



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Paul Krutko

**SUBJECT:** SEE BELOW

**DATE:** May 24, 2010

Approved

Date

6/1/10

**COUNCIL DISTRICT:** Citywide

**SUBJECT: IMPLEMENTATION OF WORKFORCE INVESTMENT ACT  
PROGRAMS AND PROJECTS FOR 2010-2011**

## RECOMMENDATION

Adoption of a resolution authorizing:

- (a) The City Manager to negotiate and execute all contracts, amendments, agreements, leases, subleases and memorandums of understanding with contractors and vendors providing services to the Workforce Investment Act Program (WIA), including, but not limited to, novations or assignments, vendor training contracts, case management contracts, consultant contracts, memorandums of understanding required with Mandatory Partners for the use of One-Stop facilities, and cities and the unincorporated area of Santa Clara County whose residents receive service under the WIA program for the period from July 1, 2010 to June 30, 2011 in accordance with procurement procedures and requirements mandated by the State and Federal governments for Workforce Investment Act grant recipients and with established City procurement procedures and requirements that have been reviewed and approved by the Silicon Valley Workforce Investment Network (work2future) Executive Committee and/or the Board. The City Manager is also authorized to negotiate and execute Council-approved agreements that have been reviewed and approved by the work2future Executive Committee and/or 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.
- (b) The City Manager to negotiate and execute all grants and sub-grant agreements for discretionary funding applied for and approved by the work2future Board for the period from July 1, 2010 to June 30, 2011.

## **EXECUTIVE SUMMARY**

The proposed resolution authorizes the City Manager to negotiate and execute all contracts and grant-related documents pertaining to the implementation of the Workforce Investment Act grant. The City of San Jose is the recipient and fiscal administrator of the WIA funds and serves the City of San Jose, five other South County municipalities, and the unincorporated areas of Santa Clara County. Prior to the beginning of each fiscal year, the Office of Economic Development (OED) recommends to the City Council approval of an omnibus resolution. Council has approved the omnibus resolution annually since 2000.

### **work2future**

work2future, a division of the Office of Economic Development, provides residents with the workforce tools and opportunities to maximize their employment potential, and provides successful employment strategies for residents with barriers. The work2future public-private board, consisting of 42 members primarily from the private sector, brings government, business, education, and training providers together to create innovative workforce strategies and programs and foster a One-Stop System that fulfills the needs of our diverse communities, and continuously improves our organization and the delivery of our services. work2future's efforts over the past year, and since its inception, have served thousands of businesses and individuals annually through the One-Stop centers located throughout Santa Clara County.

work2future is now entering its eleventh year of operations. Since its inception, through its best practices in the areas of business services, training programs, and service delivery strategies, work2future has distinguished itself in the California workforce community. Based on new U.S. Department of Labor Common Measures performance requirements for youth, adult, and dislocated worker clients, work2future has met the required outcomes for the past four years and anticipates the same result for this year.

### **Five-Year State Plan**

Workforce Investment Act (WIA) policies require that the local workforce investment board submit a five-year plan to the Governor for its WIA-allocated funds. Each year work2future submits an update to the five-year plan to the State of California (EDD), which highlights new innovations, service changes, and major accomplishments. The purpose of the plan is to describe the local area's one-stop approach to workforce development programs that responds to the employment needs of its many customers, including current workers, unemployed workers, dislocated workers, new entrants to the labor force, youth, veterans, and employers.

The most recent update to the five-year plan was subject to a 30-day period for receipt of public comment between February 15 and March 17, 2010; no comments were received. Following the public comment period, work2future's Board of Directors unanimously approved the plan at its meeting of March 18, 2010.

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### **Service Delivery**

Based on recent State policy changes, all job-seeking clients entering the One-Stop system through work2future's facilities are now eligible for enrollment into the WIA program and access to work2future's services, increasing the enrolled client base from 500 participants to approximately 8,000 per year. However, due to the recession, the Local Workforce Investment Area has also experienced significant job losses, and demand for work2future services has increased dramatically. It is anticipated that work2future will enroll approximately 10,000 individuals in FY 2010-11.

