



WORKFORCE DEVELOPMENT BOARD SPECIAL MEETING

Monday, June 26, 2023, 3:00 pm

Community Room, Almaden Winery Center, 5730 Chambertin Dr, San Jose

www.work2future.org

Susan Koepp-Baker, Chair

Priya Smith, MPH, Vice-Chair

HYBRID MEETING

Board members will be present at the location above. Members of the public may attend the meeting in person at the location above or virtually by computer, smartphone, or tablet at <https://sanjoseca.zoom.us/j/84283159942?pwd=Z0xZVVVWVW5uYm9ibmlGVGxLUS9Mdz09>

If attending virtually, to provide Spoken Public Comment *during* the meeting:

- a) **Phone** (408) 638-0968, Meeting ID 842 8315 9942#. **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 the Zoom application or 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 to 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 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, with 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. 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 aloud.

WORKFORCE DEVELOPMENT BOARD MEMBERS

June 2023

Board Chair*

Susan L. Koeppe-Baker
Principal
Envirotech Services

Board Vice Chair*

Priya Smith, MPH
Medical Group Administrator
The Permanente Medical Group
Kaiser Permanente San Jose

1. **Louise Auerhahn***
Director of Economic & Workforce Policy
Working Partnerships USA
2. **Rajiv Batra***
Senior Director
Bluevine
3. **Ricardo Benavidez**
Director of Social Infrastructure
Google LLC
4. **Chad Bojorquez***
Chief Program Officer
Destination: Home
5. **George Chao**
Director of Strategic Partnerships
Manex
6. **John (Jack) Estill, Youth Committee Chair***
Partner
Coactify
7. **Joseph A. Flynn**
Vice President of Software Transformation
CommScope
8. **Van T. Le**
Agent
State Farm Insurance
Trustee and Clerk of the Board
East Side Union High School District
9. **Maria Lucero**
Deputy Division Chief, Region I
Northern Division, Workforce Services Branch
Employment Development Department, State of California
10. **Emily McGrath**
Senior Fellow | Director of Workforce Policy
The Century Foundation
11. **Brian N. Murphy**
Director of Training
Pipe Trades Training Center
UA Local 393
12. **Rafaela Perez***
Employment Services Director
Social Services Agency, County of Santa Clara
13. **Steve Preminger**
Director, Office of Strategic &
Intergovernmental Affairs
County of Santa Clara
14. **Mitesh Shah**
Vice-President and Business Unit Head
Tech Mahindra
15. **Alan Takahashi, Business Services Committee Chair***
Vice President and General Manager
Multifunction Microwave Solutions
CAES
16. **Todd Teixeira, MA**
Team Manager (SSM1), San Jose North Branch
California Department of Rehabilitation
17. **Traci Williams**
Co-chair
South Bay Consortium for Adult Education
Director
East Side Adult Education

*Members of the Executive Committee

WORKFORCE DEVELOPMENT BOARD

June 26, 2023

3:00 pm

Community Room, Almaden Winery Center, 5730 Chambertin Dr, San Jose

Online at: <https://sanjoseca.zoom.us/j/84283159942?pwd=Z0xZVVVWVW5uYm9ibmlGVGxLUS9Mdz09>

SPECIAL MEETING AGENDA

- I. CALL TO ORDER & ROLL CALL** 5 min
3:05 pm end
- II. CONSENT ITEMS {ACTION}** 5 min
3:10 pm end
Accept the following:
- A. Minutes of the March 16, 2023, Board meeting**
 - B. Preliminary Financial Status Report as of April 30, 2023**
 - C. WIOA Performance and Enrollment Reports for Q3 of PY 2022**
 - D. San Jose Works Report as of May 31, 2023**
- III. BUSINESS ITEMS**
- A. FY 2023-24 WIOA Program Operating Budget {ACTION}** 20 min
3:30 pm end
Rehan Qedwai, Finance Manager
Approve the proposed WIOA Program Operating Budget for FY2023-24, as recommended by the Executive Committee, including:
- 1. WIOA Program Operating Budget of \$10,110,233
 - 2. WIOA Administrative Budget in the amount of \$845,592
 - 3. Proposed WIOA estimated Rapid Response Funding of \$512,371
 - 4. Authorization for staff to transfer funds without additional Board approval but with notification after the fact to the Executive Committee of any such transfers at the Committee's next available meeting:
 - a) Between budget line items, if there is no change to the overall amount of the WIOA program operating budget,
 - b) Between the Adult and Dislocated Worker Programs, as needed to accommodate changes in the numbers of clients served by the two programs, as long as the total of the combined budgets is not changed.
 - 5. Direct staff to work with the Executive Committee to frame the presentation of proposed budgets in future years to provide the same level of detail for the expenditure of funds from each of the Adult, Dislocated Worker and Youth Program allocations.
- B. San Jose Works 2023-24 Funding {ACTION}** 10 min
3:40 pm end
Rehan Qedwai, Finance Manager
Accept staff's report on funding for the San Jose Works 9.0 program, including:
- 1. \$1,647,000 in City of San José funds to support the program.

2. Allocation of \$2,971,570 to work2future and \$95,000 to the City's Parks, Recreation and Neighborhood Services Department (PRNS) for the operation of the program.

IV. OPEN FORUM

Members of the public may address the committee on matters not on the agenda.

*5 min
3:45 pm end*

V. OTHER

Announcements, suggested agenda items for a future meeting, other housekeeping.

*5 min
3:50 pm end*

VI. ADJOURNMENT

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.

