

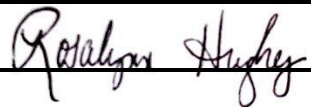


Memorandum

TO: COMMUNITY & ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Nanci Klein

**SUBJECT: CITY ROADMAP: RE-EMPLOYMENT AND WORKFORCE DEVELOPMENT
STATUS REPORT** **DATE:** March 11, 2022

Approved  Date 3/18/22

RECOMMENDATION

Accept the status report on Re-Employment and Workforce Development as part of the approved City Roadmap for FY 2021-2022.

BACKGROUND

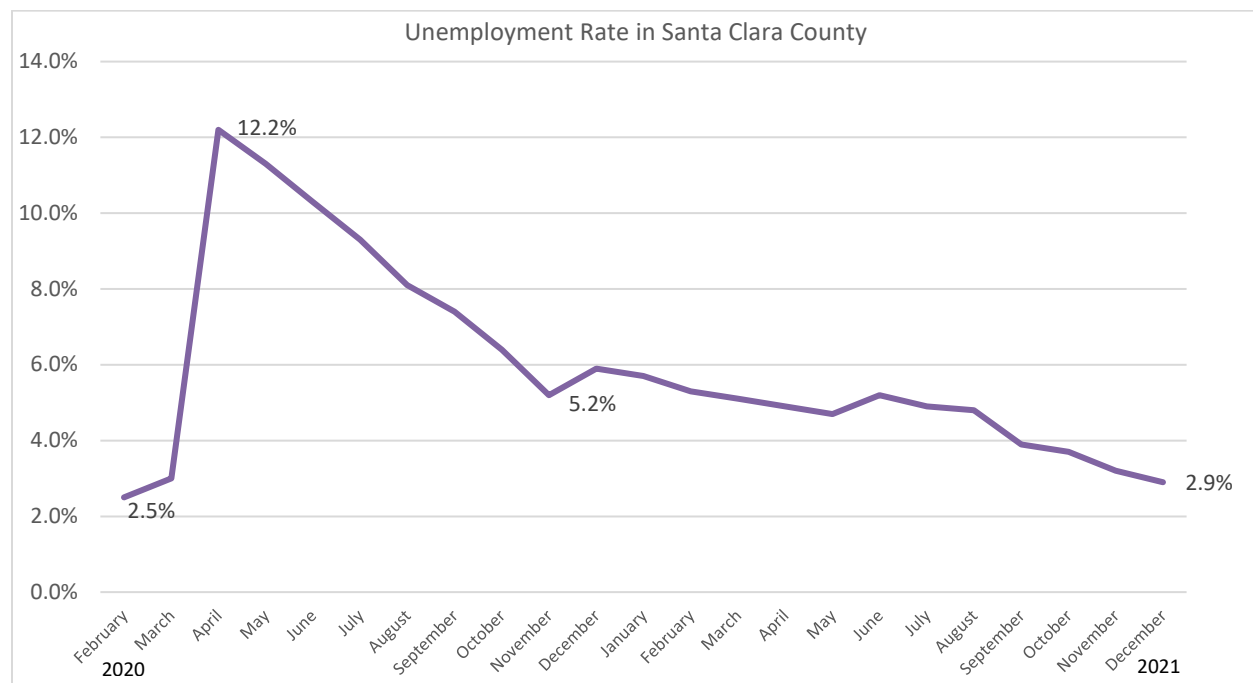
Since the onset of the COVID-19 pandemic, regional and local labor markets have experienced unprecedented swings in key employment indicators.

Santa Clara County	February 2020	April 2020	November 2020	April 2021	December 2021
Employed	1,028,300	884,600	957,200	953,500	1,012,800
Unemployed	26,800	122,500	52,700	49,400	30,100
Labor Market Participation	1,055,100	1,007,100	1,009,900	1,002,900	1,042,900
Unemployment Rate	2.5%	12.2%	5.2%	4.9%	2.9%

By mid-April 2020, at the peak of unemployment, after stay-at-home orders were issued, the region's unemployment rate had increased almost five-fold from 2.5% in February to 12.2% in April. More than 143,000 Santa Clara County residents lost their jobs in this two-month period. In the metro area, the leisure and hospitality sector experienced the largest employment decline, losing almost 49,000 jobs, a nearly 50% loss, in the same period. The educational/health services sector lost 16,000 jobs, construction 15,400 jobs, retail trade 15,000, and professional and business services 14,200 jobs.