As part of the process to place jobseekers in growth industries and upgrade worker skills, the WIA program provides vocational training opportunities, including classroom, on-line, on-the-job, and customized training to meet the demands of local employers for a skilled, well-trained workforce. Last year, as part of the 2009 American Recovery and Reinvestment Plan (ARRA), work2future received \$11.85 million dollars of stimulus funding, in addition to WIA and ARRA funding received from the state in the amount of \$902,329.

To meet the ARRA goal to substantially increase the number of clients receiving training, work2future initiated a cohort-training program to move groups of clients through a common program of study. Since July 2009, work2future has enrolled over 1,100 individuals into training in demand occupations and growth industry sectors. work2future's targeted growth industry clusters are retail, hospitality, healthcare, bioscience, clean and green technology, software, construction, and public sector. In addition, over 1,220 individuals have completed certificated workshops to learn and enhance workplace skills.

In the summer of 2009, work2future used \$4.74 million dollars of ARRA funding to provide paid work experience for 908 low-income youth ages 15-24. work2future initiated a continuation of the summer program for selected youth to focus on work experience and leadership development. Additionally, work2future has provided a college internship program for WIA-eligible students.

work2future continues to streamline services currently offered through its existing three One-Stop Centers and works effectively at coordinating all aspects of its service delivery including virtual access to information and select services. This approach allows for customer needs to be met in a more efficient manner, and will expand the current customer base of programs.

### **Green Vision**

In response to San Jose's Green Vision, work2future has identified four major workforce growth sectors: Energy Efficiency, Construction/Building, Smart Grid, and Utility/Environmental Services. These sectors will be the most impacted by local, state and national green initiatives. As a result, work2future has focused on these growth sectors to help drive occupational training.

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In addition, work2future's Green Cadre program provides 50 young adult leaders, ages 18-24, with the training to become environmental stewards, green advocates for their communities, and ambassadors for the City of San Jose's Green Vision.

## **BACKGROUND**

### **work2future Board Actions**

Funds for the WIA program originate at the United States Department of Labor (DOL) in the Employment & Training Administration (ETA) and are disbursed to Local Workforce Investment Act programs through the State of California's Employment Development Department (EDD). There are four main components of these funding streams: WIA Dislocated Worker funds, WIA Title 1B Adult funds, WIA Youth funds, and WIA Rapid Response funds.

In Fiscal Year 2010-11 the City of San Jose, as fiscal agent for the work2future WIB, will receive the following amounts:

WIA Dislocated Worker Program	\$ 3,525,679
WIA Title 1B Adult Program	\$ 3,234,317
WIA Youth Program	\$ 3,449,393
WIA Rapid Response Program	\$ 538,291*
Total Funds	\$10,747,680

\*Estimated amount – actual figure not available at this time.

work2future anticipates receipt of a Recovery Act – Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund (ECF) award of up to \$2.5 million from the County of Santa Clara Social Services Agency to provide seven weeks of summer work experience, combined with work readiness training, for approximately 840 eligible 15-17 year olds in the work2future service area, starting June 2010.

The grant requires a 20% third-party, non-federal cash or in-kind match that is directly related to the administration and implementation of the program. The match will be partially sourced from up to \$382,200 of the salaries of worksite supervisors of participating agencies. In addition, work2future is negotiating with the City Parks, Recreation and Neighborhood Services (PRNS) for the use of the St. James Senior Center; this site and other related facility expenses equivalent to \$112,500 will be counted toward the 20% match.

The work2future Finance Committee will formally approve the budget for FY 2010-11 at the Committee's meeting on June 9, 2010; the Executive Committee will approve the budget at its subsequent meeting, and the work2future Board will follow with formal approval at its meeting on June 17, 2010.

## ANALYSIS

### (a) Contracts and Agreements

Staff recommends that Council authorize the City Manager or designee to negotiate and execute, upon review and approval by the work2future Board, all contracts, amendments, agreements, leases, subleases, and memos of understanding with contractors and vendors providing services to the Workforce Investment Act Program including, but not limited to:

- Novations or assignments;
- Vendor training contracts;
- Case management contracts;
- Consultant contracts;
- Memoranda of understanding with Mandatory Partners and others, including memoranda of understanding for the use of One-Stop facilities; and
- Memoranda of understanding with other cities and the unincorporated area of Santa Clara County that will receive services from work2future for the period July 1, 2010 to June 30, 2011.

