



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Nanci Klein

**SUBJECT: WORK2FUTURE ACTIVITIES
ANNUAL REPORT**

DATE: April 8, 2024

Approved

Date

4/15/24

RECOMMENDATION

Accept the annual report on work2future activities and accomplishments in support of job seekers and employers.

BACKGROUND

work2future is the local Workforce Development Board under the City of San José's Office of Economic Development and Cultural Affairs to oversee and administer the federally funded Workforce Innovation and Opportunity Act (WIOA) Programs and is certified by the California Workforce Development Board as a High Performing Board.

As mandated by WIOA, work2future is led by a Board of Directors comprised of 18 members, representing the diversity of Silicon Valley's employers, including well-known companies such as Applied Materials, Google, Kaiser Permanente, Manex, Tech Mahindra, and CAES. It also includes required representation from Labor, the California Employment Development Department, the State Department of Rehabilitation, Eastside Adult Education, and the County of Santa Clara's Social Services Agency.

For calendar year 2023, work2future secured employment for nearly 1,000 WIOA participants with 83% placed into high-wage, high-growth occupations. The vast majority of work2future clients are low-income youth and adults with multiple barriers to employment; 80% are Black Indigenous and People of Color (BIPOC), and 60% are unstably housed.

Additionally, the San José Works Program placed 375 high school youth in subsidized employment, with 100% placed in areas related to high-growth wage occupations. Furthermore, San José Works during FY 2022-2023 secured unsubsidized employment for another 454 youth participants ages 16-29 and anticipates meeting or exceeding this number for the current fiscal year. Over 80% were Black, Indigenous, and people of color (BIPOC) and referred by the

Department of Parks, Recreation and Neighborhood Services (PRNS)/Youth Empowerment Alliance and/or live in priority neighborhoods.

The work2future federally mandated Board is responsible for ensuring adherence to federal regulations, providing guidance and oversight of the annually adopted budget, including review of the Local Plan¹ and Regional Plan², which were approved by the California Workforce Development Board. The Mayor of San José is the federally designated local Chief Elected Official, and the City of San José is the fiscal agent for the program. work2future's service delivery area includes the cities of San José, Gilroy, Campbell, Morgan Hill, Saratoga, Los Gatos, Los Altos Hills, Monte Sereno, and the unincorporated areas of Santa Clara County.

As highlighted below, work2future continues to serve populations with significant barriers to employment while offering a variety of services to help address the "skills gap" facing the agency's clients.

Trends in the Regional Labor Market

The calendar year 2023 was generally a positive one for the U.S. economy. However, this was not fully mirrored locally, and analysis of the local economy reveals persistent vulnerability, particularly as it relates to important segments of our community.

- San José's February 2024 unemployment rate was 4.5%, up from 3.3% in February 2023. Though still below the Federal Reserve's "full employment" benchmark of 5%, the City's unemployment rate surpassed the United States unemployment rate in August 2023 and has remained above since then.
- Furthermore, companies announced local layoffs permanently affecting approximately 12,000 workers between March 2023 and February 2024.
- Of particular note, unemployment continues to be distributed unevenly across communities. The countywide unemployment rate in December 2023 was 5.3% for Latino workers compared to 3.4% among non-Latinos. For Black/African Americans, the December 2023 unemployment rate was 8.7%, while the overall unemployment rate was 3.9%.
- For low-income households, inflation, although declining, remains a significant stressor. For example, while median wages for 20 of the lowest-wage occupations in Santa Clara County rose by nearly 12% between 2020 and 2022, the overall price of food over this same period rose by about 17%.

¹ Local Plan link - <https://www.work2future.org/wp-content/uploads/2022/01/work2future-LOCAL-PLAN-2021-24.pdf>

² Regional Plan link - <https://www.work2future.org/wp-content/uploads/2022/01/work2future-REGIONAL-PLAN-2021-24.pdf>

ANALYSIS

The following section highlights work2future's accomplishments and activities.

Focus on High-Wage and High-Growth Occupations

For calendar year 2023, work2future secured employment for 983 WIOA participants, with 83% placed in high-wage, high-growth occupations. Examples include network technicians, cybersecurity, logistics and supply chain engineers, a variety of occupations related to artificial intelligence and big data, medical and dental assistants, and EKG technicians.

One example of this focus on high-wage, high-growth occupations is the 93 WIOA youth clients who received a paid (living wage) work experience. Many of these clients were system-impaired, low-income, basic skills deficient, and unstably housed. All participants earned a living wage (\$27 per hour) for approximately 250 hours and worked in areas related to Business/Finance, Healthcare, Manufacturing, Information Communication Technology, and Construction and Trades. All 93 participants completed their work experience program, with 70 placed in unsubsidized/permanent employment related to high-wage, high-growth occupations and/or entered post-secondary education, with the remaining 23 continuing with career services.