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 online at www.work2future.org and 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. Minutes of the March 16, 2023, Board meeting
- B. Preliminary Financial Status Report as of April 30, 2023
- C. WIOA Performance and Enrollment Reports for Q3 of PY 2022
- D. San Jose Works Report as of May 31, 2023

{ACTION}

WORKFORCE DEVELOPMENT BOARD

March 16, 2023

MINUTES

Staff: Melchor, Qedwai, Thoo, Walter

Guests: Matthew Tolnay, Deputy City Attorney; David Keen, Principal, Keen Independent Research; Blanca Monter, Senior Consultant, Keen Independent Research; Joseph Broad, Senior Consultant, Keen Independent Research; Nicole Yates, Consultant, Keen Independent Research

I. CALL TO ORDER & ROLL CALL

The hybrid meeting was called to order at 9:53 am by Chairperson Susan Koepp-Baker.

Roll Call

Present: Auerhahn, Benavidez, Bojorquez, Estill, Koepp-Baker, McGrath, Murphy, Perez, Preminger, Takahashi, Teixeira, Williams

Absent: Batra, Chao, Flynn, Le, Lucero, Moreno, Smith

II. CONSENT ITEMS

ACTION: Mr. Estill moved, Ms. Auerhahn seconded, and the Board voted unanimously to accept:

A. Financial Status Report as of December 31, 2023

B. San Jose Works Report as of December 31, 2023

III. OPEN FORUM

Ms. Koepp-Baker opened the floor for public comment. None were noted.

IV. BUSINESS ITEMS

A. Minutes Approval

ACTION: Mr. Preminger moved, Ms. Williams seconded, and the Board voted unanimously to approve the minutes of the November 17, 2022, Board meeting.

B. Director's Report

Monique Melchor, Director, welcomed the Board to San José Career Center for the first in-person Board meeting since the beginning of the pandemic.

C. Preliminary Scenarios for FY2023-4 Program Operating Budget

Rehan Qedwai, Finance Manager, asked the Board to approve three preliminary budget scenarios for Fiscal Year 2023-2024 (FY2024), as follows: a) Proposed FY2024 Workforce Development Board (WDB) Program Budget based on a projected allocation of \$7.023 million (base scenario, AS IS); b) Proposed FY2024 WDB Program Budget based on a projected allocation of \$6.672 million (5% reduction from the FY2023 allocation); and c) Proposed FY2024 WDB Program Budget based on a projected allocation of \$7.374 million (5% increase from the FY2023 allocation).

There was some discussion among the Board regarding the timing of funding allocations from state and federal sources, as well as the impact that recent unemployment trends may have on current and future allocations.

ACTION: Mr. Estill moved, Mr. Benavidez seconded, and the Board voted unanimously to approve the three preliminary budget scenarios.

D. Local and Regional Plan Modifications

Monique Melchor, Director, asked the Board to approve modifications to the PY2021-PY2024 Local Plan and the PY2021-PY2024 Regional Plan for submission to the California Workforce Development Board.

There was some discussion among the Board regarding the summarized changes to the plans, as well as the submission and integration of public comments into the modified plans.

ACTION: Mr. Preminger moved, Mr. Teixeira seconded, and the Board voted unanimously to approve the modifications to the PY2021-PY2024 Local Plan and the PY2021-PY2024 Regional Plan for submission to the California Workforce Development Board.

E. WIOA Performance and Enrollment Reports for Q2 of PY 2022

Monique Melchor, Director, reported on Workforce Innovation and Opportunity Act (WIOA) program performance and client enrollments for the second quarter of Program Year 2022-23 (PY2022).

There was some discussion among the Board regarding program targets and success metrics, participant demographics, as well as confidence in meeting year-end goals.

F. Business Services Committee Report

Alan Takahashi, Business Services Committee Chairperson, reported on recent activities of the Business Services Committee. He noted recent Committee discussions around shifts in demand for different employment categories and possible local impacts.

G. Youth Committee Report

Jack Estill, Youth Committee Chairperson, reported on recent activities of the Youth Committee. He informed the Board about the startup of the Youth Committee and its inaugural meeting. Mr. Estill also noted a goal to provide training on intergenerational communication to both the Youth Committee and the broader Board.

H. Grant Initiatives

Lawrence Thoo, Strategic Engagement Manager, gave the Board an overview of selected grants of which work2future is a partner, including the Regional Equity and Recovery Partnerships grant to the Regional Planning Unit and community colleges (awarded), the Community Economic Resilience Fund (CERF) Phase 1 grant (Planning) (awarded), and the CERF Economic Development Pilot (Bay Area Good Jobs Partnership for Equity) (application submitted). A Board member participating in these grants offered additional comments.

I. Form 700, the Brown Act, and AB 2449

Matthey Tolnay, Deputy City Attorney, presented information on Board and standing committee member requirements with respect to Form 700 (conflict of interest), the Ralph M. Brown Act (public meetings), and AB 2449 signed into law in 2022 (exceptions to the Brown Act's teleconferencing requirements).

There was some discussion among the Board seeking clarity on various details within the legal requirements.

J. Labor Market Update

Lawrence Thoo, Strategic Engagement Manager, gave a snapshot review of the labor market in Santa Clara County and the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area.

The labor market in Santa Clara County and the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA), comprised of Santa Clara County and San Benito County, remained stable. The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 2.1 percent in December 2022, down from a revised 2.4 percent in November 2022, and below the year-ago estimate of 2.9 percent, according to the Employment Development Department's Labor Market Information Division. This compares with an unadjusted unemployment rate of 3.7 percent for California and 3.3 percent for the nation during the same period. The unemployment rate was 2.0 percent in Santa Clara County. Total employment for the month in the MSA was flat, with a net increase of 300 jobs to reach 1,195,900.

K. The Economy Beyond the COVID-19 Crisis

The Keen Independent Research team, including Principal David Keen, Senior Consultant Blanca Monter, Senior Consultant Joseph Broad, and Consultant Nicole Yates, presented their report on divergent economic indicators for the local economy as 2023 began.

There was some discussion among the Board regarding the report and its implications for local workforce development, as well as requests for additional investigation into divergent economic indicators for the local economy in South Santa Clara County.

V. OTHER

Announcements, suggested agenda items for a future meeting, other housekeeping

- A.** Deputy City Attorney Tolnay provided additional clarification to questions that arose after his presentation in agenda item IV.I.
- B.** A suggested item for future meetings is a year-end demographic report about the participants in various work2future WIOA programs.

