

# IV (A) (1)

## Meeting Summary Approval

## BOARD OF DIRECTORS

March 18, 2010

### Meeting Summary

I. **ROLL CALL: Present:** Rose Amador, David Baer, Benny Boveda, Brian Chrisman, Barry Cristina, Janeen Dittrick, Jack Estill, Tom Fink, Richard Friberg, Bill Guthrie, Susan Koepp-Baker, Leslye Krutko, Paul Krutko, Van Le, Glenn Ledet, Rocky Maddex, David Matuszak, Dan Miranda, Pam Moore, Ananth Nagaraj, Mark Novak, Steve Preminger, Katherine Ricossa, Alan Roberts, Rashad Said, Hermelinda Sapien, Dani Sellers, Alex Torres, Lloyd Tran, Henri Villalovoz, Erin Wright, Jorge Zavala. **Absent:** Thaddeus Campbell, Sarah Do, Joseph Flynn, Marcia Lillis, Dan Miranda, Michelle Montoya, Rachel Perez, Luz Maria Rodriguez, John Southwell, Bryan VanHuystee

II. **OPENING REMARKS:** Read by Chair Benny Boveda.  
Executive Director Jeff Ruster announced that Assistant Director Christopher Donnelly was being recognized as the Employee of the Year, and expressed his appreciation for Christopher's able leadership of the work2future organization for the last ten years, and for his comprehensive knowledge and passion for workforce matters.

The Board Chair introduced two new Board members: Erin Wright of Safeway and Glen Ledet of California Waste Solutions.

### III. CONSENT ITEMS

**Action:**

The Board accepted the CQI Dashboard Reports for December 2009, and January and February 2010 by unanimous vote.

Motion: Paul Krutko

2<sup>nd</sup>: Jack Estill

The Board Chair acknowledged the arrival of Pamela Moore and Dani Sellers.

### IV. AGENDA ITEMS

#### A. Old Business

1. **Meeting Summary Approval**

**Action:** The December 10, 2009 work2future Board Meeting Summary was approved by unanimous vote.

Motion: Jack Estill

2<sup>nd</sup>: Hermelinda Sapien

The Executive Director advised Board members who were not members of any work2future committees that an item regarding the Board members' rights to speak at committee meetings would be added to the next Executive Committee meeting agenda.

## B. New Business

### 1. New Grant Awards

**Action:** The Board approved the awards and related spending plan for WIA/ARRA 25-Percent Dislocated Worker, ARRA Disability Program Navigator, New Start, and Workforce Institute's Greater South Bay Green Job Corps Program grants, by unanimous vote.

Motion: Rocky Maddex

2<sup>nd</sup>: Sue Koepp-Baker

The Assistant Director recapped the grant awards and usage as follows:

- \$902,329 EDD grant for Rapid Response and training activities to continue ARRA programs after the stimulus funding is expended, and to pay NUMMI program expenses until the NUMMI grant is received;
- \$99,072 EDD ARRA grant for a Disability Program Navigator (Martha Bell has been hired and is in place) and Assistive Technology equipment;
- \$88,472 EDD grant award for California New Start Program, a re-entry program for state felons coming out of the prison system [however, since the publication of the agenda for this meeting, the state has rescinded \$55,000 of the award, leaving a balance of approximately \$30,000]; and,
- \$40,000 ARRA grant award from Workforce Institute to provide outreach services for its Greater South Bay Green Job Corps program. This award will be used in conjunction with the work2future Green Cadre program.

Board Member Denise Boland asked if work2future will be receiving referrals from correctional institutions, and whether the program would also be available to clients who come into the county for services. The Assistant Director advised that participants will be referred from the correctional institutions as part of their re-entry into society and will be receiving supportive services and training. The New Start program will be an intensive program for only twelve people.

Board member Leslye Krutko added that the New Start program was important because it helped ensure that people coming out of our jails would not end up homeless. She also suggested that the County and City collaborate on applying for and receiving grants, and creating programs with federal government awards relating to ex-offenders and homelessness prevention. The Assistant Director commented further that New Start would be operating in conjunction with Project Hope, and that the Program Manager, Sabby Kaur, had already hired an individual from the correctional system to help administer the program.

Board member Denise Boland asked if there were future opportunities for the City and County to collaborate. Ms. Krutko further advised that communication was necessary to ensure that efforts were complimentary and were not duplicated.

The Executive Director added that Project Hope has been in effect for a year and a half, serving a small number of similar clientele, and that the project has provided

the opportunity to refine our approach to making partnerships that maximize our effectiveness to better serve the community.

Board member Steve Preminger asked about new staff for the program. The Assistant Director responded that the individual who was hired has experience in the correctional system and job placement.

