



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Kim Walesh
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: September 4, 2012

Approved

Date

9/7/12

COUNCIL DISTRICT: Citywide

SUBJECT: ADOPTION OF 2012-2013 APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS FOR THE FEDERAL AND STATE WORKFORCE INVESTMENT ACT FUND FOR THE SOLYNDRA PROJECT

RECOMMENDATION

Adopt the following 2012-2013 Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act (WIA) Fund:

- a. Increase the estimate for Earned Revenue by \$2,025,000; and
- b. Establish an appropriation to the Office of Economic Development for the Solyndra Project in the amount of \$2,025,000.

OUTCOME

These recommended appropriation actions will recognize and make available the grant award from the State of California's Employment Development Department (EDD) through its 25% additional assistance funding.

The Solyndra project will provide funding to work2future to provide Dislocated Worker services to affected Solyndra workers. Services will include training, support services, and job placement services.

These discretionary grants have played a key role in supplementing work2future's formula funding which has been reduced substantially in recent years. With these additional resources, work2future has been able to meet the diverse needs of the large number of laid-off workers,

while still meeting all of its required Department of Labor Performance outcomes for the last eight years, one of the few workforce investment Boards in the State of California to do so.

BACKGROUND

On August 31, 2011, Solyndra LLC abruptly suspended its operations and laid off approximately 1,100 employees. More than half of the affected employees reside in Santa Clara County. Of the employees residing in Santa Clara County, the majority reside within work2future's Local Workforce Investment Area (LWIA). Solyndra's action also impacted employees at a number of Solyndra's contractors in the area, especially specialized suppliers.

The State EDD Solyndra funding is provided as a regional collaborative reimbursement grant. The grant term is retroactive to December 1, 2011 through March 31, 2013. This grant will be administered by work2future, which will coordinate funding distributions as needed to various participating Local Workforce Investment Boards (WIBs) which include NOVA, Santa Cruz, and San Benito. As administrator of this grant, work2future will direct portions of this grant to these WIBs based on a cost analysis and negotiated Fixed Unit Price agreement that will compensate the partner WIBs for their costs for core and intensive services.

ANALYSIS

By October 2011, work2future had deployed a full array of WIA services to meet the needs of laid-off Solyndra employees using WIA Dislocated Worker formula funding. The Solyndra Project funding will help work2future to offer additional specialized services and resources to existing enrolled Solyndra clients and future clients who may decide to enroll when their unemployment insurance payments run out.

Building on the program delivery model designed for work2future-enrolled Cisco clients, work2future has designed a similar project plan for the laid-off Solyndra clients which includes provision of new resources such as: (1) Burning Glass's Focused Careers, an artificial intelligence (AI) tool that enables targeted, opportunity-specific resumes and job searches; (2) new capacity in work2future's EconoVue geographic information system (GIS) for more detailed employer analyses; (3) collaboration with area colleges to develop a curriculum based on information acquired from the Emerging Green and Information and Communication Technology (ICT) workforce studies; and (4) personal branding consultations for job seekers.

Based on work2future's current understanding of hiring practices within the emerging green technologies industry cluster, work2future will need to take an aggressive approach to assisting laid-off Solyndra clients with their job search and placement activities to be competitive in today's local job market. The highly specialized cohort of Solyndra clients requires a different approach that extends beyond work2future's current Dislocated Worker program. work2future will subscribe to a sophisticated job search/recruiting online service that will better facilitate

successful reemployment efforts and consultation specific to developing curriculum and job readiness services tailored for higher-skilled job seekers in emerging green technologies and high-tech industries.

To maximize resources and for a more efficient delivery of services, work2future will administer the operation of the Solyndra project at the Cisco site located in the Parkmoor Career Center. If the project meets its enrollment goal, a full staffing complement is anticipated to cost approximately \$430,000.

The grant award and related spending plan has been submitted, and unanimously approved by the work2future Executive Committee on August 28, 2012. In addition, work2future staff will present the spending plan to the Finance Committee and the Board on September 12, 2012 and September 20, 2012.

EVALUATION AND FOLLOW-UP

The Solyndra Project grant in the amount of \$2,025,000 has been evaluated and approved for funding by the State EDD. Ongoing progress reports will be submitted to the State EDD, work2future's Board, and to the City's Community and Economic Development Committee.

PUBLIC OUTREACH

- 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)**

The recommended action meets Criterion 1 regarding the use of public funding equal to or greater than \$1 million. This memorandum will be posted on the City's website for the September 25, 2012 City Council agenda.

COORDINATION

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

FISCAL POLICY ALIGNMENT

The Solyndra Project supports Initiative 7 of the City's Economic Development Strategy, "Prepare Residents to Participate in the Economy through Training, Education, and Career Support."

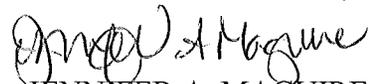
COST SUMMARY/ IMPLICATIONS

The recommended budget actions in this memorandum will increase the estimate for Earned Revenue and appropriate \$2,025,000 for the Solyndra Project. The grant will provide an array of standard and specialized services and resources such as assessments, training services, workshops, and supportive services. work2future has set aside a total of \$430,000 for staffing costs for the Cisco Lay-Off and Solyndra Project and related overhead costs.

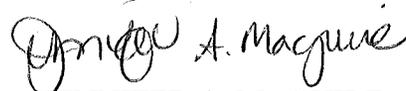
CEQA

Not a project; File No. PP10-067 (b): Appropriation Ordinance.

/s/
KIM WALES
Director of Economic Development
Chief Strategist


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 2012-2013 moneys in excess of those heretofore appropriated therefrom at least \$2,025,000.


JENNIFER A. MAGUIRE
Budget Director

For questions, please contact Jeff Ruster, work2future's Executive Director, at 408-535-8183.