



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jen Baker

SUBJECT: See Below

DATE: May 26, 2026

Approved

Date:

5/2/26

COUNCIL DISTRICT: Citywide

SUBJECT: Annual Authorization for Workforce Innovation and Opportunity Act Program and Projects for 2026-2027

RECOMMENDATION

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

- (a) All contracts, amendments, agreements, leases, subleases, and memorandums of understanding with contractors, consultants, vendors, and partners providing services to the Workforce Innovation and Opportunity Act Program and workforce programs funded by other sources, including, but not limited to, novations or assignments, case management contracts, and consultant contracts, for the period July 1, 2026, to June 30, 2027, in accordance 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, that have been reviewed and approved, as required, by the work2future Workforce Development 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, 2026, to June 30, 2030, in accordance with Section 121 of the Workforce Innovation and Opportunity Act, 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, 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, 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, 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, 2026, to June 30, 2027, subject to annual appropriation of funds by the Workforce Development Board.
- (f) All agreements specified in sections (a) through (e) above with a term end date beyond the fiscal year in which the contract begins (an end date beyond June 30, 2027), 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 sections (a) through (e) 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, 2027).

SUMMARY AND 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. City Council has approved the omnibus resolution annually since 2000.

work2future, the federally authorized Workforce Development Board administered by the City of San José, provides workforce development services to the City of San José

as well as seven other Santa Clara County cities and the county's unincorporated areas. In addition, work2future is certified by the State of California as a High Performing Board work2future has a Board of Directors to oversee and ensure that it is in compliance with federal regulations and that approves its annual budget.

work2future also provides workforce services to San José youth through the San José Works program. The San José Works program places underserved youth into employment that is either subsidized using City of San José General Funds or unsubsidized, with the employer paying the youth. The San José Works program also provides the youth with wrap-around services such as career counseling, supportive services, mentoring, entrepreneurship training, wage theft, anti-harassment, and youth rights training. work2future has begun conducting outreach for the upcoming San José Works 12.0 program which will begin in the summer of 2026. The program plans to provide all 295 program participants with paid internships related to demand occupations and growth sector industries.

Staff recommends that the City Manager, or her designee's, authority to negotiate and execute various types of contracts, agreements, amendments, and memoranda of understanding be reauthorized for Fiscal Year 2026-2027. All such agreements are compliant with federal, state, and local laws, rules, and policies, and have been approved by the work2future Board of Directors. There must be an unexpended and unencumbered balance of the appropriation sufficient to pay the expenses of each agreement.

BACKGROUND

work2future is the local Workforce Development Board under the City Manager'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 (Board) comprised of 17 members, representing the diversity of Silicon Valley's employers, including well-known companies such as Kaiser Permanente, Manex, Tech Mahindra, and CAES. It also includes required representation from Labor Unions, the California Employment Development Department, the State Department of Rehabilitation, Eastside Adult Education, and the County of Santa Clara's Social Services Agency.

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 Plan,² which are currently pending approval 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 meet its enrollment targets while offering a variety of services to help address the "skills gap" facing the agency's clients, the majority of whom have multiple barriers to employment.

- WIOA Adult, Dislocated Worker, and Youth enrollments exceeded annual goals, reaching 1153 enrollments against a goal of 1150, or 100.2% of the target.
- During the program year 2024-2025, WIOA achieved close to 900 total placements with the majority placed in high-wage, high-growth occupations.
- San José Works met and exceeded both subsidized and unsubsidized placement goals during the year.
- Subsidized placements reached 375 against a goal of 375, achieving 100% of the target.
- Unsubsidized placements reached 431 against a goal of 425, achieving 101% of the target.

City's Homeless Implementation Plan

Under the City's Homeless Implementation Plan, work2future exceeded both enrollment and placement goals. Enrollments reached 109 against a goal of 100, achieving 109% of the target.

These outcomes demonstrate continued success serving individuals experiencing homelessness and other barriers to employment through targeted enrollment, placement, education, and supportive service strategies.

The impetus of this initiative was to ensure that the City Manager's Office of Economic Development and Cultural Affairs continues to focus on the vital need to create pathways for economic mobility for underserved populations in our community.