Though from April 2020 to November 2020 there was a notable decline in the unemployment rate (from 12.2% to 5.2%), this trend was interrupted from time to time afterward, due in part to the Delta and Omicron variants.

Nonetheless, by December 2021 the unemployment rate had nearly returned to pre-pandemic levels.



However, as certain aspects of our economy have recovered, and the number of job opportunities has increased, finding workers has become increasingly challenging for employers. Nationally, there are nearly 17 million job openings, yet almost one in every nine jobs is vacant. In Santa Clara County, analysis indicates there were 34% more job openings in December 2021 than in the previous December, while at the same time the number of people looking for work fell by nearly 50% over the same time period (30,100 in December 2021 vs. 59,600 in December 2020).

It should also be noted that the pandemic accelerated a five-year trend of employers reducing requirements for a college degree in postings for middle-skilled jobs. A recently released study found that nearly half of middle-skilled jobs saw significant reductions in degree requirements and an increased focus on specifying skills needed. As this trend continues, it will open more opportunities for job seekers without degrees to pursue occupations for which they nonetheless have the requisite work experience and skills.

Further, as employers have responded to tightening labor markets, the Bureau of Labor Statistics has reported wages rising in much of the country. In Santa Clara County, the average wage increase between the third quarter of 2020 and the third quarter of 2021 was 11.3%.

However, the benefit of rising wages to workers has been largely offset by the high rates of inflation that have materialized in the last months, the highest in 40 years. High inflation has been especially devastating for lower-income households. A significant percentage of their

expenses are for necessities—food, utilities, gas, and housing—which collectively have seen some of the largest price increases, thus eroding the impact of wage growth mentioned above.

Most significantly, the economic stress of the pandemic has clearly strained some communities much more than others. The hardest hit were people in low-wage jobs, many of whom lost their jobs—especially in the leisure and hospitality, and retail sectors—thus aggravating their already low-income circumstances. This was especially true in the Hispanic, African American, and parts of the Asian community who tend to be overrepresented in low-wage jobs.

This disproportionate impact remains even as the economy recovers:

- As of December 2021, Hispanic unemployment in Santa Clara County was 28% higher than non-Hispanic unemployment. Asian unemployment was estimated to be 48% higher, and Black unemployment 82% higher, than estimated White unemployment; and
- A 2021 study by United Way of California found that while 25% of all 2019 households in Santa Clara County had income below the “real cost” of living, 52% of the county’s Hispanic households, 47% of African American households, 21% of Asian American/Pacific Islander, 15% of Native American/Alaska Native and 15% of White households fell below that standard.

As described further below, work2future, along with its large network of workforce partners, has continued to support thousands of clients by advising them on the shifting labor markets, especially with respect to in-demand quality jobs that offer pathways to economic sustainability, the skills needed for these jobs, as well as providing the resources to support the learning of such skills.

The initiatives and programs discussed below represent a summary of these critical services provided primarily to lower-skilled, lower-income, and underserved communities.

ANALYSIS

Beginning with the shelter-in-place restrictions imposed in March 2020 and continuing through September 2021 (18 months), work2future’s career centers and those of its key partners (EDD, community colleges, CBOs, Libraries, etc.) were closed to the public.

Nonetheless, work2future worked with its partners to provide remotely the following workforce and training services, and undertook related outreach almost exclusively targeted to low-income individuals with multiple barriers to employment:

- Pandemic Response Team. In March 2020, work2future immediately began working with the City of San Jose’s Emergency Operations Center as part of the Pandemic Response Team. Through the Virtual Local Assistance Center, work2future staff provided

unemployment insurance information and referrals, and employment opportunities to thousands of San Jose residents.

- In-Person Multilingual Outreach to Low Resource Census Tracts. During the initial phase of shelter-in-place, work2future staff was present at the various food distribution and vaccination sites. Beginning in Spring 2021, and with strict adherence to social distancing requirements, staff participated in various community and faith-based meetings, disseminated literature at various apartment complexes and shopping centers, and conducted outreach at various events held at City Parks and other locations.
- Conversion to Online Services. Due to the COVID-19 pandemic, work2future in-person operations were closed from March 2020 through September 2021. However, within a month of the March 2020 closure of work2future's career centers, the agency transferred its operations to a fully online system, including enrollments, job readiness workshops, job training, counseling, and virtual job fairs, the first of which was held in April 2020 and drew nearly 40 employers and more than 500 attendees. Employers came from such sectors as Healthcare, Manufacturing, Construction, and Services. They included Lawrence Livermore Lab, CVS Health, KM Labs, and the City of San José Police and Fire Departments. In all, work2future has held eight virtual job fairs.

