



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Walesh

SUBJECT: SEE BELOW

DATE: May 20, 2019

Approved

Date

5-20-19

SUBJECT: ANNUAL AUTHORIZATION FOR WORKFORCE INNOVATION AND OPPORTUNITY ACT PROGRAM AND PROJECTS FOR 2019-2020

RECOMMENDATION

Adopt an annual resolution authorizing the City Manager or his designee to negotiate and execute the following agreements relating to the Workforce Innovation and Opportunity Act (WIOA) Program and projects:

- (a) All contracts, amendments, agreements, leases, subleases, and memorandums of understanding with contractors, consultants, vendors, and partners providing services to the WIOA (formerly Workforce Investment Act (WIA)) Program, including, but not limited to novation's or assignments, case management contracts, and consultant contracts, for the period July 1, 2019 to June 30, 2020 in accordance with procurement procedures and requirements mandated by the State and Federal governments for WIOA grant recipients and with established City procurement procedures and requirements, that have been reviewed and approved, as required, by the work2future Workforce Development Board (work2future Board), so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.
- (b) All memorandums of understanding with Required and Additional One-Stop Partners for the period July 1, 2018 to June 30, 2022 in accordance with Section 121 of the WIOA, including, but not limited to memorandums of understanding with other workforce development boards, regional memorandums of understanding, partnership agreements, cost-sharing agreements, regional consultant agreements, and memorandums of understanding with cities and the unincorporated area of Santa Clara County whose residents receive services from the work2future One Stops, a partner of the America's Job Center of CaliforniaSM, so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses, if any, of the agreement.
- (c) All amendments to City Council-approved agreements that have been reviewed and approved, as required, by the work2future Board so long as monies have been appropriated

and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.

- (d) All grant applications, grant agreements, sub grant agreements, and any documents necessary to accept the grant for discretionary funding applied for and approved by the work2future Board, for multi-year periods so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.
- (e) All Eligible Training Provider List (ETPL), Youth Career Technical Training, Youth Workshops, Adult Workshops, and Adult Cohort agreements, and multiple-scope agreements that combine two or more of the above agreements that have been reviewed and approved, as required, by the work2future Board, for the period from July 1, 2019 to June 30, 2020, subject to annual appropriation of funds by the Workforce Development Board (WDB).
- (f) All agreements specified in section (a) above with a term end date beyond the fiscal year in which the contract begins (an end date beyond June 30, 2020), so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.
- (g) All agreements specified in section (a) above that do not involve a disbursement of funds (no-fund agreement) with an end term beyond the fiscal year in which the agreement begins (beyond June 30, 2020).

OUTCOME

Approval of this action will ensure that the workforce development services provided to the community through the funding and contractual partnerships under the management of the work2future program will be delivered in a timely and efficient manner to meet the immediate needs of individuals seeking employment assistance. Council has approved the omnibus resolution annually since 2000.

BACKGROUND

Work2future, the federally authorized Workforce Development Board (WDB) administered by the City of San José, once again met all its federally mandated performance outcomes (see Attachment A), while maintaining full compliance with a complex array of federal and state program and fiscal requirements. With federal and City of San José support, a total of 2,811 youth, adults and dislocated workers secured employment between July 1, 2017 and June 30, 2018 after utilizing work2future services.

In addition to San José, work2future's service area includes seven other Santa Clara County cities and the county's unincorporated areas, comprising approximately two-thirds of Santa Clara County's workforce.

Work2future has a private sector-led Board of Directors (Board) comprised of 22 members, many of whom are drawn from the business community and represent the diversity of Silicon Valley's employers, including large companies such as PayPal, and Jabil; key business intermediaries like NextFlex and Manex; and small, high-growth companies. The Board also includes required representation from key public-sector partners such as the California Employment Development Department (EDD), Department of Rehabilitation, community colleges, universities, and labor.

The Board is empowered through the Workforce Innovation and Opportunity Act (WIOA) to oversee and ensure adherence to federal regulations and an annually adopted budget. The Board provides guidance and direction to staff and approves the federally mandated Four-Year Local and Regional Strategic Plans. The latter was developed jointly by work2future, NOVA, San Benito County Workforce Development Board, and the San Francisco Workforce Development Board. The Local and Regional Plans for Program Years (PY) 2017-2020 were approved by the State of California in Spring 2017.