Essential to the success of the work experience program has been work2future's partnership with education and other community-based organizations, such as the San José Conservation Corp, San José Job Corp, Bill Wilson Center, Metro Ed, and the County-HUB, whose commitment to leverage our collective expertise and resources resulted in these notable outcomes. Metro Ed, for example, provided Career Technical Education in the areas of medical and dental assisting. Partnerships with the Bill Wilson Center and the HUB provided these young adults with housing assistance, supportive services, and shared case management while earning and gaining technical and career readiness skills.

San José Works secures Employment for nearly 830 Young Adults

The San José Works program, in partnership with PRNS/Youth Empowerment Alliance, provided 375 high school youth with subsidized paid internships, with 100% of these related to high-wage, high-growth occupations. Furthermore, San José Works during FY 2022-2023 secured unsubsidized employment for another 454 youth participants aged 16-29 and anticipates meeting or exceeding this number for the current year.

Over 80% of youth clients were BIPOC, and 82% were referred by PRNS/Youth Empowerment Alliance and/or live in priority neighborhoods. All 375 participants successfully completed career readiness training, which entailed soft skills, emotional intelligence, financial literacy, career exploration, entrepreneurship, and wage theft prevention. Examples of key employers are Intuit, Roku, CreaTV, NK Technologies, Veggielution, the Children's Discovery Museum, the Santa Clara County Association of Realtors, and seven different City of San José Departments.

Of note, all 92 of the graduating seniors in the San José Works program secured employment, entered post-secondary education, and/or continued with career services. In addition, over 90% of participants expressed confidence in being better able to independently conduct a job search, while 93% indicated that they had acquired several transferable skills during the program.

Additional San José Works program highlights include:

- **Mentorship Program** – During the summer 2023, 75 participants were paired with mentors for a personalized one-on-one experience. Notably, the program achieved a 98% participation rate. San José Works collaborated with notable companies such as Tata Consultancy Services, Intel, Hewlett Packard Enterprise, Bank of America, Western Digital, and City of San José Departments to enlist mentors. Nearly 80% of mentors/mentees have sustained their relationships beyond the program's conclusion.
- **Artificial Intelligence (AI) Training** – San José Works, in partnership with Roku, secured 60 paid internships for young adults to provide them with hands-on experience with AI applications to create a chatbot.
- **Entrepreneurship Program** – San José Works expanded its entrepreneurship workshops with the successful introduction of the "SJ Works Entrepreneurship 101" training program. In collaboration with subject matter experts and financial institutions, the program not only exposed youth to the basic principles of entrepreneurship through a series of workshops but also offered youth a paid work experience with a small business, providing them with an opportunity to apply what they have learned.
- **Youth Ambassador Program** – With the goal of enhancing youth engagement, 15 graduates of the San José Works program supported the design and implementation of various job coaching and training programs accessed by all 375 youth clients in the paid work experience program. Given the success and the positive feedback, staff anticipates adding more ambassadors in the upcoming year.

Additionally, in support of the City's Children and Youth Master Plan, San José Works will continue to help expand career pathways in high-wage, high-growth occupations in partnership with PRNS/Youth Empowerment Alliance, the San Jose Public Library, and the Office of Racial Equity.

Career Pathways Training with a focus on High Wage, High Growth Occupations

work2future's strategy includes developing employer-driven skills training focusing on a broad range of programs that align with high-wage, high-growth occupations. As federally required, all WIOA-funded training must lead to a nationally/industry-recognized credential.

work2future's training programs and performance highlights include the following:

- **AI Training** – In addition to the Roku AI work experience partnership, work2future has recently partnered with California Science and Technology Institute to provide training on AI Data Analytics and Emerging Technologies. A total of 40 individuals recently started this training.

