



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Welsh

SUBJECT: SEE BELOW

DATE: May 21, 2018

Approved

D. DSYL

Date

5/31/18

SUBJECT: ANNUAL AUTHORIZATION FOR WORKFORCE INNOVATION AND OPPORTUNITY ACT PROGRAM AND PROJECTS FOR 2018-2019

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 novations or assignments, case management contracts, and consultant contracts, for the period July 1, 2018 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, 2021 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, 2018 to June 30, 2020, subject to annual appropriation of funds by the 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, 2019), 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, 2019).

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, has 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 3,087 youth, adults and dislocated workers secured employment between July 1, 2016 and June 30, 2017 after utilizing work2future services.

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

work2future has a private sector-led Board of Directors (Board) comprised of 24 members, many of whom are drawn from the business community and represent the diversity of Silicon Valley's employers, including large companies such as Intel, PayPal, and Jabil; key business intermediaries like NextFlex and Manex; and small, high-growth companies. The Board also includes required representation from key partners such as the California Employment Development Department (EDD), Department of Rehabilitation, community colleges, universities, and labor organizations. 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 Five-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. Both the Local and Regional plans were approved by the State of California in spring 2017.

Local Plan: http://www.work2future.biz/images/w2f_LocalPlanWIOA_2017-20_signed_POST.pdf

Regional Plan: <http://www.work2future.biz/images/DraftBPRegionalPlan.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 Board of Directors and approving, along with the Board, the previously referenced Strategic Plans.

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

Nearly 3,100 clients secured employment

Over the last fiscal year, work2future services assisted a total of 3,087 youth, adults, and dislocated workers in securing employment. This included 2,137 individuals served through the WIOA-funded Youth, Adult, and Dislocated Worker programs. For these WIOA clients, aggregated annual wages totaled \$69.3 million. In addition, and as described further below, approximately 925 youth secured employment through the San José Works program funded by the City of San José.

In keeping with WIOA's mandate, most individuals work2future served were "at risk," meaning experiencing one or more of the following barriers: recipients of public assistance, low income individuals, and individuals who are basic skills deficient; older individuals; long-term unemployed, and/or have English language fluency challenges or other barriers to being fully

competitive in the employment market. Many of the individuals faced multiple challenges to employment success.

San José Works focuses increasingly on career pathways

During FY 2017-2018 San José Works, a collaboration among work2future, the 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), provided 375 youth with paid-internships supported with General Fund monies provided by the City of San José. 550 youth were placed in employer-paid job opportunities at the end of April 2018. Over 85% of the youth successfully completed their paid internships and 83% have completed their job placement period. In addition to recruitment, placement, and onboarding services, youth also accessed career counseling, job readiness training, and sexual harassment training, which has been provided for the last two years and will continue to be provided, along with supportive services (e.g. bus passes), and financial literacy education.

During this past year, internships focused increasingly on private-sector placements with employers in high-growth sectors and in-demand occupations. Of the 375 internships, 235 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 140 youth were placed in internships with community centers, library branches, City departments, Council offices, and nonprofit organizations.

One notable example is Bentek Inc., a San José-based solar energy 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 the same 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 youth successfully completed their paid internships, with most receiving experience relating to light manufacturing and warehouse operations.

Over 450 served through the Clean Energy Job Creation Initiative Pre-Apprenticeship Programs

Since 2014, work2future has secured \$1.37 million from the California Workforce Development Board to support the Proposition 39 pre-apprenticeship training program. The Clean Energy Job Creation Initiative is a collaboration with Working Partnerships USA, the San Mateo County Union and Community Alliance and the building trades, who together support job training and placement programs through green-focused, multi-craft pre-apprenticeship career pathway training in Santa Clara County and San Mateo County. The training is based on the Multi-Craft Core Curriculum (MC3) approved by the National Building and Construction Trades Council.

As of May 2018, the Prop 39 Program had enrolled 463 clients and conducted 16 MC3 pre-apprenticeship trainings in both counties. In Santa Clara County, where the program is called the Trades Orientation Program (TOP), 199 individuals have graduated from the core training program and the most recent cohort is in session. To date, 82% of graduates have been placed in apprenticeships (60% in the trades--mostly construction), employment, or post-secondary education. Placement rates are likely to rise due to the one year or more that it commonly takes between graduation and placement.

For FY 2017-2018, TOP added a focus on homeless individuals through a partnership with Destination Home and financial support from the County of Santa Clara. The partnership has a goal of serving 75 homeless individuals and individuals in transitional housing by December 2018, and had enrolled 62 clients by May 2018.