- Local Plan: www.work2future.biz/images/w2f_LocalPlanWIOA_2017-20_signed_POST.pdf
- Regional Plan: <https://cwdb.ca.gov/wp-content/uploads/sites/43/2017/03/BP-RPU-Final-Regional-Plan-March-2017.pdf>

In March 2019, work2future submitted updates to the local and regional plans as part of two-year modifications required by WIOA. The updates are now awaiting State approval.

- Local Plan Modifications, pending State approval:
work2future.biz/images/Local_Plan_Mod_PY2019-PY2020.pdf
- Regional Plan Modifications, pending State approval:
work2future.biz/images/Regnl_Plan_Mod_PY2019-PY2020.pdf

The Mayor of San José is the federally designated local Chief Elected Official (CEO), and the City of San José is the fiscal agent for the program. The CEO's responsibilities include the appointment of members to the work2future Board and approving, along with the Board, the previously referenced Strategic Plans.

DEFINING A NEW STRATEGIC FOCUS

Over the next 12 months, work2future will seek to leverage its strong operational foundation to increase the impact of the limited federal resources available. Specifically, work2future will undertake the following:

- Identify those vulnerable populations and/or geographic areas at risk of displacement due to rising costs to focus its resources, employer and educational connections, and community-based partnerships to improve the earning capacity and advancement opportunities of clients served;
- Develop the necessary data collection tools, baseline assessment and corresponding performance metrics to assess the impact of its programs going forward on these marginalized populations; and
- Pilot and scale new approaches and partnerships to mitigate the impacts of displacement on vulnerable populations and to enhance opportunities for equitable outcomes.

Preliminary concepts and examples of what these new approaches may entail include the following:

- Expanding the successful career pathways focus described further to include those occupations/services that are vital to these targeted neighborhoods, such as child care providers and home health care aids. In the case of child care, work2future has recently begun to work with various colleges and training schools in the area to make available nationally recognized certificated programs for its clients;
- Defraying the costs of neighborhood-focused outreach and service delivery approaches through, for example, co-location or “hoteling” opportunities with community centers, libraries, and the like;
- Developing labor market approaches/tools that provide more timely and detailed neighborhood-based skill mapping that then allow work2future and its partners to target its messaging and outreach efforts more effectively; and
- Designing new approaches for delivering training that account for the specific barriers faced by job seekers living in these neighborhoods (working multiple jobs, limited access to transportation, limited English, basic skills deficient, low computer literacy).

The work2future Board and staff are committed to undertaking this new strategic direction and reshaping and experimenting with the agency’s outreach, service delivery model, and definitions regarding success metrics. The work2future board and staff are cognizant of the need to balance the significant workload associated with the re-design and testing of this new strategic direction with ensuring that the agency meets its federal performance outcomes and, likewise, continues to place the majority of its clients in the high-growth career pathways mentioned further within this document. As the agency navigates through this intensive design phase, it may need to reduce client service levels over the next year to deal with anticipated and significant budget reductions, while also freeing up sufficient staffing capacity to develop and pilot these new tools, programs, and partnerships.

KEY HIGHLIGHTS

This section provides an overview of work2future’s employment outcomes (including the results of a recently implemented career pathways strategy), federal performance outcomes, funding, and other key operating highlights.

Employment Outcomes

Over 2,800 clients secured employment

Over the last fiscal year, work2future services assisted a total of 2,811 youth, adults, and dislocated workers in securing employment. This included 1,811 individuals served through the WIOA-funded Youth, and Adult and Dislocated Worker programs. For Fiscal Year (FY) 2017-18 WIOA clients, aggregated annual wages totaled \$76 million. In addition, and as described further below, more than 1,000 youth secured employment through the San José Works program funded by the City of San José.

In keeping with WIOA's mandate, most individuals whom work2future served were "at risk," meaning they experienced one or more of the following barriers: recipients of public assistance, low-income individuals, individuals who are basic-skills deficient or lacking needed educational credentials, older individuals, long-term unemployed, and/or individuals with English language fluency challenges or other barriers to being fully competitive in the employment market. Many of the individuals served faced multiple challenges to employment success.

For example, nearly 50% of work2future's adult clients are basic-skills deficient and approximately 20% have limited English proficiency, while 99% of its youth clients are low income and 65% are basic-skills deficient.

