



Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

**FROM: Paul Krutko
Jennifer A. Maguire**

SUBJECT: SEE BELOW

DATE: 08-04-08

Approved

Deanna Jafra

Date

8/5/08

**COUNCIL DISTRICT: City-wide
SNI AREA: N/A**

**SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING
SOURCES RESOLUTION AMENDMENTS IN THE WORKFORCE
INVESTMENT ACT FUND FOR THE STATE EMPLOYMENT TRAINING
PANEL GRANT**

RECOMMENDATION

Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act Fund:

- a. Establish an appropriation to the Office of Economic Development for the State Employment Training Panel Grant project in the amount of \$385,000.
- b. Increase the estimate for Earned Revenue by \$385,000.

OUTCOME

Approval of the recommendation will enable the City to receive \$385,000 from the State Employment Training Panel (ETP) funds to conduct a job-training project for eligible participants in accordance with the established training plan and curriculum.

BACKGROUND

On January 9, 2007, the City Council directed the Office of Economic Development (OED) to assist the Redevelopment Agency and Nanosolar Inc. in their business expansion efforts by pursuing workforce training funds from the State.

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The work2future Division of OED, working with Nanosolar, applied for ETP funds, and on April 26, 2007 the ETP Board of Directors awarded work2future \$385,000 for training of 200 Nanosolar workers.

In May 2007, the City Council authorized the City Manager to accept \$385,000 in ETP funds on behalf of the Office of Economic Development, work2future. Work2future entered into an agreement with Nanosolar for \$313,200 to provide training to ETP eligible participants. The remaining \$71,800 is earmarked for administrative and marketing outreach expenses. The ETP grant is on a reimbursement basis and any expenditure incurred will be reimbursed by the agreement.

In June 2008, NanoSolar terminated its contractual obligations for the ETP grant. Work2future plans to redistribute the funds to Stion Corporation, Cisco Corporation, and the Gilroy Dispatch.

ETP is a State program that provides funding for worker training using a small percentage of funds paid into the Unemployment Insurance (UI) Fund by private sector employers. The ETP regulations allow for the State to contract with businesses or groups of businesses, local workforce investment boards, and other organizations that provide the training and program administration.

ANALYSIS

Work2future will enter into agreements with Stion Corporation, and Cisco Corporation and the Gilroy Dispatch to provide training to eligible participants in accordance with the ETP approved training plan and curriculum. Reimbursements for training costs shall be earned upon completion of all performance requirements and shall be limited to the actual hours of training received by the specific trainings in the approved training program.

In order to assist Stion Corporation, Gilroy Dispatch and Cisco Corporation, work2future staff will perform all administrative and reporting activities for this ETP funding. Also, work2future, consistent with its role as the local administrative entity for workforce development, will assist in marketing and outreach in support of this ETP training project as appropriate.

EVALUATION AND FOLLOW-UP

No additional follow up actions with the Council are expected at this time.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

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- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this action does not meet the \$1 million threshold in Criterion 1, this memorandum will be posted on the City's website for the August 26, 2008 Council agenda. In addition, the City's intent to apply for ETP funding was sent out in a Press Release and also posted on the Office of Economic Development website.

COORDINATION

This memo has been coordinated with the Redevelopment Agency, City Attorney's Office, work2future Board, and the Finance Department.

FISCAL/POLICY ALIGNMENT

The execution of an ETP contract will further the City's Economic Development Strategy by helping to: (a) "Support Start-Up and Growth of Local Businesses" (Initiative 5); (b) "Diversify San Jose's Economic Base and Preserve/Create Middle-Income Jobs." (Initiative 8).

COST IMPLICATIONS

The recommended budget action in this memorandum will appropriate \$385,000 for the ETP grant.

BUDGET REFERENCE

Not applicable.

CEQA

Not a project.

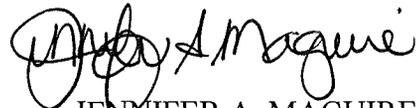
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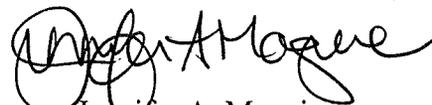
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PAUL KRUTKO
Chief Development Officer


JENNIFER A. MAGUIRE
Budget Director

I hereby certify that there will be available for appropriation in the Workforce Investment Act Fund in the Fiscal Year 2008-2009 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$385,000.


Jennifer A. Maguire
Budget Director

For questions please contact Paul Krutko, Chief Development Officer, at 408-535-8179.