Career Pathways Focus

work2future's Five-Year Local and Regional Strategic Plans signal the shift in work2future's strategic 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.

In June 2017, and based on the sector-strategies and career-pathways focus, the work2future Board approved staff's recommendation to redirect 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 better guide and support work2future clients toward high growth sectors and occupations.

This strategy represents a dramatic shift from the 2009 California Employment Development Department initiative that required enrollment of all eligible and interested adult clients. This "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.

Accordingly, the work2future Board has redirected resources to support the development and implementation of a new service model for its youth, adult and dislocated worker clients. As described below, work2future has developed new benchmarks to assess its performance and set a new standard for success in a career pathways framework.

As part of the transition to the career pathway strategy, the work2future Board established the following goals for the WIOA Youth, the Adult, and Dislocated Worker programs:

- 75% of clients served secure employment (versus the State-mandated targets of 62.4% for youth and 64% for adult participants). To reach this goal:

- 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 did *not* secure employment be tracked as those who either:
- completed a training that results in a nationally recognized credential, or
 - exited the program without completing any training program.

Youth Program Career Pathway Strategy

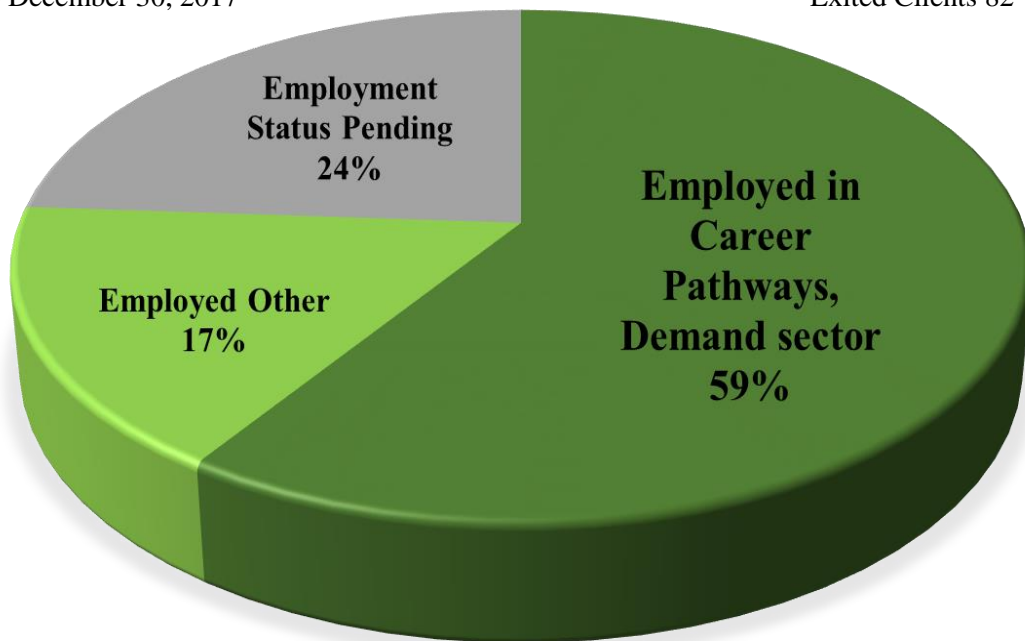
The WIOA-funded Youth Program serves at-risk, primarily out-of-school, 18-24-year-olds. Virtually all come from low-income households and face at least one additional barrier to employment such as a basic-skills deficiency or the lack of a high school diploma.

As highlighted in the pie chart below, work2future secured employment for 76% of WIOA Youth Program clients, reaching its 75% goal. With 59% placed in high growth sectors/occupations, work experience, or continuing to post-secondary education, the Program exceeded its 50% goal. Twenty-four percent of exited clients remain in the Employment Status Pending category. Staff expects that some of these remaining clients will secure employment, whether in demand or non-demand sectors/occupations.

Youth Client Outcomes FY 17 -18

July 1, 2017- December 30, 2017

Exited Clients 82



An initiative that illustrates the growing career-pathway focus is a new partnership with 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.

To date, OYP has referred 23 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 with PeopleShores on a full-time basis with benefits including medical insurance. PeopleShores directly hired 10 youth from the first cohort, seven youth from the second cohort, and now has a third cohort with five youth participating.

