allocation	\$7,023,470	\$7,023,470	\$6,672,297	\$7,374,644
<b>Changes in Funding compared to 2022-23 (\$)</b>		<b>0</b>	<b>(351,174)</b>	<b>351,174</b>
Changes in Funding (%)		0%	-5%	5%

### **Proposed Program Budgets:**

The proposed budget scenarios include re-budgeting a total of \$5,094,902 which consists of the following:

- a. 15% Board-mandated Reserve carry-over funding from FY 2022-23 of \$1,053,521
- b. Adjusted Unallocated Contingency Reserve Account for Training and Other Services of \$829,030
- c. Projected savings through June 30, 2023, of \$3,212,351 as per the December Financial Status Report

The proposed scenarios include ~~also considered the~~ setting aside of the 15% Board-mandated reserve account for FY 2024-25, which reduces the funding available for program operations for FY 2023-24 across all three budget scenarios.

It is also important to note that the projected savings shown above are from the Adult, Dislocated Worker, and Youth program funding allocations only. The Rapid Response program and (existing and future) discretionary grants are separate, and therefore a separate budget discussion for these programs will be presented to the Board in June 2023 along with the updated program operating budgets for Adult, Dislocated Worker, and Youth programs. In addition, since this is strictly a program operating budget, as in previous years, the administrative budget is reported separately.

FISCAL YEAR	2022-2023 Adjusted Budget	2023-2024 AS IS	2023-2024 5% Reduction	2023-2024 5% Increase
Funding Allocation	\$7,023,470	\$7,023,470	\$6,672,297	\$7,374,644
15% Board Mandated Reserve from Prior Year	896,446	1,053,521	1,053,521	1,053,521
Unallocated Contingency Account	723,599	829,030	829,030	829,030
Projected Savings	2,769,474	3,212,351	3,212,351	3,212,351
15% Board Mandated Reserve for Current Year	(1,053,521)	(1,053,521)	(1,000,845)	(1,106,197)
Administrative Funding	(702,347)	(702,347)	(667,230)	(737,464)
<b>Proposed Program Budget</b>	<b>\$9,657,121</b>	<b>\$10,362,504</b>	<b>\$10,099,124</b>	<b>\$10,625,885</b>
Increase/(Decrease) in Funding (\$)		\$705,383	\$442,003	\$968,764
Increase/(Decrease) in Funding (%)		7%	5%	10%

As can be gleaned from the table on p. 2 of 5, there is a funding shortfall of zero and \$351,174 for the *AS IS* and *5% reduction* scenarios, respectively. On the other hand, there is an additional funding of \$351,174 for the *5% increase* scenario.

In all three scenarios, the funding impact on the Proposed Operating Budget for FY 2023-24 is a surplus, and the funding impact on the Proposed Operating Budget for FY 2023-24 is manageable with no funding shortfall across all three budget scenarios.

#### **Recommended Budgetary Actions:**

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

- Personnel Costs
  - Assumed the same staffing level funded in FY 2022-23. The City's FY2022-23 **Adopted** "SalFringe" (salaries and fringe benefits) report was used in the scenarios. The budget also includes COLA (3%) and employee performance and step increases (2.5%). The final budget proposal will include appropriate modifications to reflect other possible adjustments such as staffing changes.
- Non-personnel costs
  - Adopted the FY22-23 budget amount for non-personnel costs. Staff will analyze historical data to determine if additional savings can be generated and reallocated to other budget line items. This will be included in the final budget proposal.
- Adult Client Services
  - Assumed 30% of Adult and Dislocated Worker Program Allocations is spent on SB 734 training. If during the FY 23-24 work2future is able to generate additional funding from state-approved leverage sources, this would result in additional savings to be utilized for other client related services.

- Youth Client Services
  - Assumed 20% of FY 23-24 Youth “*program*” (90% of Youth Program Allocation) is spent on work experience program. In addition, unspent funding from FY 22-23 WEX allocation is carried-forward to FY23-24 as part of the total WEX budget, to catch-up with the required on WEX training from the previous year’s program allocation.
- Unallocated Contingency Reserve Account
  - Assumed \$56,793 for Unallocated Contingency Reserve Accounts.
- Distribution to Service Providers
  - Assumed 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:

Proposed Uses	2022-23 Adjusted Budget	Proposed Budget 2023-24 AS IS (base)	Proposed Budget 2023-24 5% Funding Reduction	Proposed Budget 2023-24 5% Funding Increase
Personnel Costs	\$2,598,093	\$2,659,773	\$2,659,773	\$2,659,773
Non-Personnel Costs	525,286	595,745	595,745	595,745
Adult Client-Related Services	1,789,593	3,245,855	3,174,333	3,317,377
Youth Client-Related Services	1,041,019	1,168,841	1,148,543	1,189,139
Other Client-Related Services (One-Stop Operator)	30,000	30,000	30,000	30,000
Unallocated Contingency Reserve Account	1,021,293	56,793	56,793	56,793
Distribution to Service Providers	2,651,837	2,605,497	2,433,937	2,777,058
<b>Total Proposed Budget</b>	<b>\$9,657,121</b>	<b>\$10,362,504</b>	<b>\$10,099,124</b>	<b>\$10,625,887</b>
<b>Projected Funding</b>	<b>\$9,657,121</b>	<b>\$10,362,504</b>	<b>\$10,099,124</b>	<b>\$10,625,887</b>

Staff will be bringing to the Board at its June 2023 meeting a ***final*** program operating budget along with Rapid Response, Administration, and discretionary grants upon receipt of final allocation from the state.

As in previous years, to ensure that there is sufficient operational flexibility to respond to changing conditions, the Board will be asked to continue authorization for staff to transfer funds between budget line items without additional approval so long as the Board-approved Operating Budget is not exceeded and transfers fall within the Board-approved WIOA Operating, Administrative, and Rapid Response budgets.

Executive Committee

Date: February 23, 2023

Subject: Prelim Budget Scenarios for FY 2023-24

Page 5 of 5

Similarly, as in previous years, the Board will be asked to continue authorization for staff to transfer 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 additional approval.

/s/

Rehan Qedwai

Finance Manager

cc: Monique Melchor

Jeff Ruster

/rq

**v**

# **Adjournment**