

IV (A)(1)

Meeting Summary Approval
(December 2, 2009)

[Action]

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**SPECIAL FINANCE COMMITTEE
MINUTES**

December 2, 2009

Afternoon Session 3:00 pm – 5:00 p.m.

San Jose One Stop
Greystone
1290 Parkmoor Avenue
San Jose, CA 95126
408.794-1100
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Joseph Flynn, Chair
Sue Koepp-Baker, Vice Chair
Joy Salandanan, Secretary

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WORK2FUTURE FINANCE COMMITTEE MINUTES

**DECEMBER 2, 2009
3:00 PM AFTERNOON SESSION**

**ORDER OF BUSINESS
CTO 3:05 PM**

I. ROLL CALL

II. Present: Joe Flynn, Susan Koepp-Baker, Jack Estill, Rocky Maddex, Barry Cristina
Dani Sellers, Hermelinda Sapien

Staff: Chris Donnelly, Joy Salandanan, Tamia Brown, Javier Vanga, Lua Nguyen,
Monique Melchor, and Angela Cipperly

II. OPENING REMARKS: Read by Joe Flynn, chairperson

PUBLIC COMMENTS: None.

III. CONSENT ITEMS: Approval of Consent Item-CQI Dashboard for the month of
October 2009

Motioned by Barry Cristina, seconded by Jack Estill, and the motion was carried.

IV. AGENDA ITEMS

A. Old Business

1. Minutes Approval

Action: Upon motion by Jack Estill, seconded by Hermalinda Sapien; the
Finance Committee minutes of September 9, 2009 were approved.

B. New Business

1. Finance Committee Meeting Schedule 2010

Action: Upon motion by Jack Estill, seconded by Hermalinda Sapien; the
Finance Committee meeting schedule for calendar year 2010 was
approved.

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2. New Grant Award for FY 2009-2010

Staff requests the approval of the committee members for the expenditure plan for the SBA grant of \$245,643, which we have received. The grant award is earmarked for the design and enhancement of BusinessOwnerSpace (BOS) website by creating linkages to the City and other small business provider websites and to provide on-line access to BOS outreach and video library.

Committee members: Who is working on the website now? So we are shifting resources or will it be additional resources? Will there be an additional expenses needed to maintain? Do we have the resources to continue the website? Can we put some more money into marketing instead of just website enhancement? How much have we spent on the BOS website? What happens at the end of the two-year period?

The SBA grant award will be used for a contractor to design and enhance the current BOS website. The grant award is additional one-time funding. The goal is to have one contractor (presently, NIA) to design and perform on-going maintenance of BOS website to achieve cohesive communication, content coordination, enhance the look of the website, etc. NIA will work directly with work2future, and at a certain level, the City of San Jose will be involved.

Moreover, the City has a vested interest in the enhancement of BOS website and possibly will provide some money from the General Fund. When the grant award is exhausted in two years, staff indicated that there might be money from WIA.

Action: Upon motion by Sue Koepp-Baker, and seconded by Jack Estill. The SBA grant award for FY2009-2010 and related spending plan were approved.

3. Youth Contractors Funding FY 2009-2010

Staff requests approval for the final allocations to fund work2future Youth Services providers for FY 2009-10. The funding amount has not changed but the number of individuals served has increased. The final funding recommendations are:

- Workforce Institute, a division of San Jose/Evergreen Community College District, to receive funding in an amount not to exceed \$600,000 to serve 108 youth;
- Center for Employment Training and Careers to receive funding in an amount not to exceed \$390,000 to serve 71 youth; and
- San Jose Conservation Corps to receive funding in an amount not to exceed \$240,000 to serve 44 youth.

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The Youth Council Committee approved the funding recommendations at its meeting on October 6, 2009, with approval from the Executive Committee on October 15, 2009.

Committee Members: Does this have anything to do with them not finishing last year's requirement? There was an issue last year where the contractors did not finish their requirements, is that correct? Were there outstanding reports that were incomplete? Are the different providers willing to share their successes?

Staff indicated that there are some individuals being carried over from previous program year. Staff recommends monthly technical assistance visits with each provider to address large number of carryovers and performance related to placement in the area of occupational skills training. Technical assistance visits will be followed-up with action summaries and corrective action reports, if deemed necessary.

Committee members: Is the money well spent, are they letting us down? If one organization is putting out twice the outcome of others, there should be some pressure to make sure they improve. What is it that is not working; the third year is telling us that with excess carry over customers. Is there a potential to widen the opportunity for training? Should we be looking at training in solar field and green field?

Committee members: There are concerns of what is happening, and we are not getting return on investment. The numbers are really low, and the return on investment is not apparent. Programmatic changes need to be addressed to the Youth Council Committee and ask them to show how the contractors are achieving performance measures.

Finance Committee suggests that the Youth Council Committee needs to request better results from contractors. Committee members agreed that such discussion is more appropriate at the Youth Council Committee.