In addition, work2future undertook a concerted effort to allow non-enrolled clients to access workshops, online training, counseling, and employment opportunities. Although those accessing these services were not included in work2future's official enrollment figures, approximately 5,000 individuals did avail themselves to these job opportunities and training services.

- Thousands of Clients Enrolled/Served Since March 2020. During FY 20-21 work2future served a total of 740 Workforce Innovation and Opportunity Act (WIOA) clients. Due to the shelter-in-place closure, this represented a 34% decrease in enrollments from the previous fiscal year. During FY20-21 work2future served an additional 750 clients through the SJ Works program, Coronavirus Relief Funds, and other discretionary resources.

For the current year (July 2021 - January 2022) the agency has already served a total of 1,516 clients and anticipates serving approximately 500 additional clients by June 2022.

Key service highlights include the following:

- Nearly 200 clients were served through the Resilience Corps program, with over 85% of

these clients residing in low resource census tracts and nearly 94% being Black, Indigenous, People of Color (BIPOC). The current retention rate is approximately 87%.

- Since the onset of the Pandemic, San José Works provided over 750 high school youth with subsidized paid internships, with 100% of these in a high growth, high wage sector or related demand occupations. Over 94% of the youth were BIPOC and retention was 92%. Of note is that nearly all of the San José Works youth during the COVID-19 pandemic were connected to remote paid internships. An additional 250 older San José Works youth (18-29) were connected to unsubsidized employment opportunities over since July 2021.
- work2future, in partnership with Facebook, served 30 young adults—80% BIPOC—providing them with digital marketing training and paid work experience opportunities with San Jose small businesses. Eighty-seven percent (87%) have just completed the 24-week program.
- In addition to work2future's formula funds, through the Prison to Employment program and Coronavirus Relief Funds, the agency served an additional 295 clients. Approximately (80%) of these clients were BIPOC.

Despite the sudden shift to remote delivery of its services, work2future exceeded all of its federally mandated performance measures for FY20-21 and is on course to meet all such measures for FY21-22 (See Attachment A).

Other important shifts and enhancements to work2future's operations include the following:

- Relocation of One-Stop Career Center to the East Side. To significantly enhance client access to work2future services, the agency relocated the career center in January 2022 to the East Side at the Environmental Innovation Center on Las Plumas Avenue. At this new location, work2future is offering its full menu of workforce services, as well as services from various other organizations, including Working Partnerships USA's Trades Orientation Program (TOP), services from the South Bay Consortium for Adult Education, and rental assistance services from the City's Housing Department. The official opening of the Las Plumas center is scheduled for March 24, 2022.
- Enhanced Partnership with the San José Public Library Department. Beginning in November 2020, a formal partnership was established with the San José Public Library (SJPL), specifically at the Tully Road, Alum Rock, and the Dr. Martin Luther King, Jr. Libraries, where work2future has provided training to SJPL staff. This training has enabled SJPL staff to provide employment services focused on developing job search

skills, accessing unemployment benefits, preparing a resume, enhancing interviewing skills, and exploring career opportunities.

- New Service Delivery Models. During the closure of work2future one-stop operations, the agency conducted a Request for Proposal (RFP) to bring on new contractors for its youth and adult programs. In addition, work2future just completed a second RFP and will be launching a new youth-serving model focused on in-school youth, 16-21 years of age. The focus of this new model will be to assist young adults in securing their high school diploma or GED, as well as to continue to post-secondary education or employment in a demanding sector or related occupation. This new in-school model will be operated by the International Rescue Committee and will launch summer 2022.
- Mentoring Program Included for San Jose Works. During the COVID-19 pandemic, work2future successfully piloted a mentoring program for San José Works youth. In this last program year, 78 youth were paired with a mentor, some of whom worked with companies such as Intel, Hewlett Packard Enterprise, and Bank of America. Given the lessons learned over the last two years and the success of this effort to date, work2future will connect over 100 youth to mentors for next year's program commencing June 2022.
- Extensive Community Engagement. Throughout the pandemic, work2future has been actively involved with the Bridge to Recovery Initiative, a network of 60 community partners. The focus of this partnership is to better align resources, understand client needs, and leverage funds whenever possible. This network provided critical support in referring clients for the Coronavirus Relief Funded training and workforce program.