VI. ADJOURNMENT

Meeting adjourned at 11:47 am.

PRELIMINARY FINANCIAL STATUS AS OF APRIL 30, 2023

Key Highlights

- WIOA PY21-22 formula and PY22-23 Rapid Response funding is projected to be fully spent by June 30, 2023.
- For the PY21-22 Rapid Response funding carry-over that was extended by the State to spend by September 30, 2022, only \$193,393 of the \$361,588 were spent.
- As of April 30, 2023, work2future has \$4.21 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: \$829,030
 3. Projected savings of \$2,335,088

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. Of the \$2,768 revised funded amount, \$1,724 was spent with an unspent balance of \$276.
- 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 April 30, 2023, 88% of the grant funds 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 (NDWG). work2future was allotted \$500,000 to help implement the grant. The goal of the CAREER NDWG 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 August 19, 2023. work2future program implementation starts on April 1, 2022. As of April 30, 2023, approximately 86% 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 93% of the funds were spent as of April 30, 2023.
- NPower, a national 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 April 30, 2023, 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 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 April 30, 2023, 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 April 30, 2023, 94% of funds are spent. We are in the process of making more payments, and it is expected that money will be fully spent.

- 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 are carried forward from year to 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. Approximately 54% of the funds were spent as of April 30, 2023.
- 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.

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Prepared by Rehan Qedwai, Finance Manager

Attachment

WIOA Formula Funds	Adult	Dislocated Worker	Youth	RR	TOTAL WIOA FORMULA FUNDS
I. Actual as of June 30, 2022					
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	2,472,320	1,528,157	1,975,827	505,829	6,482,133
<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	1,530,726	1,240,552	1,479,931	361,588	4,612,796
<i>% Remaining</i>	62%	81%	75%	71%	71%
II. Actual Expenditures/Encumbrances					
(a) Available Funds from FY2021-2022 Carry over for FY2022-2023 (remaining plus enc.)	1,533,647	1,242,987	1,520,555	361,588	4,658,777
Transfer between Adult and Dislocated Worker	0	0	0	0	0
Rescission				(152,905)	(152,905)
<i>Expenditures as of April 30, 2023</i>	(1,533,647)	(1,113,926)	(1,463,084)	(208,683)	(4,319,340)
<i>Encumbrances as of April 30, 2023</i>	0	(129,061)	(57,471)	0	(186,532)
<i>Total Actual Expenditures/Encumbrances as of April 30, 2023</i>	(1,533,647)	(1,242,987)	(1,520,555)	(208,683)	(4,505,872)
\$ Remaining	0	0	(0)	0	(0)
% Remaining	0%	0%	0%	0%	0%
(b) Current Allocation for FY 2022-2023	2,181,118	2,586,974	2,255,378	512,371	7,535,841
Additional Funding	0	0	0	0	0
Transfer between Adult and Dislocated Worker	0	0	0	0	0
Rescission	0	0	0	0	0
Adjusted Allocation for FY 2022-2023	2,181,118	2,586,974	2,255,378	512,371	7,535,841
<i>Expenditures as of April 30, 2023</i>	(545,892)	(164,296)	(68,512)	(262,622)	(1,041,322)
<i>Encumbrances as of April 30, 2023</i>	(903,221)	(406,091)	(1,214,956)	0	(2,524,267)
<i>Total Actual Expenditures/Encumbrances as of April 30, 2023</i>	(1,449,112)	(570,387)	(1,283,468)	(262,622)	(3,565,589)
\$ Remaining	732,006	2,016,587	971,910	249,749	3,970,252
% Remaining	34%	78%	43%	49%	53%
Total Available Funds for FY2022-2023	3,714,765	3,829,961	3,775,933	873,959	12,194,618
<i>Total Cumulative Expenditures/Encumbrance as of April 30, 2023</i>	(2,982,759)	(1,813,374)	(2,804,023)	(471,305)	(8,071,461)
\$ Remaining	732,006	2,016,587	971,910	402,654	4,123,157
% Remaining	20%	53%	26%	46%	34%
III. Projected Expenditures/Carry Over through June 30, 2023					
<i>Projected Expenditures through June 2023</i>	(1,082,580)	(1,186,372)	(723,411)	(512,371)	(3,504,734)
<i>Projected Carry Over through June 2023 (\$)</i>	1,098,538	1,529,663	1,589,438	0	4,217,639
<i>Projected Carry Over through June 2023 (%) with Rapid Response</i>	50%	59%	70%	0%	56%
<i>Projected Carry Over through June 2023 (%) without Rapid Response</i>	50%	59%	70%	0%	60%

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
I. Actual as of June 30, 2022							
Grant Period		10/1/2021 - 12/31/2022	4/10/2020 - 3/31/2023	04/1/2022-08/19/2023	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)
Total Actual Expenditures/Encumbrances as of June 2022	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%
II. Actual Expenditures/Encumbrances							
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)
Total Available Funding for FY 2022-2023	5,000	2,000	158,690	474,184	213,001	56,691	909,565
Expenditures as of April 30, 2023	0	(1,724)	(137,996)	(126,318)	(98,330)	(13,919)	(378,287)
Encumbrances as of April 30, 2023	0	0	0	(174,059)	0	0	(174,059)
Cumulative Expenditures/Encumbrances as of April 30, 2023	0	(1,724)	(137,996)	(300,377)	(98,330)	(13,919)	(552,346)
Remaining	5,000	276	20,695	173,807	114,670	42,772	357,220
% Remaining	100%	14%	13%	37%	54%	75%	39%
III. Projected Expenditures/Carry Over							
Projected Expenditures through June 2023	0	(1,724)	(137,996)	(168,818)	(98,330)	(13,919)	(420,787)
Projected Carry Over through June 2023 (\$)	5,000	0	0	305,366	0	0	310,366
Projected Carry Over through June 2023 (%)	100%	0%	0%	64%	0%	0%	34%