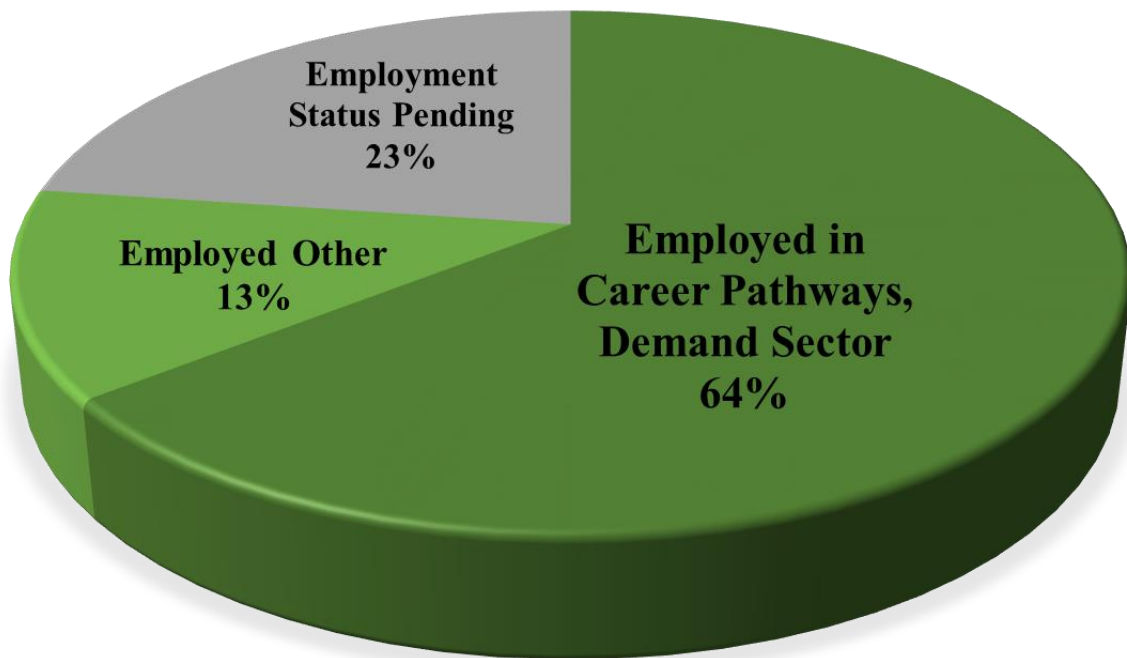
Adult and Dislocated Worker (AD/DW) Program Career Pathway Strategy

The pie chart below represents outcomes for the Adult and Dislocated Worker Program after the introduction of the new career pathway model. To date, 77% of exited clients have secured employment; 64% have been placed in high-growth sectors/occupations.

AD/DW Client Outcomes FY 17 -18

July 1, 2017 – March 31, 2018

Exited Clients 351



The Career Pathway strategy provides a new and focused approach that informs programming, employer recruitment and success outcomes. However, the needs and aspirations of all clients who are eligible and enroll in work2future may not align necessarily with this new focus, but are nonetheless respected and supported.

A couple of examples are noted below:

- Many clients need a job immediately: Approximately 40% of adult clients are low-income. Quite often these clients cannot avail themselves of the full array of workforce training and counseling services given the time constraints they face and the fact that they simply need a job now to make ends meet. work2future is still committed to connecting these individuals to a job, but by the nature of their personal circumstances, they will not have the training and hence the skills needed for high demand occupations.
- Many of our clients specifically come to us seeking a career change: Personal passion and interest drive their quest more than market demand. They may want to be entrepreneurs rather than employees, they may want to pursue careers in less stressful areas, or they may simply be winding down careers and seeking part-time employment in such areas as retail or hospitality. While this falls outside the central focus of work2future's new direction under WIOA, staff will seek to support these individuals to the extent possible.

Federal Performance Outcomes

Attachment A presents the Federal Performance Outcomes for the first two years of WIOA and for the first two quarters of the fiscal year. As noted, work2future once again met or exceeded all its required measures. These included outcomes of clients securing employment, six-months 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 associated with the previous federal requirements.

work2future's Reduction in Funding

work2future's WIOA annual allocation for FY 2017-2018 was \$6,582,513, a 13% decrease from the prior year. For upcoming FY 2018-2019, work2future is planning for an additional 10% reduction in its operating budget compared to FY 2017-2018.

Nonetheless, work2future will still provide an estimated \$238,000 to PRNS for FY 2018-2019 supporting the City's General Fund. Overall, work2future will contribute to the City a projected amount of approximately \$704,000 to cover costs associated with rent, staffing and overhead.