To ascertain result on a regular basis, Finance Committee's chairperson asked for an update at the next meeting, and the issue to be a standing agenda item to show progress, if any.

Upon motion by Jack Estill, seconded by Hermalinda; the motion was carried.

4. Budget Variance Report

The Budget Variance report was presented as of September 2009.

As for the FY 2008-09 carryover funding, we have spent 58% funding for adult and 24% for youth. Based on our expenditure levels for October and November,

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we are projecting that we will be spending 100% for the Adult program in the coming weeks and about 90% for the Youth program by December 2009. We are right on our expenditure target.

As for the Dislocated Workers program, we are projecting about a 29% carryover. The carryover is from salary savings for vacant positions and unfilled vacated positions, due to delay in hiring. We are planning to use the saving to fund additional client training and supportive services, as needed or carryover into the next fiscal year to augment next year's budget.

For the Youth program, we estimate a carryover of 27%, which is 12% more than the 15% adopted carryover. Approximately \$360,000 was unspent from the previous year's contracts. Thus, we are going to use this unattached fund for the Green Corp program.

The Rapid Response program have about 5% in savings, which we intend to use for job fair and roundtable events; this fund must be used by the end of June 2010 or we loose it.

Overall, we are on target as estimated. We will be 4% below budgeted expenditures level. The funds are earmarked for client-related services, such as training and supportive services. Also this year, we have additional funding in ARRA, which we got off to a slow start but things are definitely picking up. We will be spending the funding by the end of the fiscal year 2009-10 except for the funding earmarked for next year for administrative costs for closing the grant.

This year, we will be spending the other discretionary funds for California New Start program. The New American grant will be ending soon and a non-monetary extension has been requested. Monies will need to be returned, if the extension is not approved.

5. American Recovery and Reinvestment Act 2009 (ARRA)

We are working with our partner agencies to increase services to our customers. Due to the high unemployment rate, work2future is serving more individuals. The goals as of November 2009 for training are:

Training Program	Goal	To date
Eligible Training Provider List Training	350	154
On the Job Training	200	0
Cohort Training	200	0
Other Training 200 (online, SJCC for credit)	256	53

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Summer Jobs for Youth. Work2future received and processed 2,400 applications and was able to offer 1,007 jobs. The actual number of youth hired was 908. Of this number, 790 youth completed the work readiness training. Work2future contracted with 79 worksites, and the top employers are: City of San Jose, East Side UHSD, Santa Clara County, Morgan Hill Unified School District, Berryessa School District, California Waste Solutions, and Target.

Work Experience and Leadership Development (WELD). WELD program was developed for 160 high performing youth that completed the Summer Jobs program. Because of ARRA regulation modifications, it is allowed to extend the program until March 2010. The youth will receive a paycheck and gain work experience while participating in leadership development. Therefore, approximately \$2.2 million was carried over for the WELD program extension.

The Green Cadre will employ 50 low-income, WIA-eligible young men and women. Green Cadre will create leadership teams, whose members individually and collectively advance the Clean and Green Vision, advocate green workforce development, green their jobs and workplaces, and through civic engagement help diverse communities learn about evolving green or greened jobs.

Committee members inquired as to what will happen to employees when ARRA fund goes away. Once ARRA stimulus fund ended, work2future will not have the resources to maintain services and current staffing level. Staff will review needs, adjust budget, and reduce personnel. Recently, work2future was able to absorb and/or fill vacancies with employees impacted by the shortfall of the City's General Fund.

6. Grant Status Update

Staff provided an update on grant application status. Work2future was awarded 13 grants, submitted 6 grant applications, and has 3 applications pending for decisions, which are:

Grant Application – Pending Decision	Partner	Request
Regional clusters of Opportunity	NOVA	\$ 250,000
Industries with a Statewide Need	work2future	\$1,000,000
Emergency Numi	Alameda County	pending

In reply to inquiry regarding GeoMapper, staff indicated that there are currently five clients who have expressed interest. The goal is to have them up and running in year 2010.

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7. **501c(3) Update**

Staff provided an update of the 501c (3) non-profit status for work2future. There is about \$5,000 to \$10,000 that is needed for attorney fees to provide counsel with tax exemption requirements/papework. Otherwise, the project is moving forward and is within timeline.

8. **WIA Reauthorization**

There is no major update regarding WIA reauthorization. The priority discussion is to consolidate Workforce Investment Boards (WIB) on a regional focus. The conversation is that State Merritt employees will operate all the One Stop Centers.

In addition, the definition for training will change as well. The intent is to clarify skills and ETPL training and amount that would be set aside for training.

9. **Draft Annual Report for FY 2008-2009**

A draft report has been submitted for review, and the report must be finalized by December 4, 2009 in order to have it ready for the December Board meeting.

10. **Announcements.** None.

C. **Next Meeting –Wednesday, March, 10, 2009**, at 3:00 p.m. at the One-Stop San Jose, Greystone Room, 1290 Parkmoor Ave., San Jose, 794-1100.

D. **Adjournment**