¹ Local Plan link - https://www.work2future.org/wp-content/uploads/2025/03/IVCattach_PY25-28_LocalPlan_FinalDraft.pdf

² Regional Plan link - https://www.work2future.org/wp-content/uploads/2025/03/IVCattach_PY25-28_BPRPU_RegionalPlan.pdf

Workforce Development Objective - City Manager's Office of Economic Development and Cultural Affairs Economic Strategic Work Plan

Staff will continue to focus on serving clients for Fiscal Year 2025-2026 and Fiscal Year 2026-2027 and achieve the following key results:

- Serve 1,400 youth and adult clients and place 80% of those employed into high-wage, high-growth occupations (IT, Manufacturing, Health Care, Construction Trades, Accounting). Over 60% of these clients will be unstably housed, 80% are BIPOC, and 65% have multiple barriers.
- Provide paid internships to 295 San José Works clients. Over 90% completion rate with 100% of internships in high-wage, high-growth occupations. Secure unsubsidized employment for 475 youth ages 16-29. Over 80% of clients referred by the Parks, Recreation, and Neighborhood Services Department and/or live in priority neighborhoods.

work2future Artificial Intelligence Training Initiatives – Growing Our Economy Focus Area

As artificial intelligence continues to reshape industries, occupations, and workplace expectations, workforce systems must ensure that job seekers are prepared not only for new technologies but also for changing career pathways. Many of the occupations most accessed by work2future clients, including administrative support, customer service, clerical work, bookkeeping, and entry-level business functions are among those most likely to be affected by artificial intelligence-driven automation and task augmentation in response to these changes, work2future continues to expand its artificial intelligence focused training initiatives to equip clients with the technical, practical, and ethical skills needed to succeed in today's workforce.

work2future's artificial intelligence (AI) programming for Fiscal Year 2025–2026 combines Eligible Training Provider List courses, Metrix Learning courses, and interactive workshops to provide a comprehensive approach to AI upskilling.

Eligible Training Provider List AI Courses

Through providers such as AMFASOFT, CICD, and California Science and Technology University, work2future supported 57 enrollments in AI-related Eligible Training Provider List courses, with 12 completions to date. These courses covered a broad range of technical and applied skills, including:

- Python programming
- Amazon Web Services certifications
- Machine learning
- Data science

- AI-driven accounting and administrative tools
- AI-enhanced marketing applications
- Cybersecurity applications
- Capstone-based emerging technology training

Participation was particularly strong in AI-driven accounting and data analyst programs through CICD, reflecting client demand for practical applications of AI in everyday business functions.

Additionally, the Emerging Tech Training Program (AI + Capstone) through California Science and Technology University, enrolled 13 participants, providing advanced, hands-on exposure to AI concepts and applications.

Metrix AI Courses

Metrix Learning offered an extensive catalog of AI-focused courses covering foundational concepts, cloud applications, ethics, workplace integration, and technical skill development.

During FY 2025-2026:

- 221 clients participated in Metrix AI training
- 120 total course completions were recorded

Top completed courses included:

- Introduction to Generative AI – nine completions
- Artificial Intelligence: Basic AI Theory – nine completions
- AI Fundamentals – eight completions
- AI in IT – six completions
- AI in the Workplace – five completions
- Multiple AWS AI Practitioner pathways

These courses provide clients with both technical proficiency and broader understanding of how AI is being used across industries. They also include content related to responsible AI use, cloud platforms, workplace applications, and ethical considerations.

AI Workshop Courses

In addition to formal training, work2future has expanded AI workshops that provide clients with more interactive, applied learning opportunities.

Participation in workshops has been especially strong:

- Introduction to AI Workplace Skills – 131 participants
- Intro to AI QuickBooks Assistant – 42 participants

- AI Project Management – 24 participants

These workshops help clients apply AI tools in practical contexts, including job search activities, administrative functions, workplace productivity, and business operations. They also help clients better understand how AI can complement their work rather than replace it.