Similarly, work2future board members convened a Youth Forum of over 20 community partners to focus on the needs of underserved youth, primarily ages 16–24. This initiative is expected to lead to new partnerships and improvements in service delivery, including more accessible wraparound services (mental health, housing, food, etc.), enhanced two-way client referrals and leveraging of additional workforce resources.

It should be noted that youth enrollments have fallen below anticipated levels ever since the relocation of work2future's youth career center from the Shirakawa Community Center to the Kirk Community Center in December 2017. The closure of work2future offices and the volatile labor market brought on by the pandemic further exacerbated this issue. However, the partnerships and initiatives arising from the Youth Forum, combined with the recent relocation to the San Jose Career Center at Las Plumas and the anticipated hiring of a dedicated multilingual outreach specialist, are expected to increase work2future's enrollments and overall quality of services for youth ages 16–24.

- Increased, Multilingual Social Media Presence. work2future has expanded its social media channels and has done so in multiple languages (Spanish and Vietnamese). It is also closely partnering with the Mayor and City Council offices to tap into their social media channels as well.

LOOKING AHEAD

Over the next six to nine months work2future will undertake the following set of new and/or expanded initiatives:

- Expanded Multilingual Outreach in Low Resource Census Tracts. work2future is in the process of hiring a full-time, Spanish-speaking staff person dedicated to outreach and providing and coordinating job readiness workshops in low resource census tracts. This individual will work with partners to receive and cross-refer clients and will also look to serve as a key connection to individuals that historically have not availed themselves of work2future services.
- Job Fairs in Areas with a Large Number of Low Resource Census Tracts. To further augment work2future's outreach efforts, the agency and its partners will hold a series of career fairs in those districts characterized by a large number of low resource census tracts. The first of these job fairs is scheduled for April 20 at the Las Plumas Center. Another Job Fair associated with San Jose Works will be held at the Tully Road Library, with another Job Fair anticipated for June at the Mexican Heritage Plaza.
- Entrepreneurship and Literacy Workshops and Training. Starting in Spring 2022 at the San Jose Career Center (Las Plumas), work2future will offer entrepreneurship, computer literacy, and financial education classes to all members of the public. It will do so in partnership with various organizations that have strong ties to the East Side community. It is expected that these classes will be offered in the evenings and will be available in Spanish.
- Implementation of the Californians for All Workforce Program. The State of California has provided to the City of San José approximately \$14 million of one-time funding to support Phase 2 of the Resilience Corps program launched in August 2021. Phase 2 will focus on the environmental and learning loss mitigation pathways and is scheduled to launch in late Spring 2022. In total, Phase 2 will serve 275 young adults ages 18-30, with barriers such as receiving social services, English language learners, recently incarcerated individuals, and emancipated foster youth. As with Phase 1, multilingual outreach will be focused on low resource census tracts.

- Implementation of a Healthcare Training and Work Experience Pilot. As approved by City Council on March 1, 2022, work2future will receive \$625,000 through the Google Community Benefit Agreement. work2future will work closely with the SJPL, the Department of Parks Recreation and Neighborhood Services, and Housing Department to recruit individuals for this pilot effort focusing on healthcare occupations such as phlebotomy, medical assisting, and emergency medical technicians. Key employer partners in this effort may include Kaiser Permanente, Regional Medical Center, and other medical providers. In addition, work2future has recently submitted, in partnership with six other workforce development boards, a combined \$35 million grant application to the Economic Development Administration (EDA). work2future will focus on the healthcare field and may consider the information technology sector. work2future anticipates hearing from the EDA regarding this grant application during this upcoming Summer.
- Distribution of No-Cost, Online Training Licenses (in English and Spanish). For over 10 years, work2future has offered its enrolled client's online access to a training tool featuring over 5,000 courses, ranging from accounting to project management, financial analysis to hardware and software troubleshooting. In the upcoming months, work2future will distribute these licenses to hundreds of clients (without requiring that they be enrolled) at no cost to the recipients. The Spanish version of the training has recently been finalized, and work2future will be offering the licenses as well to Spanish-speaking individuals.
- CAREER National Dislocated Worker Grant. The U.S. Department of Labor has awarded funding to work2future to address workforce impacts resulting from the COVID-19 pandemic. The funded project, known as the CAREER National Dislocated Worker Grant, will assist dislocated workers with opportunities leading to quality jobs with greater career mobility. Services will include training activities, career assessments, resume development and interviewing skills, occupational skill training, and direct placement into employment. work2future will serve a total of 100 participants under this grant which starts on April 1, 2022.
- Upcoming Demand Sector/Occupation Trainings. work2future offers individual occupational skills training, cohort training, and on-the-job training in-demand occupations. In particular, work2future will continue its long-standing training programs with PG&E and the Building Trades. The former—the PowerPathway program—has placed over 85% of trainees who complete the program into high-paying jobs with PG&E and the Building Trades. Likewise, work2future will continue its successful Building Trades pre-apprenticeship program, TOP, which has historically served a significant percentage of women of color. The program has enjoyed an 86% graduation rate and an