Federal Performance Outcomes

Attachment A presents the Federal Performance Outcomes for the last two program years of WIOA and for the first two quarters of the current fiscal year. As noted, for the last two program years work2future once again met or exceeded all its required measures. The current year is not yet final. These included measures of clients securing employment, retention, and average earnings. It is important to note that the EDD has informed local workforce development boards that the first WIOA performance data may not be available until 2019-2020. In the interim, work2future staff and board continue to track performance outcomes utilizing "predictive reports" sourced from information from the State of California's CalJOBS data management system. Though these reports will not become final until June 2019, they do provide a strong indication of where performance is trending. Work2future is currently awaiting guidance from the State regarding the definition of two additional measures related to skills attainment. Once this guidance is provided staff will share the performance results in the next report to City Council.

San José Works focuses increasingly on career pathways

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

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

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

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

San Jose Works 5.0 is now in process; businesses and youth have been recruited. The onboarding process for the youth began in early April. The formal launch of San Jose works 5.0 will be held on June 8th and the 1st day of internships will be June 17, 2019.

Over 450 Pre-Apprenticeship Graduates from the Clean Energy Job Creation Initiative

Since launching this program in 2014, work2future has secured \$1.37 million in Prop 39 funding. These funds have provided support for two construction pre-apprenticeship training programs: (i) the Trades Orientation Program (TOP) in Santa Clara County in collaboration with Working Partnerships USA, and (ii) the Trades Introduction Program (TIP) in San Mateo County in partnership with the Santa Mateo County Union and Community Alliance. Both partnerships included the building trades in their counties to support green-focused career pathway preparation based on the Multi-Craft Core Curriculum (MC3) approved by the National Building and Construction Trades Council.

The Santa Clara and San Mateo programs together have graduated 474 individuals from 18 pre-apprenticeship training cohorts, including 239 from TOP in Santa Clara county. More than 80%

of TOP's graduates had already been placed in employment or post-secondary education, including 51% in apprenticeships or pre-apprenticeships, and 30% in non-apprenticeship employment or post-secondary education. Staff continue to work with remaining TOP graduates to help secure employment opportunities, since securing an apprenticeship can take more than a year in the case of certain trades.

Though the State has discontinued Prop 39 funding, work2future plans to apply for California SB1 funding in order to continue the TOP program. The solicitation for SB1 funding is anticipated sometime in 2019. In the interim, work2future will apply formula allocation funds to provide interim support for the TOP program until other funds become available.

Career Pathway Focus

Work2future's Local and Regional Strategic Plans shift work2future's emphasis from a broad and generalized approach to employment placement, to one that places clients in priority, high-growth industries and in-demand occupations that can provide the foundation for career pathways that lead to economic self-sufficiency. As such, and over the last two years, the Board has redirected resources to a more focused and robust employer engagement approach, a more intensive career-advising and case-management methodology, more focused training options, and supportive services to direct work2future clients towards high-growth sectors and occupations.

This Career Pathway strategy represents a dramatic shift from a previous and longstanding EDD initiative that required enrolling all eligible and interested adult clients. That "open entry" requirement saw work2future's client case management ratios increase dramatically to as much as 500:1, versus an industry standard of 80:1. Though work2future still met or exceeded all its State-mandated performance goals between 2009 and 2017, it simply did not have the staffing nor the training resources to implement a concerted career pathways model for its adult and dislocated worker clients.

As part of the Career Pathway focus, the Board established the following goals for the WIOA Youth, and the Adult and Dislocated Worker programs:

- 75% of clients served secure employment, including:
 - a minimum of 50% of clients served secure employment in high-growth sectors/occupations or continue onto post-secondary education, and
 - no more than 25% of all clients served secure employment in other occupations.
- The remaining 25% who do not secure employment should be comprised of those who either:
 - completed a nationally recognized credential or on-the-job training, or
 - exited the program without completing a nationally recognized credential or an on-the-job training program.

Career Pathway Results (As of February 2019)

Adult and Dislocated Workers

For the 12-month period ending February 2019, there were 702 adult and dislocated worker clients who exited the work2future program. Of these 702 exited clients, 276 secured employments within work2future's Priority Sectors, with another 142 clients finding jobs in non-Priority Sector areas.

Of note, there are an additional 272 clients for whom work2future is still verifying their employment status from EDD. Staff is confident that it will exceed its Career Pathway's Priority Sector placement goal of 50% for this most recent reporting period given that of these pending 272 clients, only 75 (or 27% of the pending) need to secure Priority Sector placements.

Youth

The WIOA-funded Youth Program serves at-risk, primarily out-of-school, 18-24 year-olds. Virtually all come from low-income households and face at least one additional barrier to employment such as a basic-skills deficiency, a history of substance abuse, and/or have one or more parents currently incarcerated.