**2. American Recovery and Reinvestment Act (ARRA), Integration and Youth Program Updates**

Monique Melchor, the Integration and Adult/Dislocated Worker Program Manager, presented an update on ARRA and Integration. Richard Martinez, the ARRA Youth Program Manager, provided an update on Workforce Experience Leadership Development (WELD) and Green Cadre.

The Adult/DW/Integration Manager shared the following statistic: 7.7 million people nationally have come into one-stops in the last year. She added that it is because of the ARRA funding that work2future is where it is today. To date 298 (out of a goal of 333) have completed ETPL training; five have received on-the-job training; 311 (out of a goal of 512) have received cohort training; 397 have received online training; and 95 have attended for-credit college courses. Staff expects projected enrollment goals to be met by April 30, 2010.

Lloyd Tran asked about apprenticeship programs. The Assistant Director responded that the kick-off for a pre-apprenticeship program for the construction trades is expected in April 2010. The program will provide 30 trainees with the opportunity to attend classes, apply for apprenticeships, become qualified for a job, and when hired, receive apprentice wages.

The Executive Director mentioned that the pre-apprenticeship training included basic computer skills, reading, writing, math, history of the unions and exposure to a variety of trades in a 40-60 hour workshop. It will also include workplace simulations to acquaint candidate roofers with the experience of being on the roof doing the job. The Roofers union strongly supports this new program, and looks forward to receiving work2future's new pipeline of candidates into their apprenticeship program. Of the 100 candidates who entered the program last year, only 20 are still active.

The ARRA Youth Program Manager spoke about the Work Experience and Leadership Development (WELD) program, which ends March 31, 2010. It started out with 157 participants and will end with approximately 140, for a 90% completion rate. This program is a continuation of the 2009 Summer Jobs for Youth program that provided 170,000 hours of work experience for 908 youth; the WELD program adds approximately 70,000 hours of youth work experience.

The second youth program mentioned in the report was the Green Cadre program that provided 49 youth with work experience through City of San Jose and Santa Clara County programs, in support of the new green economy. The youth will receive certifications from the National Center for Construction Education and Research (NCCER), OSHA, and the Red Cross (for CPR).

Several youth from the program provided a demonstration of the vigorous calisthenics that begin their days at work2future.

Board member Pam Moore commented that she had provided a presentation on disability awareness for the Green Cadre group, and had been very impressed with the caliber of the group. She also shared that she had overheard one youth say that if he could not get into the youth program again in 2010, the streets would find something else for him to do.

### 3. **City of San Jose Acknowledgment of work2future Board**

The City of San Jose's Mayor, Chuck Reed, acknowledged work2future's Board of Directors for their commitment and successes. He especially commended the strategies that directed the American Recovery and Reinvestment Act (ARRA stimulus) funds swiftly into the economy.

He shared that his objective for the next year is to have net positive job growth, primarily in clean technology. A major goal is to capture the Department of Energy's primary loan guarantees. There are 10 companies that are in the application process for these guarantees; some have been granted, and companies are ready to invest in new green sector technologies. The good news for the Valley is that for every technical job that is created, many more jobs are created to support it. Mayor Reed acknowledged that more needs to happen, and that Chief Strategist Kim Walesh was here today to present the economic strategies developed to accomplish these goals.

Board member Richard Friberg asked about the City moving staffing around and whether there might be a way within City HR rules to keep work2future staff in place. Mayor Reed advised that staffing changes will affect every department, and that there are rules in place to safeguard against unqualified personnel being moved to jobs that require particular skills. He referred the question to Paul Krutko, the City's Chief Development Officer, who clarified that a process is in place to assess the essential duties of the positions and assign qualified individuals accordingly.

Chair Benny Boveda asked about the future of BusinessOwnerSpace.com (BOS). Mayor Reed advised that it would continue because the BOS website is a great way to reach a large number of people, response time is faster because folks do not have to come in and wait for services, and it is a great way to leverage resources to maximize the number of people who can receive help. The BOS model is being copied in other locations across the country.

The Executive Director expressed work2future's appreciation for the support received from the Mayor's office.

### 4. **Economic Development Strategy**

Kim Walesh, Chief Strategist, San Jose Office of Economic Development, presented the City's Economic Development Strategy, including a review of the 2010 Strategy, the City's response to the current economic environment, the long term changes impacting San Jose's economy, the economic vision for the next five years, and the strategic goals to regain jobs and revenue, and invest for future success.

Ms. Walesh reviewed the Economic Development Strategy's history, stating that the first formal strategy was developed in 2003. Since then, 14 different focus groups have given input to strategy development, and 12 strategic goals were developed. Progress over the last five years includes a plan for Northern San Jose, airport modernization and expansion, the integration of the Office of Cultural affairs, and sports.