88% placement rate in construction apprenticeship or other employment. TOP anticipates training 90 individuals in the coming months.

- Opening Employer Doors for Workers with Lower Educational Attainment, work2future has recently launched a new program to train businesses to take a skills-based approach to hiring, instead of focusing on degrees or other academic credentials. A shift to skills-based hiring gives talent-hungry employers access to a larger talent pool and provides access to expanded and higher quality employment opportunities for communities that have historically trailed in the attainment of academic credentials. The Skillful® Talent series began in February 2022. It will be offered once a month through at least December 2022. To date, two workshops have been presented. The program will take advantage of, and promote, the trend away from requiring degrees for middle-skilled jobs discussed above, leading to more opportunities for workers without college degrees to compete for middle-skilled jobs.

/s/

Nanci Klein

Director of Economic Development and
Cultural Affairs

For general questions, please contact Jeff Ruster, Assistant Director, Jeff.Ruster@sanjoseca.gov, or (408) 535-8174.

Attachment A

Attachment A

work2future			
Final Performance Outcomes Report			
PY 2020 - 2021			
Performance Measures	WIOA Perf. Goals	Actual	Success Rate
ADULT			
Entered Employment Rate 2nd Qtr	62.0%	68.7%	110.9%
Entered Employment Rate 4th Qtr	61.0%	64.1%	105.1%
Median Earnings	\$6,250.00	\$9,239.00	147.8%
Attainment of a Degree or Certificate	55.0%	65.8%	119.6%
Measurable Skills Gain	45.0%	76.3%	169.6%
DISLOCATED WORKERS			
Entered Employment Rate 2nd Qtr	65.0%	70.3%	108.1%
Entered Employment Rate 4th Qtr	67.0%	65.2%	97.3%
Median Earnings	\$7,800.00	\$12,318.00	157.9%
Attainment of a Degree or Certificate	58.0%	65.3%	112.6%
Measurable Skills Gain	47.0%	56.5%	120.3%
YOUTH			
Placement in Employment or Education 2nd Qtr	71.0%	71.6%	100.8%
Entered Employment Rate 4th Qtr	67.5%	67.1%	100.0%
Median Earnings	\$3,390.00	\$6,476.00	191.0%
Attainment of a Degree or Certificate	57.5%	88.2%	153.5%
Measurable Skills Gain	49.7%	58.8%	118.4%

work2future			
Performance Outcomes Report			
PY 2021 - 2022			
2nd Quarter			
Performance Measures	WIOA Perf. Goals	Actual	Success Rate Q2
ADULT			
Entered Employment Rate 2nd Qtr	62.0%	63.6%	102.6%
Entered Employment Rate 4th Qtr	61.0%	58.3%	95.6%
Median Earnings	\$6,250.00	\$11,347.00	181.6%
Attainment of a Degree or Certificate	55.0%	80.0%	145.5%
Measurable Skills Gain	45.0%	81.5%	181.1%
DISLOCATED WORKERS			
Entered Employment Rate 2nd Qtr	65.0%	90.5%	139.2%
Entered Employment Rate 4th Qtr	67.0%	68.9%	102.8%
Median Earnings	\$7,800.00	\$10,362.00	132.8%
Attainment of a Degree or Certificate	58.0%	100.0%	172.4%
Measurable Skills Gain	47.0%	75.0%	159.6%
YOUTH			
Placement in Employment or Education 2nd Qtr	71.0%	100.0%	140.8%
Entered Employment Rate 4th Qtr	67.5%	61.5%	91.1%
Median Earnings	\$3,390.00	\$5,428.00	160.1%
Attainment of a Degree or Certificate	57.5%	50.0%	87.0%
Measurable Skills Gain	49.7%	50.0%	100.6%