There were 152 youth who exited from the work2future program over the 12-month reporting periods ending February 2019. Of the 152 exited clients, 79 have been placed in Priority Sectors, with another 45 finding jobs in non-Priority Sector areas. There are an additional 22 clients for whom work2future is still verifying their employment status from the State and other sources. Staff is again confident that it will exceed its Career Pathway's Priority Sector placement target given that of the 22 pending clients, only 8 (or 36% of the pending) need to secure Priority Sector placements.

An initiative that illustrates the growing career-pathway focus is a new partnership with both PeopleShores, a for-profit social enterprise, and Opportunity Youth Partnership (OYP). PeopleShores provides technology and business process outsourcing services to corporate clients while employing disadvantaged young adults and developing and enhancing their professional skills. Participants are all low income and many are foster youth or have a learning disability. Since the inception of the program, OYP has referred 20 youth to work2future which then serves as their employer of record for work experience opportunities with PeopleShores, where they learn skills related to coding, big data, and data visualization. Following the initial training period, youth are employed by PeopleShores on a full-time basis with benefits, including medical insurance. PeopleShores directly hired ten youth from the first cohort, and five from the second cohort.

Work2future’s Funding

Work2future heavily relies on grant funding to provide services to the community, therefore allocations vary each year. The primary sources of funding are the Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, and Youth program allocations. These funding sources are derived from a formula driven by the nation’s economic situation relative to unemployment, underemployment and economically disadvantaged population, thus funding fluctuates as the economic landscape changes. In FY 18-19, funding for the allocations were \$6,322,486, a 4% decrease from the prior year. The annual WIOA allocations for FY 19-20 is \$5,796,492, a decrease of 8% from FY 18-19. The allocations represent 88% of the funding for the program. Work2future is actively seeking additional funding sources to support this program.

Return on Investment (ROI)

In the face of declining federal budgets, work2future’s Board used a 2017 California Workforce Association study on Workforce Investment Board return on investment (ROI) to benchmark work2future’s ROI. The study (<http://calworkforce.org/>) focused on ROI results for FY 15-16. As presented below, work2future ranked 8th in the State and 2nd among Bay Area workforce boards.

Local Workforce Boards	ROI	Statewide Ranking
North Valley Job Training Consortium (NOVA)	\$3.33	2
work2future	\$1.38	8
City of Oakland Workforce Investment Board	\$1.34	10
San Francisco Workforce Board	\$1.14	11
Alameda County Workforce Investment Board	\$1.13	12
Workforce Development Board of Contra Costa County	\$0.86	20
Santa Cruz County Workforce Investment Board	\$0.50	34
Monterey County Workforce Investment Board	\$0.44	38
San Benito Health & Human Services Agency - CSWD Division	\$0.09	47

At the time of the study (FY 15-16), aggregate per-client annual wages surpassed work2future’s annual WIOA funding by 38%, meaning that for every federal dollar spent by the program, clients earned \$1.38. As reported to CEDC last year, work2future’s FY 16-17 ROI increased to 50%--for every federal dollar spent, client income was \$1.50. For FY 17-18, the ROI is \$1.61.

Note: Staff does not have access to the required information to calculate the ROI for other workforce boards for FY 16-17 and beyond. Further, the Board has recommended that staff include two years of wage data, rather than one year, to provide an appropriate time to recover the initial investment of workforce dollars. If two years of wages are included, then the ROI for FY 17-18 is \$3.22.

It's important to emphasize that calculating ROIs for workforce development programs requires considerable data and careful analysis of benefits and costs. Each local workforce board is unique, with many different factors affecting each, including, most importantly, the number and severity of employment barriers facing clients. work2future intentionally invested a significant amount of resources to direct its clients towards high growth sectors with career pathways that will ultimately result in higher wages. For the youth clients the healthy economic climate had work2future engaging with a smaller number of youth clients; this phenomenon occurred with other service providers across Santa Clara County. For that reason, the overall cost per WIOA Youth client is \$8,882. The direct service delivery cost per youth client is \$8,090. The overall cost per Adult and Dislocated Worker clients was \$2,642. The direct service delivery cost per client is \$2,414.

Other Key Operational Highlights

Service Delivery Operations

Work2future client services are provided in San Jose at the Kirk Community Center, and in Gilroy at the County Social Services Agency offices. In addition, services are also provided at the EDD Job Services office in North San Jose. Work2future business services are provided at the Almaden Winery Community Center.