Other Discretionary Funds	City of San Jose Youth Summer Program Initiative	San Jose Works (EDP Renewables)	San Jose Works (CFE)	w2f - San Jose Works (Bank of America)	w2f - San Jose Works (Wells Fargo) Contribution	w2f - San Jose Works (Amazon) Contribution	w2f - San Jose Works (Flagship) Contribution	Total
I. Actual as of June 30, 2022								
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 April 30, 2023	(1,166,418)	(91,666)	(28,325)	(84,900)	0	0	0	(1,371,310)
Encumbrances as of April 30, 2023	(1,265,376)	0	0	0	0	0	0	(1,265,376)
Cumulative Expenditures/Encumbrances as of April 30, 2023	(2,431,794)	(91,666)	(28,325)	(84,900)	0	0	0	(2,636,685)
Remaining	250,276	0	1,675	0	7,500	100,000	5,000	364,450
% Remaining	9%	0%	6%	0%	100%	100%	100%	12%
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 04/30/23
Pd 10 Status 3

Other Funds	CWDB	BOS	Total
I. Actual as of June 30, 2022			
Grant Period	N/A	N/A	
Original Allocation/Available Funds for FY21-22	4,042	8,900	12,942
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)
Available Funds for FY 2022-2023	4,042	7,838	11,880
% Remaining	100%	88%	92%
II. Actual Expenditures/Encumbrances			
Available Funds for FY 2022-2023	4,042	7,838	11,880
<i>Expenditures as of April 30, 2023</i>	0	(3,432)	(3,432)
<i>Encumbrances as of April 30, 2023</i>	0	0	0
Cumulative Expenditures as of March 31, 2023	0	(3,432)	(3,432)
\$ Remaining	4,042	4,406	8,448
% Remaining	100%	56%	71%
III. Projected Expenditures/Carry Over			
Projected Carry Over through June 2023	4,042	4,406	8,448
Projected Carry Over (%) through June 2023	100%	100%	100%

work2future
Preliminary Financial Status Report as of 04/30/23
Pd 10 Status 3

Other Funds	Google work2future Relocation	Google WEX and Training	Google Child Care	Total
I. Actual as of June 30, 2022				
Grant Period	N/A	N/A	N/A	
Original Allocation/Available Funds for FY21-22	300,000	625,000	600,000	1,525,000
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>
Available Funds for FY 2022-2023	223,551	625,000	600,000	1,448,551
% Remaining	75%	100%	100%	95%
II. Actual Expenditures/Encumbrances				
Available Funds for FY 2022-2023	224,251	625,000	600,000	1,449,251
<i>Expenditures as of March 31, 2023</i>	<i>(121,752)</i>	<i>0</i>	<i>0</i>	<i>(121,752)</i>
<i>Encumbrances as of March 31, 2023</i>	<i>(300)</i>	<i>0</i>	<i>0</i>	<i>(300)</i>
Cumulative Expenditures as of March 31, 2023	(122,052)	0	0	(122,052)
\$ Remaining	102,199	625,000	600,000	1,327,199
% Remaining	46%	100%	100%	92%
III. Projected Expenditures/Carry Over				
Projected Carry Over through June 2023	102,199	625,000	600,000	1,327,199
Projected Carry Over (%) through June 2023	100%	100%	100%	100%

WIOA PERFORMANCE AND ENROLLMENT REPORTS FOR Q3 OF PY 2022

Predictive Performance Report (3rd Quarter – PY 2022-23)

work2future met and/or exceeded 14 of the 15 Workforce Innovation and Opportunity Act (WIOA) State Measurements. While this is a predictive report, it serves as a guide for staff to continue to monitor work2future's WIOA performance during the program year.

The Measurable Skills Gains for the youth participants in training are being reconciled.

WIOA Enrollment and Participants Served

work2future served a total of 1,566 Adult/Dislocated Worker and Youth participants. Enrollment goals and data for the current program year (July 2022–June 2023) are described in the attached table.

###

Prepared by Sangeeta Durrall, Program Services Manager

Attachments (2)

PREDICTIVE PERFORMANCE REPORT PY 2022-23 (3rd Quarter)

PERFORMANCE MEASURES	WIOA STATE GOALS	ACTUAL	SUCCESS RATE
ADULT			
Entered Employment Rate 2nd Qtr	65.0%	73.1%	112.5%
Entered Employment Rate 4th Qtr	62.0%	72.6%	117.1%
Median Earnings	\$7,500.00	\$11,521.00	154.0%
Attainment of a Credential or Certificate	65.5%	72.0%	110.0%
Measurable Skills Gain	55.0%	57.1%	108.0%
DISLOCATED WORKERS			
Entered Employment Rate 2nd Qtr	68.0%	78.0%	115.0%
Entered Employment Rate 4th Qtr	67.0%	70.0%	105.0%
Median Earnings	\$8,500.00	\$9,867.00	116.0%
Attainment of a Credential or Certificate	68.0%	100.0%	147.0%
Measurable Skills Gain	55.0%	54.5%	91.0%
YOUTH			
Placement in Employment or Education 2nd Qtr	71.0%	100.0%	141.0%
Entered Employment Rate 4th Qtr	67.5%	69.2%	105.0%
Median Earnings	\$3,390.00	\$4,406.00	110.0%
Attainment of a Credential or Certificate	57.6%	100.0%	166.0%
Measurable Skills Gain	57.8%	17.6%	37.0%
Overall Performance - StateTarget (90%)	Exceeded 14/15		

WIOA ENROLLMENTS AND PARTICIPANTS SERVED

As of June 14, 2023

Program	New Enrollment Goal 2022-23	YTD - New Enrollments 2022 - 2023	Total % of Goal	Carryover 2022 - 2023	Total Clients Served 2022-2023
Adult/Dislocated Worker Program	900	961	107%	313	1274
Youth Program (OSY)	140	143	102%	79	222
Youth Program (ISY)	60	70	117%	0	70

SAN JOSE WORKS REPORT AS OF MAY 31, 2023

San Jose Works (SJ Works) is a City of San Jose-funded partnership between work2future and the City's Parks, Recreation, and Neighborhood Services Department (PRNS). SJ Works has two tracks, (i) subsidized, in which the City covers the cost of stipends or wages for youth internships/jobs, and (ii) unsubsidized, in which employers cover the cost of stipends or wages.