Historically, work2future has managed funding reductions by adopting a mandated carry-over reserve of 15% of its current allocation, tapping discretionary resources and leveraging the services of its partners to mitigate impact on client service levels.

It should be noted that normally, EDD releases the final allocation to the LWIA in late May or early June, prior to the start of the new program year. Though this normally does not result in interruption in services, this timing of the funding notification may result in significant additional workload for staff and contractors.

Return on Investment (ROI)

In the face of declining federal budgets, work2future has focused on efficiency and outcomes. work2future's Board adopted a 2017 California Workforce Association study (<http://calworkforce.org/>) on Workforce Development Board return on investment (ROI) to study benchmark performance.

The study focused on ROI results for FY 2015-2016. The results for Bay Area and adjacent workforce boards presented below ranked work2future 8th in the State and 2nd among Bay Area workforce boards. As noted, 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.

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

For FY2016-2017, work2future's ROI increased to 50% -- for every federal dollar spent, client income was \$1.50. While this 35% increase is notable, EDD has not released statewide ROI data for benchmarking and staff does not have access to the required information to calculate the ROI for other workforce boards for FY 2016-2017.

It is important to emphasize that calculating ROIs for workforce development programs require considerable data and careful analysis of benefits and costs. Each local workforce board is unique, with many different factors affecting each, including and most importantly the number and severity of client barriers to employment. In addition, work2future is intentionally investing

a significant amount of resources to direct its clients towards high-growth sectors with career pathways. It should also be noted that other workforce boards received large discretionary grants that were not included in the ROI calculation, thereby in certain instances overstating the ROI for those boards. Currently, the overall cost per WIOA Youth client is \$4,980. The direct service delivery cost per client is \$3,840. The overall cost per Adult and Dislocated Worker clients is \$1,222. The direct service delivery cost per client is \$952.

Note: The direct costs are those that can be specifically and easily identified with an activity associated with WIOA such as Case Management, Training, or Supportive Services. Overall Costs are also sometimes called "facilities and administrative costs or overhead costs."

Other Key Operational Highlights

Service Delivery Operations

work2future client services are provided in San José 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 José. 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 delivers services for the Youth program in the South County and in the San José-Central County, and delivers the Adult and Dislocated Worker programs in the San José-Central County area. Eckerd Workforce Development Services offers the 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.

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

In May 2017, work2future was awarded a \$1 million 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. The project has employed 43 participants at an hourly wage of \$22.00 to provide flood clean-up work at the Japanese Friendship Garden at Kelley Park, as well as the Rocksprings and Williams Street neighborhoods.

In March 2018, work2future received the 2nd installment of funding for the continuation of services. Given the results already achieved, work2future will far exceed the employment goal of 50 participants.

Employer Recruitment and Rapid Response Served over 250 employers

work2future served more than 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 represents less than 4% of work2future's 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 29 employers with layoff mitigation services and included 16 Rapid Response presentations attended by 338 individuals. Topics covered include work2future's job-search and career-planning services, accessing unemployment insurance and healthcare options. Thirty-seven participants enrolled in work2future's Dislocated Worker program. Nearly all these clients are still receiving work2future dislocated worker services.

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
- Vendor training 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 as long as the agreement is reviewed not less than every three-year period to ensure appropriate funding and delivery of services. 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)
 - 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 (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 Human Services – 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, 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 2017-2018, 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 learning, or vendors to be selected through a subsequent request for proposal process. 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 can, on occasion, 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, 2021 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 title and discretionary funding availability, contracting and program activity and performance, and client services to the

Community and Economic Development Committee (CEDC). On March 13, 2017, work2future provided a report to the CEDC for its activities to date.

Looking Ahead

San José Works 4.0: 1,000 Internship Placements and Employer-paid Job Opportunities

In partnership with PRNS, work2future conducted outreach in February and March 2018 for the upcoming San José Works 4.0 program. The program will provide 375 youth with internships and serve 625 youth with employer-paid job opportunities.

Improvements in the use of technology and expanded partnerships will be the drivers for the more than 55% planned increase in the number of youth who will be served with employer-paid job-placement opportunities. Examples include on-high school-campus job fairs and specialized recruitments during the school day.

The program will continue with the focus on career pathways and the partnership with the SVO to recruit employers in providing internship positions. The NextFlex high school advanced manufacturing curriculum that has trained nearly 3,000 youth since its launch in 2017. San José Works is also developing partnerships with San José Promise, the Network for Training in Entrepreneurship (NFTE), and others to enhance the experience for participating youth.

work2future, in collaboration with the Mayor's Gang Prevention Task Force (MGPTF), will be launching a pilot Construction Career Pathways Program in June 2018. This initiative will leverage WIOA funding and BEST agency partnerships to provide gang-involved youth with career pathway opportunities in the trades.