- Healthcare Training – work2future partnered with Bay Area Medical Academy to provide training in healthcare to 72 individuals in areas related to medical assistants, phlebotomists, lab technicians, and EKG technicians. To date, 47 clients have been placed in unsubsidized/permanent employment in the healthcare field, 11 are in the process of completing their work experience hours to obtain their state certifications, and 14 are continuing with career services.
- Metrix Online Training – work2future scaled its online training to the public with over 5,000 certificated courses in English and Spanish related to Information Technology, Healthcare, Business and Finance, Accounting, Human Resources, and Advanced Manufacturing. This Metrix license is available to all members of the public, and work2future intends to continue its outreach efforts in low-resource census tracts to make this online tool, and other services provided by the agency, more easily accessible to the community.
- Non-Traditional Apprenticeship Pathways–work2future, in partnership with four semiconductor companies (Applied Materials, Western Digital, Infinera, and Enablence), the SEMI Foundation, the National Institute of Innovation and Technology, and Foothill Community College, recently piloted the federal and state approved semiconductor and nanotechnology technician apprenticeships. To date, 12 apprentices have been hired, and more hirings are expected in the coming months.
- PG&E Power Pathways – work2future continued its long-standing training programs with PG&E. A pre-apprenticeship training program served 15 individuals, with 13 placed in high-paying jobs with PG&E and other related employers making over \$30 per hour, and the remaining two participants continuing with career services. Additionally, work2future is preparing to launch an Entry to Electric Operations Power Pathway Program in collaboration with PG&E and San José City College. This program is scheduled to start in the summer of 2024 and will focus on training participants for utility industry careers in electric overhead, underground, and substation roles.
- Trades Orientation Pathways – work2future partnered with Working Partnerships and City College to provide a pre-apprenticeship training program to 87 individuals, with 64 placed in unsubsidized/permanent employment, with the remaining 23 continuing with career services.

Looking Ahead

Over the next three to nine months, work2future will initiate the following set of new and/or expanded initiatives:

- Support of the City’s Implementation Plan for the Community Plan to End Homelessness (Implementation Plan) – In direct support of the City Council-approved Implementation Plan, work2future will undertake the following pilot programs:
 - work2future in partnership with San José Conservation Corp, San José Job Corp, Bill Wilson Center, the County-HUB, and Metro Ed will initiate or expand various pilot programs to serve unstably housed young adults with training, supportive services, shared case management, and job placement support related to high wage, high growth occupations. Additionally, work2future will continue its partnership with Hunger@Home

- to serve unstably housed individuals through their Culinary Pathways Training with cooking materials/tools and other supportive services to successfully compete for placement in the local hospitality union.
- work2future, with \$2.7 million of funding from Santa Clara County, will implement the Pathways to Self Sufficiency program to serve 40 clients, the majority of whom are anticipated to be unstably housed. These participants, who are on public assistance and/or justice-involved, will receive subsidized employment and earn a living wage for up to six months. Through this work experience, participants will enhance job skills, ultimately paving the way to secure permanent/unsubsidized job placements with a living wage or higher.
 - work2future, in collaboration with the City Manager's Office, School of Arts and Culture, Santa Clara County Office of Supportive Housing and Housing Authority, is embarking on a year-long technical assistance partnership with the Urban Institute's Upward Mobility Framework Project. The Framework identifies five pillars that support mobility from poverty and their predictors, which reflect performance and can be used to help bolster the conditions that boost upward mobility and narrow racial inequities for residents. The anticipated outcome from this peer learning and networking initiative is stronger partnerships to enhance coordination regarding housing and workforce development activities.
- Serving Justice-Involved Individuals – In partnership with the County Office of the Sheriff, work2future is exploring a possible pilot project to serve up to 15 in-custody participants. These participants will obtain job readiness workshops, career advising, and job development. Upon release, these participants would have the opportunity to connect with employers with the goal of paving the way for them to become self-sufficient.
 - Co-location in Low-Resource Census Tracts – To better serve eligible populations who qualify for WIOA services and to streamline processes, work2future staff will continue to expand its services at San José Conservation Corp, San José Job Corp, Metro Ed, the County-HUB, and the Bill Wilson Center. work2future will also continue to explore enhanced service delivery at other community-based organizations that have historically served individuals with multiple barriers to employment and, as such, are at the risk of being unstably housed.
 - Job Fairs in Low-Resource Census Tracts – In the upcoming year work2future will host eight job fairs, with six in low-resource census tracts and two in partnership with San José City College. The annual spring collaboration with San José City College is on April 23, 2024, and nearly 80 employers and 300 job seekers are expected to attend. Additionally, work2future will host a job fair this summer at the Mexican Heritage Plaza.
 - Healthcare Sector Workforce Initiative – This initiative aims to convene leaders from over 12 hospitals and community clinics in Santa Clara County. Key employer partners include, Valley Medical, O'Connor, Stanford Children's Hospital, Gardner Foundation Health Services, and the Santa Clara County Medical Association. The overarching goal of this

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effort is to provide enhanced training strategies, leading to greater opportunities for placement for work2future clients.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

/s/

NANCI KLEIN

Director of Economic Development and
Cultural Affairs

For questions, please contact Sangeeta Durrall, work2future Director, at (408) 314-9444 or sangeeta.durrall@sanjoseca.gov

ATTACHMENTS:

Attachment A: State Performance Report for Program Years 2022-2023 and 2023-2024

Attachment B: Client Testimonial