SJ Works SUBSIDIZED program 9.0:

- SJ Works received over 400+ subsidized applications for youth aged 14–18. To date, SJ Works has onboarded 378 youth.
- Orientation begins the week of June 5th with training week to follow. Youth will have from June 5th-August 4th to complete 120 hours.
- There will be a Kick-Off SWAG BAG Event for all participants on June 22nd.
- 100% of placed youth will successfully complete onboarding, attended orientation, and training which includes soft skills, emotional intelligence, financial literacy, career exploration, entrepreneurship, wage theft & prevention and mentoring.
- The subsidized model focused increasingly on Priority-Sector and In-Demand Occupation internships for high school youth.
- Youth were recruited from High School Career Technical Education classes focusing on the priority sectors and related in-demand occupations, PRNS (MGPTF programs), probation, and other youth agencies.
- About 95% of the internship positions are in person or a hybrid of virtual.
- In addition, 100 mentors and mentees were matched and have participated in our one-on-one mentoring and group sessions.
- Alumni group of mentees and mentors continue to meet once a month
- Mentors recruited from different companies such as Western Digital, Bank of America, Hewlett Packard Enterprise, Intel, City departments, Boys & Girls Club, and others.

SJ Works UNSUBSIDIZED program 8.0 has provided:

Staff have continued to work on the Unsubsidized component of SJ Works 8.0 during the pandemic. Currently, there are 575 enrollments, of which 424 are placements. The remaining clients have received a service or multiple services such as assistance in job searching, job applications, resume, financial literacy workshop, mock interview, or attended a job fair or interview.

Additional services provided to participating youth in both subsidized and unsubsidized components included career counseling, job readiness workshops, supportive services (e.g., bus passes), and financial education.

Participating youth will continue to have access to services such as job counseling, job readiness training, supportive services (e.g., transportation, clothing, etc.) and financial education.

Program goal will remain the same at 375. If budget permits, we can increase the number of students served.

III.A

FY 2023-24 WIOA Program Operating Budget

{ACTION}



Memorandum

TO: BOARD

FROM: Rehan Qedwai

SUBJECT: **See Below**

DATE: June 21, 2023

Approved

Date

SUBJECT: Proposed Workforce Innovation and Opportunity Act (WIOA) Program Operating Budget for Fiscal Year (FY) 2023-24

RECOMMENDATION

Approve the proposed WIOA Program Operating Budget for FY2023-24, as recommended by the Executive Committee, including:

1. WIOA Program Operating Budget of \$10,110,233
2. WIOA Administrative Budget in the amount of \$845,592
3. Proposed WIOA estimated Rapid Response Funding of \$512,371
4. Authorization for staff to transfer funds without additional Board approval but with notification after the fact to the Executive Committee of any such transfers at the Committee's next available meeting:
 - a. Between budget line items, if there is no change to the overall amount of the WIOA program operating budget,
 - b. Between the Adult and Dislocated Worker Programs, as needed to accommodate changes in the numbers of clients served by the two programs, as long as the total of the combined budgets is not changed.
5. Direct staff to work with the Executive Committee to frame the presentation of proposed budgets in future years to provide the same level of detail for the expenditure of funds from each of the Adult, Dislocated Worker and Youth Program allocations.

At its special meeting on May 30, 2023, the Executive Committee voted unanimously to recommend that the Board approve the action above.

The Executive Committee also voted unanimously to direct that staff include in the presentation to the Board of this FY 2023-24 proposed WIOA Budget an explanation of the reason or reasons for the approximately \$1.4 million (77.6%) increase in the line item for Adult Client-Related Services between the "FY23-24 Planned 8.4% Decrease May 2023 EDD Notification" column from the "FY22-23 \$9.6M Adjusted Budget" column in the "Proposed Uses" table.

Staff may adjust the budget line items in October/November 2023 to reconcile projected carry-over with actuals at the end of the FY 2022-23.

BACKGROUND AND ANALYSIS

On May 18, 2023, the State of California Employment Development Department (EDD) revised PY 22-23 allocations, increasing the Dislocated Worker allocation by \$11,625, and released its planned allocations for

WIOA Adult, Dislocated Worker, and Youth funding streams for FY23-24. These allocations are based on the allotments to states issued by the U.S. Department of Labor (DOL), as recognized in Training and Employment Guidance Letter 15-22, dated April 21, 2023. EDD’s planned allocations for work2future reflected an approximately 8.4% overall decrease from FY22-23 funding.

In March 2023, staff had presented three Preliminary Adult, Dislocated Worker, and Youth Program Budget Scenarios to the Board: AS IS (the same allocation as FY22-23 – base budget), 5% funding decrease, and 5% funding increase.