San José 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 such as truancy, attendance and grades as well as interaction with the juvenile justice system. SCCOE has two data initiatives working on this collaboration: Data Zone and the Silicon Valley Regional Data Trust.

Advanced Manufacturing Initiative: Building a Talent Pipeline for 20 Employers

work2future is working with 20 advanced manufacturing employers to address shared industry challenges: (i) attracting more talent to the industry, and (ii) building a sustainable pipeline of better prepared talent. Companies large and small, from multi-nationals like Jabil, Foxconn and Cobham, to mid-size and small employers like Bestronics, Vander-Bend, Creative

Manufacturing Solutions, and Rose Batteries, have collectively identified workforce challenges as the key to success.

Employers formed Action Teams to focus on each of the two priorities. Results include an Ambassador Program kit to empower employers to spread the word about career opportunities in the sector for both youth and adult audiences, and a shared skills assessment tool that employers, work2future, and community colleges can use to assess job seekers skills gaps and training needs.

work2future is also reaching out to these 20 employers to identify immediate opportunities for action. Chief among these is integrating San José Works to raise awareness and attract more talent to the industry by providing youth and young adults hands-on exposure to career opportunities in advanced manufacturing.

Youth Entrepreneurship Summit

On May 4, 2018 at the City Hall Rotunda, 150 Eastside Union High School District students interested in business and entrepreneurship participated in a business competition hosted by the City of San José's Office of Economic Development and organized by work2future in partnership with NFTE. Teams of students pitched their business ideas and received feedback from judges regarding their concept and presentation. Winners earned a prize of \$1,000 and a chance to move forward to state and national contests. This event challenged students to learn what it takes to become prosperous in business and, through workshops led by successful business professionals, provided strategies, business basics, and best practices. Participants were encouraged to interact and network with participating business people serving as mentors to the next generation of emerging business leaders. eBay, EY, PayPal, and Citi Foundation joined the City of San José as sponsors.

Anticipated Budget Reductions for FY 2018-2019

work2future expects to be notified of its FY 2018-19 final WIOA allocation in May or June of this year, and has prepared for a 10% (\$2.2M) to as much as a 15% (\$2.4M) reduction in its operating budget compared to last year.

work2future expects to manage funding reductions by accessing its 15% mandated carry-over reserve, tapping additional discretionary resources, and leveraging the services of its partners. work2future will pursue additional discretionary resources and partnerships, and leverage technology where possible to minimize the service delivery impact on its clients.

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 2019.

PUBLIC OUTREACH

The WIOA activities presented in this report involved 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 24 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 to Council will be posted on the City's website for the June 12, 2018 Council meeting.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

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."

HONORABLE MAYOR AND CITY COUNCIL

May 21, 2018

Subject: Annual WIOA Programs and Projects for 2018--2019

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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.

Attachment

Attachment A: work2future WIA Performance Summary for WIOA Participants: 2015-2017

**Attachment A
Federal Performance Results**

WIOA PROGRAM YEAR	2015 - 2016			2016 - 2017			2017 - 2018 2nd Qtr.		
Performance	Actual	Required	Success Rate	Actual	Required	Success Rate	Actual	Required	Success Rate
ADULT									
Entered Employment Rate	57%	52%	111%	56%	52%	108%	58%	52%	112%
Employment Retention	83%	79%	105%	83%	79%	105%	84%	79%	106%
Average Earnings	\$15,826	\$14,200	112%	\$18,324	\$14,200	129%	\$19,288	\$14,200	136%
DISLOCATED WORKERS									
Entered Employment Rate	65%	59%	111%	67%	59%	114%	66%	59%	112%
Employment Retention	87%	83%	105%	88%	83%	106%	86%	83%	104%
Average Earnings	\$23,231	\$20,100	116%	\$24,341	\$20,100	121%	\$27,050	\$20,100	135%
YOUTH									
Placement Employment or Education	74%	60%	123%	60%	60%	100%	60%	60%	101%
Attainment of Degree or Certificate	93%	64%	145%	70%	64%	109%	82%	64%	128%
Literacy Numeracy	68%	64%	107%	62%	64%	97%	N/A*	N/A*	N/A*
Program years 15-16 and 16 -17 State Performance is met at 80%				Program Year 17-18 State Performance is met at 90%					
* Literacy Numeracy is no longer tracked through WIOA Participants									