In December 2017, work2future reduced its operations footprint from three City-owned re-use community centers to two. This allowed the Shirakawa Community Center to be fully used for the new Vietnamese American Community Center.

The work2future Foundation, an independent organization, delivers services for the Youth Program throughout work2future's service area; it delivers Adult and Dislocated Worker Programs in the San Jose-Central County area. Eckerd Workforce Development Services offers Adult and Dislocated Worker Programs in the South County area. Work2future provides career advising, work readiness and vocational training, and skills upgrade workshops for youth and adults, including dislocated workers who have been laid off or have been out of the workforce for an extended time.

Advanced Manufacturing Initiative: Short-Term and Long-Term Wins

In July 2018, work2future completed a year of convening with advanced manufacturing employers from the region to address shared workforce pipeline challenges for the industry. Launched in August 2017, 20 firms sent executives and managers to sector meetings to share challenges and experiences and collaborate on potential solutions. In the short-term, manufacturers offered work exposure opportunities to more than 80 youth through the City's San Jose Works Program, and work2future has developed several new On-the-Job Training relationships with manufacturers. Work2future also supported about 30 advanced

manufacturing-related internships through the Silicon Valley Engineering Technology Pathways Initiative.

Key long-term efforts in progress include Evergreen Valley College's development of an Advanced Manufacturing Technician/Technologist program championed by Cobham Microelectronic Solutions. The Program is being designed with curriculum input from multiple manufacturers in addition to Cobham. Plans include internships and apprenticeship opportunities. Concurrently, other partners are working on growing the number of advanced manufacturing earn-and-learn opportunities at employers such as SLAC National Laboratory and Lockheed.

Employer Recruitment and Rapid Response Serve over 250 employers

Work2future served over 250 employers last fiscal year through a broad range of support services including specialized recruitments, job fairs, on-the-job training, and layoff aversion services.

Employer recruitment services are supported under work2future's rapid response funding. This funding is distinct from the WIOA adult and dislocated worker allocation and represent little more than 3% of work2future's total WIOA operating budget. Rapid Response funds support other services such as labor market studies and small business support activities including BusinessOwnerSpace.com and Doing Business in San José Workshops.

Rapid Response funds supported 27 employers with layoff mitigation services, including 40 Rapid Response presentations attended by 500 individuals. Topics covered include work2future's job-search and career-planning services, accessing unemployment insurance and healthcare options. Fifty-one clients enrolled in work2future's Dislocated Worker Program, of those 51, 26 are active clients. The remaining 25 have exited the program, of those 12 (48%) have secured employment. The remaining 13 are currently in follow-up services where assistance in securing employment or additional resources will be provided.

Eastside Grown Street Food Hub

The December 2018 unveiling of the Eastside Grown Street Food Hub allowed the 12 pilot program "graduates" to practice the several weeks of entrepreneurship and collaborative training and begin to move out of poverty as part of their transformation from unpermitted food vendors into independent entrepreneurs. The program was funded through a grant from Citi Community Development and supported through the collaborative efforts of several partners led by Veggielution and supported by work2future staff. Other contributors include the City's PRNS Department, SOMOS Mayfair, County Food Safety Program, and the Small Business Development Center. Veggielution is incorporating several lessons learned and anticipates having a second cohort completing their training during the summer of 2019.

Emergency Responses for the 2017 Winter Flood: \$1M from Department of Labor

In May 2017 work2future was awarded a \$1-million-dollar grant from the Department of Labor to provide temporary employment to 50 long-term unemployed individuals to assist with emergency work and repair of facilities damaged by the severe winter storm and floods in February 2017.

Based on the local successes, the Federal Government approved an extension that allowed the program to add more cleanup projects and to provide 15 additional clients for a total of 65 with as much as an additional nine months of employment.

To date the project has employed a total of 65 clients at an hourly wage of \$22 to provide flood clean-up work at the Japanese Friendship Garden at Kelley Park, as well as the Rocksprings and Williams Street neighborhoods. Many clients have also used the program as a stepping stone to rejoin the workforce, finding long-term employment upon finishing the program. A few were ultimately hired by PRNS after demonstrating the prerequisite skills and a fondness for working outdoors.

5th Annual Community Builder Awards Recognize Job Seekers and Businesses

For the 15th consecutive year, the City's work2future program acknowledged the achievements of job seeker clients and also acknowledged the contributions of work2future's business and community partners. Four youth and two adults who have successfully used the program's coaching, training, and education programs to overcome career challenges and taken the next step in their careers were recognized for their achievements.