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

Table 1

Fund Sources	FY22-23 Budget \$9.65M Adjusted	FY 2023-24 Preliminary Scenario 5% Decrease (March 2023)	Proposed FY23-24 8.4% Decrease May 2023 EDD Notification	FY22-23 vs. -5% Preliminary Scenario (in \$)	FY22-23 vs. Proposed FY23-24 8.4% Decrease (in \$)	-5% Preliminary Scenario vs. Proposed FY23-24 8.4% Decrease (in \$)
	A	B	C	D (b-a)	E (c-a)	F (c-b)
Formula Allocation	\$7,023,470	\$6,672,297	\$6,452,098	\$(351,173)	\$(571,372)	\$(220,199)
15% Board-Mandated Reserve from prior year’s allocation	\$896,446	\$1,053,521	\$1,053,521	\$157,075	\$157,075	\$0
Projected Carryover from prior year (includes Unallocated Contingency Reserve)	\$3,493,073	\$4,041,381	\$4,217,639	\$548,308	\$724,566	\$176,258
Carryover to subsequent year (FY 2023-24/2024-25)	(1,053,521)	(1,000,845)	(967,815)	\$52,676	\$85,706	\$33,030
Administrative Funding (10% of Allocation)	(702,347)	(667,230)	(645,210)	\$35,117	\$57,137	\$22,020
Total Funding	\$9,657,121	\$10,099,124	\$10,110,233	\$442,003	\$453,112	\$11,109

Column A in Table 1 above shows the June 2022 approved FY 2022-23 budget adjusted for a larger carryover (savings) from FY 2021-22 to FY22-23 than projected in June 2022. This carryover helps offset the decrease of \$571,372 in the formula allocation between FY22-23 and FY23-24. Note that in comparison to the March 2023-approved 5% Decrease Preliminary Budget Scenario, the proposed FY23-24 budget has a negligible overall positive change of \$11,109.

Table 2 below provides a corresponding analysis across the major categories of funding use.

Table 2

Proposed Uses	FY22-23 Budget \$9.65M Adjusted	FY 2023-24 Preliminary Scenario 5% Decrease (March 2023)	Proposed FY23-24 8.4% Decrease May 2023 EDD Notification	FY22-23 vs. -5% Preliminary Scenario (in \$)	FY22-23 vs. Proposed FY23-24 8.4% Decrease (in \$)	-5% Preliminary Scenario vs. Proposed FY23-24 8.4% Decrease (in \$)
	A	B	C	D (b-a)	E (c-a)	F (c-b)
Personnel Costs	\$2,598,093	\$2,659,773	\$2,659,773	\$61,680	\$61,680	0
Non-Personnel Costs	525,286	595,745	528,263	70,459	2,977	(67,482)
Adult Client-Related Services	1,789,593	3,174,333	2,395,301	1,384,740	605,708	(779,032)
Youth Client-Related Services	1,041,019	1,148,543	1,112,048	107,524	71,029	(36,495)
One Stop Operator	30,000	30,000	30,000	0	0	0
Distribution to Service Providers (Baseline)	2,651,837	2,433,937	2,538,013	(217,900)	(113,824)	104,076
Unallocated Contingency Reserve	1,021,293	56,793	846,835	(964,500)	(174,458)	790,042
Total Proposed Uses	\$9,657,121	\$10,099,124	\$10,110,233	\$442,003	\$453,112	\$11,109

- Personnel Costs
 - The personnel costs budget of \$2,659,773 is based on the City of San José’s FY22-23 proposed Salary and Fringe Benefits report. This may be adjusted due to the actual Cost of Living Adjustment percentage increase that will be agreed upon between employee bargaining units and the City.
- Non-Personnel Costs
 - The non-personnel costs budget essentially unchanged for at \$528,263 for FY23-24 compared to \$525,286 for FY22-23.
- Adult and Youth Client-Related Services
 - Adult and Youth Client-Related Services budgets are set at \$2,395,301 and \$1,112,048, respectively, in FY23-24. Although the Formula Allocation is lower for FY23-24 than it was for FY22-23, the Client-Related Services lines, especially Adult, are higher. This is because a portion of savings projected for FY22-23, shown in Table 1 as Projected Carryover, has been budgeted to FY23-24 to meet training expenditure mandates discussed later in this memo. For FY22-23, work2future has met the SB734 30% training and 20% work experience compliance requirement for Adult & Dislocated Worker and Youth programs, respectively.
- One-Stop Operator
 - A budget of \$30,000 reflects the contractual costs for the current one-stop operator.
- Distribution to Service Providers (Baseline)
 - Although the announced FY23-24 fund allocation has decreased by a larger percentage than the 5% Decrease Preliminary Budget Scenario, the proposed baseline distribution to service providers is increased from \$2,433,937 to \$2,538,013 due to the allocation to FY23-24 of estimated savings from FY22-23 referenced previously in this memo.

- Unallocated Contingency Reserve
 - This is the “balancing” figure in the budget which is set nominally to \$63,765 for FY23-24. It is used to augment the current program operating budget should an unanticipated need arise, or if unspent, bridge funding gap in the program operating budget for the following fiscal year. Most of the estimated FY22-23 Unallocated Contingency Reserve has been budgeted for FY23-24 expenses.

SB734-TRAINING ALLOCATIONS

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

SB734 requires Workforce Development Boards to expend 30% of their Adult and Dislocated Worker allocations on training. To meet this requirement, the staff proposes to allocate a training budget of 20% of the Adult and Dislocated Worker allocations, with the additional 10% to be raised by the service providers through leveraged funding. Examples of leverage funds in the past include employers’ share of on-the-job training, Pell grants, and registered apprenticeship wages.

For FY 2023-24, the staff is proposing to include the FY 2022-23 estimated carry-over amount plus 100% of the 20% training budget for the current year allocation. In the past, work2future was able to spend the allotted training dollars in the first year of the grant’s term but because of COVID-19’s challenges, work2future needs to catch up first with the prior year’s training funds in order to comply with the SB734 requirement.

Table 3 below shows the Training Budget relative to the SB 734 training expenditure requirement:

Table 3

WIOA ADULT AND DISLOCATED WORKER PROGRAM	Proposed Budget
Projected Adult and Dislocated Worker Program Allocation FY 2023-24	\$4,399,814
Training Requirement (30% of Projected Allocation)	1,319,944
Training Budget at 20%*	\$879,963
Leverage Funds at 10% to be raised	439,981
Training Funds Requirement for FY 2023-24 Allocation	\$1,319,944
FY 2022-23 Estimated Carry-Over Training Amount	\$740,308
FY 2023-24 100% of the 20% Training Allocation	879,963
SB 734 Training Budget for FY 2023-24	\$1,620,271

*Training budget covers ETPL, OJT, cohort, and SB 734 eligible workshops.