Importantly, work2future's AI programming also emphasizes ethical AI use. AI tools can contain biases that may affect hiring, decision-making, and access to opportunity. By incorporating discussions around responsible use, limitations, and bias mitigation, work2future is helping clients use these tools thoughtfully and effectively.

Partnerships

Children and Youth Master Plan

work2future's long-standing success in meeting its federally mandated performance requirements while serving clients with multiple barriers to employment has always been based on its commitment to working through partnerships with City departments and a diverse set of community-based organizations and employers.

Our team at work2future has been actively engaged in advancing the Children's Youth Master Plan through consistent collaboration and strategic planning. work2future has met with the designated co-leads and played a key role in facilitating and supporting planning efforts with the core working group focused on Meaningful and Sustainable Jobs, including leading discussions to help guide priorities and action steps. As the initiative has transitioned into the implementation phase, work2future is currently supporting demonstration efforts at identified test sites, including SOMOS/Grail Family Services and the Franklin McKinley/Catholic Charities partnership.

In the short term, partnership efforts are focused on driving immediate, actionable priorities within the first 90 days. These include:

- Coordinating with San José City College
- Developing a shared partner calendar of events
- Mapping partner resources and identifying gaps
- Aligning services to demonstration site needs

Looking ahead, the next steps will center on strengthening coordination and expanding impact. work2future will collect partner data through a streamlined QR code process, continue aligning resources to support demonstration site success, and work collaboratively to define clear priorities and actionable goals. Additionally, work2future aims to broaden engagement by bringing in new partners and establishing a structure

for ongoing collaboration through quarterly meetings to ensure sustained progress and accountability.

External Partnerships

Of equal importance have been external partnerships with federally mandated organizations, including the State of California Employment Development Department, San José Evergreen Community College, County of Santa Clara Social Services Agency, Department of Rehabilitation, East Side Union High School District, and San José Job Corps. work2future also collaborates with agencies like the County Probation and Sheriff's Departments, Working Partnerships, Catholic Charities, Goodwill, regional workforce development boards, and various other faith- and community-based organizations. In light of these very diverse and longstanding partnerships, work2future has been able to exceed all its federally mandated performance outcomes, place a significant majority of its clients in high-wage, high-growth occupations while serving a client base where most have multiple barriers to employment. In all instances, these partners provide the majority of client referrals and provide critical wrap-around services that support these individuals while they are enrolled with work2future.

Job Fairs

In calendar year 2025, work2future hosted six job fairs, attracting nearly 1,700 job seekers and 150 employers primarily from high-wage, high-growth industries. Key sectors represented included Information Communication Technology, advanced manufacturing, business and finance, healthcare, and construction and the trades. Participating employers included Olympus, Good Samaritan Hospital, Intermolecular, JPMorgan Chase, and many others, offering opportunities in high-wage, high-growth occupations. Additionally, work2future served approximately 600 unenrolled clients through workshops, online training, and layoff aversion services.

Looking Ahead

WIOA Reauthorization Update:

On April 6, 2026, House Education and Workforce Committee Chairman Tim Walberg introduced A Stronger Workforce for America Act of 2026 (H.R. 8210), the latest effort to reauthorize WIOA, which has been expired since 2020.

- The bill builds on the bipartisan negotiations that took place in 2024 but includes several significant changes and new provisions. While many of the prior concepts remain, this version could have significant implications for local workforce boards.

- The bill will require that at least 50% of Adult and Dislocated Worker funding be spent on training services, with limited flexibility for supportive services and career services tied directly to training.
- The bill will increase the required local youth work experience expenditure to 40% of local youth funds.
- Additional performance and reporting requirements are proposed, including more detailed data collection and reporting at the local level.
- AI Literacy: Adds AI literacy into adult education and digital literacy programs. This reflects more recent developments around artificial intelligence and could become a major new requirement for local workforce programs.

Program Model Design (Adult and Youth Services)

While the 50% Adult/Dislocated Worker training expenditure requirement and the 40% Youth Work Experience requirement are not yet final, work2future is intentionally moving forward with planning aligned to these expectations. This is the direction we are preparing for as we position ourselves to meet anticipated federal and state priorities.