The Awards also acknowledged the contributions of work2future's business and community partners that collaborate with work2future, provide direct and indirect support to build the local workforce, and assist clients to become employed, self-supporting members of society. This year's partner awards went to Veggielution, Citi Community Development, Naprotek, Inc., BenteK Corporation, SCORE Silicon Valley, East Side Union High School District, and NextFlex.

ANALYSIS

(a) Contracts and Agreements

Staff recommends that Council authorize the City Manager or his designee to negotiate and execute all contracts, amendments, agreements, leases, subleases, and memorandums of understanding with contractors, consultants, and vendors providing services to the Workforce Innovation and Opportunity Act Program and programs operated by work2future, including, but not limited to:

Novations or assignments;
Training Vendor contracts;
Case management contracts;
Consultant contracts.

Such agreements must comply with procurement procedures and requirements mandated by the State and Federal governments for Workforce Innovation and Opportunity Act grant recipients and with established City procurement procedures and requirements. In addition, they must be reviewed and approved, as required, by the work2future Board, and may be executed so long as monies have been appropriated and there is an unexpended and unencumbered balance of such appropriation sufficient to pay the expenses of the agreement.

Under WIOA, work2future must enter into memorandums of understanding with Required and Additional One-Stop Partners for a three-year period, with the agreement reviewed every three-year period to ensure appropriate funding and delivery of services. Other WIOA memorandums of understanding are on an ad-hoc basis. These memorandums include, but are not limited to:

- Memorandums of understanding with other workforce development boards
- Regional memorandums of understanding
- Partnership agreements
- Cost-sharing agreements
- Regional consultant agreements to share training and labor market research tools
- Memorandums of understanding with other cities and the unincorporated area of Santa Clara County whose residents receive services from work2future.
- Required partners specified in WIOA Title I include programs authorized under the following:
 - Title II of the Workforce Innovation and Opportunity Act, Adult Education and Literacy
 - Title III of the Workforce Innovation and Opportunity Act, Wagner-Peyser Act, (State of California Employment Development Department)
 - The Title IV of the Workforce Innovation and Opportunity Act, Vocational Rehabilitation Act (State of California Department of Rehabilitation)
 - Senior Community Services Employment Program (Sourcewise)
 - Migrant Seasonal Farmworkers Program (Center for Employment and Training)

- Community Services Block Grant (Center for Employment and Training)
- The Job Corps
- Career and Technical Education under the Perkins Act
- Veterans employment services under chapter 41 of title 38, U.S.C.
- Employment and training activities carried out by the Department of Housing and Urban Development.
- Trade Adjustment Assistance
- Unemployment Compensation Programs
- County of Santa Clara Departments and Agencies, including, but not limited to, Human Services CalWORKS CalFresh Programs
- Local Child Support Agencies
- English Language Learners, Foreign Born and Refugees
- Re-entry services providers – Probation, Parole
- Community Based Organizations
- Labor Organizations

WIOA allows federal funds received by local areas during a program year to be expended during that program year and the succeeding program year. To meet the needs of clients and businesses that work2future serves, there must be sufficient flexibility to begin agreements in one fiscal year and end agreements in the following fiscal year to provide a continuum of services consistent with and in alignment with work2future's programs. The nature of some work2future services is such that programs offered to clients can be initiated during various periods within the fiscal year. The coordination of vendor training programs such as the Eligible Training Provider List (ETPL), Youth Career Technical Training, Youth Workshops, Adult Workshops, and Adult Cohort Training, is dependent on when the client is determined eligible and the type and length of the training program selected. No-fund agreements that provide work experience to Youth Program participants are dependent upon a school year and summer schedule. In addition, Adult programs are subject to similar variables.

Under these circumstances, the time to perform and complete services necessitates extending the agreement beyond the fiscal year. In prior years, the development of an amendment within the next fiscal year was the only solution, adding extra time and effort to prepare, coordinate, and execute an additional document for numerous contractors.

The City Manager or his designee will ensure that sufficient funds have been appropriated and are available and that agreements are in accordance with federal and state laws and regulations.

(b) Grant Applications and Grant Agreements

During FY 2019-2020, work2future will endeavor to obtain additional discretionary funding through grant applications. Funding proposals may require partnerships with other public, private, and community-based organizations as a prerequisite for funding. In other instances, funding may be awarded to work2future for activities that may be undertaken by community-based organizations, institutions of higher education, or vendors to be selected through a

subsequent request for proposal processes. These grants can support City operations through the payment of overhead and in support of City-wide services that align with WIOA activities.