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

WIOA YOUTH JOB READINESS/WORK EXPERIENCE TRAINING PROGRAM

20% of Youth Program Base Funding Allocation

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

As with the Adult and Dislocated Worker SB 734 training allocation, for FY 2023-24, the staff is proposing to include the FY 2023-24 WEX carry-over amount plus 100% of the 20% WEX budget for the current year allocation. This is again due to the catch-up that work2future needs to comply with the requirement. (See Table 4 below.)

Table 4

WIOA YOUTH PROGRAM	Proposed Budget
Projected Youth Program Allocation FY23-24	\$2,040,659
Less: 10% Administration	(204,066)
Youth Program Allocation net @ 90%	\$1,836,593
FY23-24 Youth Job Readiness/Work Experience Requirement (20% of Youth Program Allocation net)	\$367,319
FY 2022-23 Estimated Carry-Over Youth Job Readiness/WEX Amount	\$405,968
FY 2023-24 100% of Youth Job Readiness/WEX 20% Requirement	\$367,319
Total Youth Job Readiness/WEX Budget for FY 2023-24	\$773,287

The full amount of \$773,287 will be distributed to Equus Workforce Solutions and International Rescue Committee to cover the WIOA-required Youth work experience program. A portion of this amount can be used to fund staffing to administer the work experience program. The work experience line item is shown as a separate line item from the funding distribution to service providers to show that the 20% funding threshold as required by WIOA is met.

WIOA ADMINISTRATIVE BUDGET

work2future’s Administrative Budget represents 10% of the total WIOA formula allocation from the Adult, Dislocated Worker, and Youth programs plus the estimated carry-over savings from FY22-23.

Table 5 below shows the distribution of Administrative funding:

Table 5

WIOA ADMINISTRATIVE	Proposed Budget
Projected Adult, Dislocated Worker and Youth Program Allocation FY 2023-24	\$6,440,473
Proposed Administrative Budget (10% of Projected Allocation)	644,047
FY22-23 Estimated Carry-Over	201,545
Total Proposed Administrative Budget Funding	\$845,592
Personnel Costs (3.45 FTE)	\$536,268
City Attorney’s Office	127,408
Non-Personnel Cost	37,227
City Overhead @ effective rate of 3.06%	74,454
Distribution to Service Providers	70,235
Total Proposed Administrative Budget Expenditures	\$845,592

Staff has worked with the City’s Finance Department and the Budget Office since 2015 to exempt work2future from the standard methodology that the City uses for computing overhead for grants and to allow work2future to set a rate that can be accommodated by the State’s funding limitations on administrative services, taking into account the fluctuating nature of work2future’s funding.

In May 2023, the City Finance Department informed work2future of its overhead rate for FY 2023-24 of 84.46% which is a 19.69% increase from last fiscal year’s rate of 64.78%. As can be inferred, work2future cannot pay the full City Overhead amount, estimated at \$2.05 million. As shown above, work2future can only pay \$74,454, which translates to an effective rate of approximately 3.06%.

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

WIOA RAPID RESPONSE FUNDING

For FY 2023-24, the proposed Rapid Response Budget is *estimated* at \$512,371 which is the amount of the FY 2022-23 allocation for the Rapid Response program.

The projected funding will be allocated as shown in Table 6 below:

Table 6

WIOA RAPID RESPONSE	Proposed Budget
Total Estimated Rapid Response Allocation	\$512,371
Personnel Costs (3.55 FTE)	\$444,502
Non-Personnel Cost	42,653
City Overhead	25,216
Total Proposed Rapid Response Budget	\$512,371

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

WORK2FUTURE SERVICE PROVIDERS FUNDING DISTRIBUTION

Table 7 below shows the baseline funding distribution to the Service Providers:

Table 7

Baseline Funding to Service Providers	Adult/Dislocated Worker	Youth	Total
All Service Providers (baseline)	\$1,618,092	\$919,921	\$2,538,013

Including training and other related distributions to service providers described previously, the estimated total of funding to be distributed to the service providers is as follows (Table 8):

Table 8

Funding	Equus	IRC	Total
Baseline Distribution	\$2,062,946	475,067	\$2,538,013
Adult/DW OJT	100,000	0	100,000
Youth Work Experience	451,084	322,203	773,287
Supportive Services (SUS)	75,000	25,000	100,000
Administrative	43,229	27,006	70,235
Total Distribution to Service Providers (est.)	\$2,732,259	\$849,276	\$3,581,535

The budget is subject to further negotiations with the service providers. On-the-Job Training (OJT) services are tentative, and the final amount will be determined depending on the estimated number of employers that are

willing to provide OJT opportunities for eligible clients. Funding for additional staffing to administer and implement the Youth Work Experience program will be distributed to service providers, including their share of the administrative budget as explained elsewhere in this memo.

OTHER

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

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

If either of the above actions are needed, staff will inform the Executive Committee at the Committee's next available meeting following such action having been taken.

/s/
Rehan Qedwai
Finance Manager

cc: Monique Melchor
Jeff Ruster

/rq

III.B

San Jose Works 2023-24 Funding

{ACTION}



Memorandum

TO: BOARD FROM: Rehan Qedwai
SUBJECT: San Jose Works 2023-24 Funding DATE: June 1, 2023

Approved	Date
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RECOMMENDATION

As recommended by the Executive Committee, accept staff’s report on funding for the San Jose Works 9.0 program, including:

1. \$1,647,000 in City of San José funds to support the program
2. Distribution of \$2,097,570 to work2future and \$95,000 to the City’s Parks, Recreation and Neighborhood Services Department (PRNS) for the operation of the program

At a special meeting on May 30, 2023, the Executive Committee voted unanimously to recommend that the Board accept this report.