Given these requirements, we are actively designing and refining our program delivery models to better align with WIOA requirements, performance expectations and strengthen outcome accountability.

Adult Program Model

The Adult program model is being intentionally structured with a clear emphasis on high-wage, high-growth placements as the primary outcome driver. Training will serve as a central lever in this model—not as an output, but as the structured pathway to achieving measurable employment outcomes, wage gains, and long-term retention.

This shift is intended to strengthen the direct connection between training investments and performance outcomes, ensuring that program design is explicitly aligned to placement goals, sector strategies, and employer demand.

Youth Program Model

The Youth program model is being designed with paid work experience as the foundational anchor, supported by integrated service components such as career readiness, supportive services, and targeted skill-building.

The intent is to ensure that work experience is the core driver of engagement, skill development, and measurable youth outcomes. This model is being structured to strengthen consistency in placements, improve retention in work-based learning, and establish clearer performance pathways tied to both employment and education outcomes.

Together, these program models are being designed to strengthen alignment between program activities, service delivery, and measurable WIOA performance outcomes, ensuring that our investments in participants are directly connected to employment

work2future's AI initiatives: Programmatic Impact and Strategic Focus

- Expand access to the Eligible Training Provider List, Metrix, and workshop-based AI training.
- Embed AI literacy and responsible AI use across programming.
- Continue building AI pathways that help clients adapt to changing labor market demands.

Local workforce systems are required to focus on AI and how it is reshaping skill-upgrade more each year. work2future will continue to expand and strengthen its AI initiatives and position clients to build adaptable, transferable skills that improve employability, support upward mobility, and help them succeed in an increasingly AI-driven economy.

ANALYSIS

(a) Contracts and Agreements

Staff recommends that City Council authorize the City Manager or her designee to negotiate and execute all contracts, amendments, agreements, leases, subleases, and memorandums of understanding with contractors, consultants, and vendors providing services to the WIOA Program and programs operated by work2future, including, but not limited to: novations or assignments; training vendor contracts; case management contracts; and consultant contracts.

Such agreements must comply with procurement procedures and requirements mandated by the state and federal governments for WIOA grant recipients and with established City procurement procedures and requirements. In addition, they must be reviewed and approved, as required, by the work2future Board of Directors, 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; and
- Required partners specified in WIOA Title I include programs authorized under the following:
 - Title II of the WIOA, Adult Education and Literacy.
 - Title III of the WIOA, Wagner-Peyser Act, (State of California Employment Development Department).
 - The Title IV of the WIOA, 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 programs, including, but not limited to, Department of Social Services CalWORKS CalFresh Programs.
 - Local child support agencies.
 - English language learners, foreign born, and refugees.
 - Re-entry services providers for probation and 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, 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 necessitate extending the agreement beyond the fiscal year.

The City Manager, or her 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

work2future will endeavor to obtain additional discretionary funding through grant applications for the FY 2026-2027. 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 Citywide 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 her designee, to negotiate and execute all grant applications, grant agreements, subgrant agreements, and any documents necessary to accept the grant for discretionary funding applied for and approved by the work2future Board of Directors, for multi-year periods not to extend beyond June 30, 2030, pending appropriation of grant funds by City Council.

(c) City Council Reporting

The work2future program is housed within the City Manager's Office of Economic Development and Cultural Affairs. The City Manager's Office of Economic Development and Cultural Affairs 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.

EVALUATION AND FOLLOW-UP

No additional follow-up action with the City Council is expected at this time.

COORDINATION

This report has been coordinated with the City Attorney's Office, City Manager's Budget Office, and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

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 of Directors is comprised of 17 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 board and committee 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 Council Agenda website for the June 16, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

HONORABLE MAYOR AND CITY COUNCIL

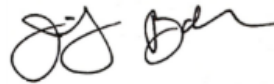
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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.



Jen Baker
Director of the City Manager's Office of
Economic Development and Cultural Affairs

For questions, please contact Sangeeta Durrall, work2future Director, City Manager's Office of Economic Development and Cultural Affairs at (408) 314-9444 or sangeeta.durrall@sanjoseca.gov