Mandated partners are WIA Title II adult education and literacy providers that must provide core services through the one-stops, and include programs authorized under the following:

- Wagner-Peyser Act;
- Adult Education and Literacy title of the Workforce Investment Act;
- The Vocational Rehabilitation Act;
- Welfare-to-work grants;
- Title V of the Older Americans Act;
- Postsecondary vocational education under the Perkins Act;
- Trade Adjustment Assistance;
- Veterans employment services under chapter 41 of title 38, U.S.C.;
- Unemployment compensation laws;
- Community Service Block Grants; and
- Employment and training activities carried out by the Department of Housing and Urban Development.

Some of these partners include:

- Employment Development Department (EDD)
- Job Corps
- National Council on Aging
- Department of Rehabilitation
- Adult Education

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The City Manager will ensure that sufficient funds are available and that agreements are in accordance with federal and state laws and regulations.

(b) Grant Applications

During FY 2010-11 work2future will endeavor to obtain additional discretionary funding through grant applications, including those funded under ARRA. 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 learning, or vendors to be selected through a subsequent request for proposal process.

Staff recommends that the City Council authorize the City Manager or designee to negotiate and execute all grant applications, grants, and sub-grant agreements for discretionary funding applied for and approved by the work2future Board for the period from July 1, 2010 to June 30, 2011.

(c) Council Reporting

OED and work2future make an annual comprehensive presentation on title and discretionary funding availability, contracting and program activity and performance, and client services to the Community and Economic Development Committee (CEDC). On November 30, 2009, work2future provided a report to the CEDC for its activities to date.

**FY 2010-11 IMPLEMENTATION ISSUES**

**BusinessOwnerSpace.com**

work2future continues to play a leading role in the oversight and expansion of the City's small business initiative, BusinessOwnerSpace.com (BOS), which has connected or served over 150,000 small businesses with partner resources since its inception in October 2007. BusinessOwnerSpace.com (BOS), a City-driven initiative to assist and support small businesses, serves as a virtual one-stop for entrepreneurs and business owners, connecting them to a wide array of services. To better serve the needs of small business, the website and key marketing materials have been translated into Spanish and Vietnamese. In addition, the BOS web site will be updated with new, interactive content relating to "green" resources and procurement opportunities.

**Special Appropriations**

In the past year, work2future received \$99,072 from State ARRA funds to provide Assistive Technology equipment for customers with disabilities, and to fund a Disability Navigator position. In addition to \$40,000 to provide outreach for Workforce Institute's Green Job Corps program, work2future received an additional \$10,000 to fund services to ex-offenders as part of

the California New Start program. Moreover, the Small Business Administration provided a grant of \$243,000 to work2future to support enhancements of the BOS website.

### **WIA/TANF Summer Youth Program**

work2future anticipates that the County of Santa Clara's Social Services Departments will provide up to \$2.5 million of TANF Stimulus Funds to allow work2future to administer a summer work experience program for 840 TANF-eligible youth, ages 15-17 years. This funding will allow work2future to provide these youth with a paid summer work experience, as well as work readiness training. The program will launch at the end of June.

### **PUBLIC OUTREACH/INTEREST**

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

Although the outreach activities do not specifically meet any of the above criteria, outreach has been undertaken as follows:

- The WIA activities represented in this report involve a wide variety of public outreach including working with various community-based organizations, community centers, libraries, private sector businesses, educational entities, and other governmental organizations.
- The work2future Board is comprised of 42 private and public sector members appointed by the Mayor and ratified by the City Council, and has sought public input at all board and committee meetings on each of the projects detailed above. All work2future 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.
- In addition to publication of notice for the 30-day posting of work2future's five-year plan for public comment from February 15 to March 17, 2010, this memorandum to Council will be posted on the City's website for the June 15, 2010 Council Agenda.

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### **COORDINATION**

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

### **FISCAL/POLICY/ALIGNMENT**

The activities represented by this action are consistent with the 2010 Economic Development Strategy approved by the Council, specifically Strategic Goals No. 4, "Nurture the Success of Local Small Business, and No. 7, "Prepare Residents to Participate in the Economy Through Training, Education, and Career Support."

### **CEQA**

Not a project, File No. PP10-066(e), services that involve no physical changes to the environment.

/S/

PAUL KRUTKO  
Chief Development Officer

For questions, please contact Jeff Ruster at (408) 535-8183