Further studies have defined the different kinds of employment in industry drivers, business support, and service industries. Collected data indicates that approximately 33% of San Jose businesses are in the driving industries; 31% of employment is in small companies; 21% of employment is in firms of 1,000 or more; and 48% of employment occurs in medium-sized firms. There are 21 companies that have 1,000 or more employees in Silicon Valley

In Santa Clara and San Benito Counties, employment is back to the 2003 level. In the City of San Jose, the unemployment rate is 13.4%; in Santa Clara County, it is 12.5%. The Executive Director added that unemployment has never been this high, and that some sectors are more impacted than others. Staff and Executive Committee members will perform research to determine the actual unemployment level in our area, including those with exhausted benefits, those who never received benefits, and the underemployed. Chief Development Officer Paul Krutko added that work2future will provide information to the Board in the hope that Board members will encourage their representatives in Washington to focus their attention on Silicon Valley. The San Jose metropolitan area is a pacesetter for the rest of the nation, and it would be prudent for the government to fund efforts here.

Silicon Valley is the number one leader in the world in technology, and faces a lagging job growth rate due to a slow economic recovery and increasing numbers of baby-boomer retirees. Additionally, manufacturing businesses are experiencing job losses at a faster rate than the rest of the nation. The City is focused on protecting manufacturing jobs while redirecting some of the displaced workers to other industries such as the healthcare, public sector, and business services.

Board member Lloyd Tran asked if there was a specific plan in place to protect and attract manufacturing jobs for the City, and whether there is anything tangible to keep these jobs here. The Chief Development Officer stated that incentives to motivate companies to move into the area are being discussed with the City Council. One idea under consideration is offering manufacturers who are investing in San Jose a percentage (20% or 30%) of the tax revenues received from the company's investment. This strategy has been used successfully in other areas under the Chief Development Officer's direction, and is one that has potential in San Jose's near future.

The Executive Director added that work2future has a pre-approved budget for an RFP to research and assess the small business market: specifically to identify trends, points of success or failure over the last 20-25 years, revenue and tax contributions made from small business, jobs provided, and any impediments that small businesses face, such as licensing and permitting policies.

Board member Richard Friberg asked how the Economic Development Strategy lines up with the strategies of other cities in the area. Ms. Walesh replied that San

Jose is in alignment with the other cities, but has a more comprehensive economic development plan than most of the others, and mentioned that San Jose shares economic and statistical information with other cities in the area.

Mr. Friberg asked another question regarding NUMMI and San Jose City unemployment statistics and how they might be used to help justify further WIA funding. The Chief Development Officer responded that other cities were having massive lay-offs, citing Los Angeles and San Francisco as examples. All are reducing payrolls and therefore reducing spending in local economies. He advised that it would be difficult to use San Jose's economic circumstances to differentiate it from other cities to receive additional funding.

The Board Chair added that, in light of these sobering statistics, work2future's Executive Committee should revisit its strategic objectives and see if they are applicable and have sufficient impact on the current economic situation, possibly at the April Executive Committee meeting or at the Board retreat.

**5. SCC Works Program/Summer Jobs Program**

Denise Boland, Department of Employment and Benefits Services (DEBS) Administrator, Santa Clara County Social Services, presented the SCC Works and work2future/Santa Clara County summer jobs for youth program. She noted that \$5 billion in ARRA funding has been set aside for three categories of emergency uses: basic assistance, emergency assistance, and subsidized unemployment.

SCC Works Tier 1 benefits non-profit organizations by allowing them to receive work for free, while requiring the employer to instruct and supervise the SCC Works employee. Tier 1 participants are CalWORKs families, persons who have never worked before and need education, and families who are 200% below the federal poverty level. Part-time and full-time paid positions are available. Tier 1 pays \$8.00 per hour to CalWORKs families to allow them to continue receiving aid while going to school.

Tier 2 participants are ready for full-time work, either because they have an employment history or because they are educated and ready to enter the work environment, but have not yet found a job. The employers are obligated to pay 20% of the wages for a full-time worker under this plan. Tier 2 participants earn \$10.00 to \$15.00 per hour.

Tier 3 participants are needy families. This group is managed by Manpower, retained through an RFP process. As under Tier 2, employers pay 20% of the wages for a full-time worker. Tier 3 participants are paid prevailing wage.

Through SCC Works, the County is collaborating with work2future to provide a seven-week Summer Jobs for Youth Program, in which participants, ages 15-17, will earn \$10 per hour. In addition to this program for younger youth, work2future will provide an eight-week program for older youth, ages 18-24, in which participants will earn \$11 per hour.

The Assistant Director added that work2future is able to support a 1,000-participant Summer Jobs for Youth Program this year through our partnership with Santa Clara County. work2future ARRA funds would have provided for only 200 summer youth

participants this year, but with County ARRA funds in addition to our own, we will be able to provide a large program again in 2010. Additionally, the Assistant Director mentioned that work2future's indirect costs will be going from 19% to 45% this year. The Executive Director added that some of these costs will be absorbed as cost of goods sold.

