



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Walesh
Margaret McCahan

SUBJECT: SEE BELOW

DATE: January 10, 2018

Approved

Date

1/11/18

SUBJECT: ADOPTION OF 2017-2018 APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS FOR THE FEDERAL AND STATE WORKFORCE DEVELOPMENT FUND FOR THE NATIONAL DISLOCATED WORKER GRANT-STORM EVENT (STORM GRANT)

RECOMMENDATION

(a) Adopt the following 2017-2018 Appropriation Ordinance and Funding Sources Resolution amendments to the Workforce Development Fund:

- (1) Increase the estimate for Revenue from Federal Government by \$333,333; and
- (2) Increase the National Dislocated Worker Grant – Storm Grant appropriation to the Office of Economic Development in the amount of \$333,333.

OUTCOME

The recommended budget actions will recognize and make available the second round of funding for Storm Grant from the Department of Labor through the State of California Employment Development Department (EDD) to provide temporary employment for an additional 26 individuals to help restore the flood-impacted areas in San Jose ranging from debris clearance, vegetation removal, landscape repair and replanting, and material sorting for repair of both public and private sites.

The Silicon Valley Workforce Investment Network (work2future) received a total grant of \$1 million for a grant term period starting March 1, 2017 through September 30, 2018. The grant funding will be released in two funding increments of \$333,333 and the third increment at \$333,334. The first release of \$333,333 increment was appropriated by City Council on June 20, 2017, under Council Resolution # 29962 for a grant term of March 1, 2017 to September 30, 2017, work2future served and placed 30 individuals in temporary jobs, surpassing the targeted goal of 22. This action represents the second release of the \$333,333 increment with a grant term of October 1, 2017 to March 31, 2018.

BACKGROUND

Work2future serves the San Jose Silicon Valley Local Workforce Development Area (LWDA), which, in addition to San Jose, is comprised of the cities of Campbell, Gilroy, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, Saratoga, and the unincorporated areas of Santa Clara County. Work2future provides services to eligible individuals following its State-approved local and regional plans. The Board is empowered through Workforce Innovation and Opportunity Act (WIOA) to provide oversight to ensure adherence to federal regulations and guidance and direction to staff and approves the federally mandated local plan. In addition, Work2future is a regional partner with NOVA, San Benito, and San Francisco Workforce Development Boards as the State of California as the Bay-Peninsula Regional Planning Unit.

Staff continues to provide program and fiscal oversight of the operations of the contracted WIOA services to ensure compliance with state and federal performance outcomes and regulatory requirements, provide services to small and large businesses located throughout its Local Workforce Development Area, and to support the federally mandated Board of Directors.

Work2future funding comes mainly from the United States Department of Labor's (DOL) allocation of WIOA funds through the EDD's WIOA formula grants. From time-to-time, however, the EDD makes available to local workforce areas additional funds in the form of discretionary grants.

ANALYSIS

California received approximately \$43 million in federal funds to help 51 counties clean up after the devastating storms that occurred in January and February 2017. In San Jose, Coyote Creek, Santa Clara County's longest creek, overflowed in what officials are calling the worst flooding the City has seen in 100 years, which led to 40,000 evacuations and approximately \$100 million in property damage.

On May 18, 2017, the EDD awarded Work2future a National Dislocated Worker grant (NDWG) Storm Event award (Storm grant) of \$1 million in federal funds. The funding will be used primarily to hire temporary workers to help with various clean-up and repair projects on public lands. Workers will be paid an average hourly rate of \$21.82 per hour up to a maximum of 357 hours per participant. The period of performance for the Storm grant is retroactive to March 1, 2017, and continues through September 30, 2018.

On June 15, 2017, the Work2future Board approved the acceptance of the \$1 million Storm grant award with \$333,333 as the initial funding with a grant term of March 1, 2017, through September 30, 2017. Work2future successfully collaborated with the City's Parks, Recreational, and Neighborhood Services and Environmental Services Departments and placed 30 clients on temporary employment to perform storm/flood clean up at the Japanese Friendship Garden at Kelley Park and debris/street cleanup at the Rocksprings and William Street Park Neighborhood, compared to a goal of 22 placements.

To continue this work, the second release of funding in the amount of \$333,333 will provide temporary employment for an additional 26 individuals. This grant award is for the grant term starting October 1, 2017 through March 31, 2018. Depending on the outcome of the second release of funding, EDD will release the last increment of \$333,334 to serve additional clients and for follow-up services.

EVALUATION AND FOLLOW-UP

Ongoing progress reports will be submitted to EDD and the Work2future Board. Information on the outcome of the program will be included in the annual report from the Office of Economic Development's Work2future staff to the City of San José's Community and Economic Development Committee.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda Website for the January 23, 2018, City Council Meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the Department of Planning, Building and Code Enforcement.

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."

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COST SUMMARY/IMPLICATIONS.

The recommended budget actions in this memorandum will increase the estimate for Revenue from Federal Government and appropriate \$333,333 for the National Dislocated Worker Grant - Storm Event. The second round of funding for the Storm Grant will help place an additional 26 individuals for temporary employment up to a maximum of 357 hours at an average hourly rate of \$21.82 to help with various clean-up and repair projects on public and private sites impacted by the flood after the devastating storms that occurred in January and February 2017. The grant provides funding for all wages, taxes, supportive services (e.g., work boots, transportation assistance, etc.), payments to the work2future Foundation who serves as the participants' employer, and City program oversight. The remaining funding of \$333,334 and any unspent grant funds will be brought forward as a separate budget action after the completion of the second phase.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn*	Proposed Budget Action	2017-2018 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
290	R110	Revenue from Federal Government	\$10,759,162	\$333,333	Pg. 1054	10/17/2017, Res. No. 78385
290	200Y	National Dislocated Worker Grant - Storm Event	\$320,780	\$333,333	Pg. 1055	10/17/2017, Res. No. 30014

CEQA

Not a project; File No. PP 17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant impact on the environment.

/s/

KIM WALESH

Deputy City Manager

Director of Economic Development



MARGARET MCCAHAH

Budget Director

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I hereby certify that there will available for appropriation in the Workforce Development Fund in the Fiscal Year 2017-2018 moneys more than those heretofore appropriated therefrom, said excess being at least \$333,333.

A handwritten signature in dark ink, appearing to read "Margaret McCahan". The script is cursive and fluid, with the first name "Margaret" and last name "McCahan" clearly distinguishable.

MARGARET MCCAHAHAN

Budget Director

For questions, please contact Jeff Ruster, Director of Strategic Partnerships, at 408-535-8183.