BACKGROUND

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

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

During this past program year, SJ Works provided 375 youth with paid internships supported with General Fund monies provided by the City of San José. An additional 417 youth were placed in employer-paid job opportunities or received employment and career services as of May 24, 2023. Over 90% of the subsidized youth successfully completed their paid six-week internship and 80% of the unsubsidized youth have completed their job placement period.

During this past year, the paid internships focused increasingly on private-sector placements with employers in high-growth sectors and in-demand occupations. Of the 376 paid internships, 82 were recruited from high school Career and Technical Education classes and placed with employers in advanced manufacturing, business/financial services, construction, health care and social assistance, and information technology. The remaining 294 youth were placed in internships with community centers, library branches, City departments, Council offices, and nonprofit organizations.

A notable trend is worksites advocating and requesting current San Jose Works interns to return for an additional 100 program hours. According to employer partners, the interns are demonstrating their ability to transfer work readiness training and their career pathway knowledge into productive workforce skills. Currently, San Jose District Office 8, Eastside Union High School District, and the Mayor's Office of Technology and Innovation have made the request to continue the internship with their recent interns.

In addition, some employers are recognizing interns with high level of interpersonal and workforce skills throughout the duration of the 100-hour internship. Upon completion of the internship, our youth have been offered and accepted employment from our worksite partners.

Out of the 376 enrolled participants, 351 students have successfully completed their paid internships. All participants have also taken advantage of a variety of workshops to prepare them for real work experiences. These workshops included: Mock Interviews, Personal & Professional Branding with LinkedIn, Financial Literacy provided by Bank of America and MyPath, Communication Etiquette, Anti-Sexual Harassment, Anti-Discrimination Training, wage theft and prevention and Emotional Intelligence.

In addition to recruitment, placement and onboarding services, youth also accessed career counseling, supportive services (e.g., bus passes), and entrepreneurship training. Workshops provided included communication etiquette, anti-sexual harassment, anti-discrimination, emotional intelligence, and job readiness. Due to the pandemic, the latter training was held virtually and with facilitation of job coaches, career panelist, and partner such as MyPath, Bank of America, and Intel. For the upcoming program year, wage theft will be included as part of the workshop topics to be provided to the participants.

ANALYSIS

In partnership with PRNS, work2future has conducted outreach for the upcoming SJ Works 9.0 program. The program will provide 376 youth with internships and serve approximately 350 youth with employer-paid job opportunities and or employment and career services. The summer cohort will start June 05, 2023, of about 350 participants with two pending cohorts (fall/winter) to follow. With participation from employers such as CreaTV, JP Graphics, Better Business Bureau, Districts 3,5,8 and 10, City of San Jose Human Resource, City of San Jose OEDCA, City of San Jose Fire Department, San Jose Public Library, Ignited Education, Boys & Girls Club of Silicon Valley, Italian American Heritage Foundation, Opportunity Youth Academy, and more.

Staff will conduct on-boarding/orientations for SJ Works 9.0 during the months of May and June.

SJ Works is also developing partnerships with Opportunity Youth Academy, East Side Union High School, and other non-profits that will serve as a pipeline for student recruitment.

Upon the successful pilot of the mentoring program last year, staff has decided to continue this program component for SJ Works 9.0. The program is scheduled to be conducted from mid-June to the end of August. Two orientation sessions for mentors will be held in June. There will be four weekly group mentoring sessions involving 100 students from June 20 to August 11. Also, there

will be four one-on-one sessions in which mentors meet with their mentees individually. The mentoring program will be led and facilitated by a San Jose Works Job coach.

The table below shows the projected San Jose Works 2023-2024 the 9.0 Program budget:

PROPOSED BUDGET	AMOUNTS
City PRNS	
Program Staff	\$95,000
work2future Board	
Youth Salaries 14-18 (6-week program-20 hours/week for \$18.0)	810,000
Employer of Record – FCCC Costs (payroll taxes, worker’s compensation, background checks, live scans, onboarding, and program management fees)	361,379
Program Staff (employer and youth recruitment, youth liaisons, city navigator, mentoring, workshops and trainings, performance management, worksite supervision, timecards entry and review and job fairs)	716,639
Administrative Oversight & Management (fiscal, contracts, and overall program oversight)	90,399
Client-related Expenses (supportive services, incentives, employment verification, and marketing events and materials)	101,625
Other Expenses (rent, utilities, supplies, subscriptions, copier rental, and other miscellaneous expenses)	17,528
	\$2,097,570
Total Projected San Jose Works 9.0 Budget	\$2,192,570
City of San José General Fund	1,647,000
City of San José General Fund 22-23 (Projected Carry Over Funding from SJ Works 8.0)	1,163,948
Funding raised from Other Sources (New and Carry Over)	155,000
Total Funding for SJ Works 9.0	\$2,965,948
Projected Carry Over Funding for SJ Works 9.0	\$773,378

Note: PRNS FTE represents one dedicated staff person year around (\$95,000). The work2future Board proposed budget includes staffing for seven dedicated program staff and portions of time for work2future Director and administrative staff, all providing year-round support for the subsidized and unsubsidized programs.

Funding raised from other sources includes:

- \$21,250 from Shipt
- \$21,250 from Wells Fargo
- \$5,000 carry-overs from Wells Fargo
- \$100,000 carry-overs from Flagship
- \$7,500 carry-overs from Wells Fargo

For a total of \$155,000 in additional funding for San Jose Works 9.0.

BOARD (Special Meeting)
Subject: San Jose Works 2023-24 Funding
June 1, 2023
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Since the proposed funding sources contain projected carry-over funding from SJ Works 8.0 from work2future Board, work2future staff will reconcile the proposed budget to actuals at the end of the fiscal year end in June 2023 and will present a balanced budget to the Executive Committee and full Board in October/November 2023.

/s/
Rehan Qedwai
Finance Manager

cc: Monique Melchor
Jeff Ruster

/rq

IV

Open Forum

V

Other

IV

Adjournment