A Board member asked whether employers have a choice of which youth will work at their organizations; the response was yes, the employer would have the opportunity to interview and choose.

#### **6. Five-Year Plan Modifications**

**Action:** The Board approved the 2009-2010 modifications to work2future's Five-Year Plan, including the ARRA Local Plan, by unanimous vote.

Motion: Steve Preminger

2<sup>nd</sup>: Hermalinda Sapien

The Five-Year Plan focuses on eight main areas: vision and goals, labor market analysis, leadership, board, one stop delivery system, youth, administration, and assurances. Notice of the posting of the Five-Year Plan was published in the Mercury News. The document was posted at [sjeconomy.com](http://sjeconomy.com) and [work2future.biz](http://work2future.biz). No comments were received on the 75-page document during the 30-day public comment period.

#### **7. NUMMI Rapid Response Update**

Christopher Donnelly, Assistant Director, and Karen LeDoux, Analyst, presented an update regarding NUMMI Rapid Response efforts. The Assistant Director recapped some major points: 4,700 employees will be laid off between March 19-31; 818 employees are from Santa Clara County; 655 are from work2future's service area; 592 are from San Jose; 450 individuals from suppliers may be affected; and the largest number of affected employees in work2future's service area are from San Jose. Additionally, NUMMI has been certified for Trade Adjustment Assistance (TAA), allowing employees to access up to \$12,000 in training and other benefits.

work2future is providing assistance with Rapid Response activities at the NUMMI plant (e.g., workshops, coordination of Job/Career Fairs) and is submitting a National Emergency Grant (NEG) application requesting \$7.2 million in assistance. This money will provide intensive case management, training, and other supportive services to NUMMI employees.

At this point, \$7.2 million has been allocated to work2future, most of which will be used for training; other expenditures will be related to relocation, 13 staff to serve NUMMI clients, and rent and supplies for a dedicated one-stop. EDD and the Alameda WIB are currently determining which agency will be the lead.

The NUMMI closure will impact 200 suppliers in Alameda County, Stanislaus County, and San Joaquin County, but only a few suppliers from Santa Clara County. As employees of affected suppliers, 15,000-25,000 individuals will be impacted by the plant closure.

Karen LeDoux reported on the Rapid Response efforts. Career Transition workshops began in Alameda County in late November. Since January 2010, 1,076

workshops have been held, including Career Transition, Assessment Testing, Resume Basics, Resume Fine-Tuning, Job Hunting, Financial Wellness, Unemployment Insurance, Internet Job Search, Health Coverage Tax Credit (HCTC), TAA Benefits, Interview Skills, Interview Skills Part 2, Stress from Job Loss, Entrepreneurship, and Job Clubs. Thus far, 3,676 team members have attended workshops, and 1,544 attended the 55-employer job fair at Ohlone College.

Community facilitators have come together to support NUMMI staff. Workforce Institute has been integral in providing workshops, Ohlone College has taken over the assessment center, and Hayward Adult School's Human Resources staff has provided some workshops. Ms. LeDoux was the backup workshop facilitator for all of the NUMMI workshops and has conducted many of them herself.

**C. Set Items for Next Agenda**

- ARRA updates
- Budget finalization
- WIA formula allocations
- RFPs for various studies: Small Business, Clean and Green, Rapid Response
- Earmark from Small Business Association (SBA) to enhance business website
- Working Partnerships to present healthy workers – affordable health care at VMC
- Pathways out of Poverty presentation

**D. Announcements**

Mark DeCastro announced that it is necessary for the Board to comply with CSJ code of ethics. Elizabeth Kaylor will e-mail a form to the members that requires board members' signature.

Center for Training and Careers (CTC) is the recipient of Pathways out of Poverty grant.

Building Peaceful Families is having a banquet to honor grandmothers who are raising their grandchildren on May 7, the Friday prior to Mothers' Day. -Nominations are requested.

Pam Moore announced that Extreme Makeover is looking for needy families, specifically those families who have been giving back to the community. Nominations are needed by May 1, 2010.

work2future has received the Regional Cluster of Opportunity Grant with NOVA.

**E. Next Meeting**

The next Board Meeting is currently scheduled to take place on **Thursday, June 17, 2010** at 11:30 a.m. at the Parkmoor San Jose One-Stop, 1290 Parkmoor Ave., San Jose, 794.1100.

**V. PUBLIC COMMENT:** There were no public comments.

**VI. ADJOURNMENT:** The meeting was adjourned by unanimous vote.

Motion: Steve Preminger

2<sup>nd</sup>: Jack Estill