As discretionary grants may be for terms of up to four years, staff recommends that the City Council authorize the City Manager or his designee to negotiate and execute all grant applications, grant agreements, and subgrant agreements, and any documents necessary to accept the grant for discretionary funding applied for and approved by the work2future Board, for multi-year periods not to extend beyond June 30, 2023 pending appropriation of grant funds by City Council.

(c) Council Reporting

The work2future program is housed within the Office of Economic Development (OED). OED and work2future make an annual comprehensive presentation on formula and discretionary funding availability, contracting and program activities and performance, and client services to the Community and Economic Development Committee (CEDC). On April 22, 2019 work2future provided a report to the CEDC for its activities to date.

LOOKING AHEAD

New Initiatives to Support Emerging Strategy

As mentioned earlier, work2future will be enhancing its Career Pathways strategy to increasingly focus on those clients who live in neighborhoods characterized by vulnerable, low-income populations at risk of displacement due to rising costs.

The agency will examine its outreach, service delivery and success metrics, while still looking to meet its federal and board-mandated, career pathways performance targets. It has already begun some of the very early design work associated with this strategy as noted in the initiatives below:

- **Child Care Provider Training**
The local supply of child care services is severely constrained and represents a significant barrier in allowing low-income families to secure the training and stable employment to lift themselves out of poverty. In San Jose alone, families with young children face a shortage of more than 17,000 child care slots. As work2future develops various components of its new strategy mentioned earlier it intends to focus on child care “deserts” where more than 300 children in particular zip codes lack the child care services they need. Work2future staff will work with the San Jose Library Department, local colleges and training providers, and corresponding neighborhood associates to recruit, train and provide job placement support to residents from these same areas to address this critical workforce shortage.
- **Slingshot 2.0**
Working in partnership with other local workforce development boards, the SlingShot 2.0 initiative will focus on tech apprenticeships. With funding received, work2future will be

able to build partnerships with regional tech partners across K-12 school districts, community colleges, training providers, employers, and industry champions to validate a prototype that will lead to employment opportunities for individuals in low-income neighborhoods who have not been able to experience employment in the technology sector due to lack of skills or for those who could not navigate the traditional route to technological employment opportunities.

- **Prison to Employment**

The Prison to Employment Initiative seeks to serve the formerly incarcerated and other justice-involved individuals in California. The State Workforce Board and EDD have provided an initial round of funding to support planning efforts. Additional rounds will fund plan implementation, and provide resources for direct services. Work2future clients who complete the program should have the skills and competencies necessary to successfully enter the labor market, retain employment, and earn wages that lead to self-sufficiency and, eventually, economic security. Specifically, work2future will strengthen linkages between the workforce and corrections systems to improve the process by which formerly incarcerated and justice-involved individuals reenter society and the labor force within San Jose. This partnership will inform local policies specific to displacement and income equity on serving the formerly incarcerated and justice-involved population.

San José Works 5.0: 1,000 internship placements and employer-paid job opportunities

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

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

Youth began on-boarding/orientations for SJ Works 5.0 at the beginning of April and they will continue to the end of the month.

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

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

San Jose Works Data & Performance Project Planning for Improved Outcomes and Impact Assessment

In collaboration with the Mayor's Office, the Library's Education and Digital Literacy Initiative, and PRNS's Mayor's Gang Prevention Task Force, work2future is working with the Santa Clara County Office of Education (SCCOE) to better track program outcomes and assess program impact across a variety of student data including truancy, attendance, and grades, as well as interaction with the juvenile justice system. SCCOE has two of its data initiatives working on this collaboration: Data Zone and the Silicon Valley Regional Data Trust.

Entrepreneurship Pathway Events

Work2future is supporting two entrepreneurship events during National Small Business Week, the second week of May 2019.

The first of these is the 8th Annual Summit on Entrepreneurship and Innovation at the Mexican Heritage Plaza, located on Alum Rock Avenue. It will focus on business resiliency for 100 to 200 entrepreneurs pursuing career pathways through business ownership. To maximize the impact of the event and its workshops, work2future will leverage the strength of the partners in the City-led BusinessOwnerSpace.com collaboration, including the Small Business Administration, Small Business Development Center, SCORE, Minority Business Development Agency, AnewAmerica, and more than 20 other organizations and programs offering free and low-cost assistance.

The second, the 2019 San Jose Youth Entrepreneurship Summit, is the culmination of several weeks of instruction for high-school youth from East Side Union High School and other Bay Area districts and gives them the opportunity to demonstrate their innovative ideas through a business plan competition. Three or four teams from the over 100 youth attendees will have an opportunity to advance to the next competition level created by the Network for Teaching Entrepreneurship, a national organization focused on exposing youth to the entrepreneurial mindset. Last year, one youth from San Jose was among those selected to participate in the national competition in New York.

EVALUATION AND FOLLOW-UP

No additional follow-up actions with the City Council are expected at this time. Work2future will be providing a program update to the Community and Economic Development Committee, scheduled for May 2020.

PUBLIC OUTREACH/INTEREST

The WIOA activities represented in this report involve a wide variety of public outreach including working with various community-based organizations, private sector businesses, educational entities, and other governmental organizations.

The work2future Board is comprised of 22 private and public sector members and has sought public input at all work2future board and committee meetings on each of the projects detailed above. All work2future meetings, as well as those of the supporting committees, are covered by the Brown Act and are subject to public notice requirements and public comment sections on the agendas of their actual meetings.

This memorandum will be posted on the City's website for the June 11, 2019 Council Agenda.

COORDINATION

This report has been coordinated with the Office of the City Attorney and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This action supports Initiative 7 of the City's Economic Development Strategy, "Prepare Residents to Participate in the Economy through Training, Education, and Career Support."

COMMISSION RECOMMENDATION/INPUT

No commission recommendation is associated with this action.

CEQA

Not a Project, File No. PP17-004, Government Funding Mechanism, or Fiscal Activity with no commitment to a project which may result in a potentially significant impact on the environment.

/s/
KIM WALES
Deputy City Manager
Director of Economic Development

For questions, please contact Monique Melchor, work2future Director, at (408) 794-1108.

HONORABLE MAYOR AND CITY COUNCIL

Subject: Annual WIOA Programs and Projects for 2019-2020

May 20, 2019

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Attachment A: - Work2future WIOA Performance Summary for WIOA clients: PY 2016-2019

Attachment A

**Federal Performance Results
2016–2017 | 2017–2018 | 2018–2019**

WIOA PROGRAM YEAR	2016 - 2017			2017 - 2018		
Performance	Actual	Required	Success Rate	Actual	Required	Success Rate
ADULT						
Entered Employment Rate	56%	52%	108%	62%	58%	107%
Employment Retention	83%	79%	105%	63%	55%	114%
Average Earnings	\$18,324	\$14,200	129%	\$7,522	\$5,550	136%
DISLOCATED WORKERS						
Entered Employment Rate	67%	59%	114%	64%	64%	101%
Employment Retention	88%	83%	106%	68%	62%	109%
Average Earnings	\$24,341	\$20,100	121%	\$10,578	\$8,425	126%
YOUTH						
Placement Employment or Education	60%	60%	100%	64%	62%	103%
Attainment of Degree or Certificate	70%	64%	109%	81%	52%	156%
Literacy Numeracy	62%	64%	97%	N/A*	N/A*	N/A*
<i>Program Years (PY) 15-16 & 16 -17 State Performance is met at 80%</i>						
<i>PY 17-18 State Performance is met at 90%</i>						
<i>* PY 16-17 was the final year in which Literacy Numeracy was tracked for WIOA Youth participants.</i>						
WIOA PROGRAM YEAR	2018 - 2019 as of Quarter 2 end					
Performance	Actual	Required	Success Rate			
ADULT						
Entered Employment Rate	64.6%	55%	117.5%			
Entered Employment Rate	61.5%	54%	113.9%			
Median Earnings	\$7,800	\$5,650	138.1%			
Attainment of Degree or Certificate*	21.3%	53%	40.2%			
DISLOCATED WORKERS						
Entered Employment Rate	65.8%	60%	109.7%			
Entered Employment Rate	66.8%	62%	107.7%			
Median Earnings	\$10,208	\$8,600	118.7%			
Attainment of Degree or Certificate*	22.6%	57%	39.6%			
YOUTH						
Entered Employment Rate	66.9%	60%	111.7%			
Entered Employment Rate	70.5%	62%	113.7%			
Attainment of Degree or Certificate	72.4%	53%	136.6%			
<i>PY 18-19 State Performance is met at 90%.</i>						
<i>*The State is revising the definition of the degree/certificate standard. Based on a preview, it is apparent that work2future has been using a conservative definition that has led to lower results than are likely to be the case with the pending definition.</i>						