



Memorandum

TO: Community & Economic
Development Committee

FROM: Jeff Ruster
Deputy Director, OED

SUBJECT: Update on work2future Program for
FY 2009-10

DATE: November 6, 2009

Approved

Date

11/10/09

RECOMMENDATION

Accept staff's annual report of work2future activities to support job seekers and businesses.

BACKGROUND

The Workforce Investment Act (WIA) is administered by the City of San Jose through the Office of Economic Development. In July 2000, the City of San Jose in partnership with seven surrounding cities (Campbell, Gilroy, Morgan Hill, Los Gatos, Los Altos Hills, Saratoga, and Monte Sereno) within Santa Clara County signed memoranda of understanding creating a Workforce Investment Board (WIB), currently under the name of work2future.

As prescribed by an agreement with the State of California, the Mayor of the City of San Jose acts as the Chief Local Elected Official (CLEO) for the workforce system. The CLEO appoints members to the Board and these appointments are ratified by the San Jose City Council. Consistent with the federal legislation, the Workforce Board is composed of 43 members from private industry, the public sector, and community-based organizations, including 19 mandated partners required under the WIA legislation. The Workforce Board and its subcommittees provide staff oversight in the area of policy, to ensure that State and Federal regulations are being adhered to, in addition to ensuring that annual budgets are adopted and expenses are on target.

work2future FUNDING SOURCES

Between July 2008 and September 2009, the unemployment rate in the City of San Jose moved from 6.7% to 13.1%, while the unemployment rate in work2future's Local Workforce Investment Area (LWIA) moved from 6.8% to 12.8%. During this same period, the number of

unemployed individuals in San Jose rose from 30,800 to 61,000, while the number of unemployed in work2future's LWIA increased from 41,500 to 72,600. It should be noted that all jobs created following the dot com bust have been lost as a result of the economic downturn.

On May 12, 2009 the State of California's Employment Development Department (EDD) released the Workforce Investment Act formula funds to each Local Workforce Investment Area (LWIA) for the Adult, Dislocated Worker and Youth funding streams for Program Year (PY) 2009-10. Additionally, on August 5, 2009 the EDD released the formula-based Rapid Response (RR) funding to each LWIA.

In addition, the U.S. House of Representatives and Senate approved the American Recovery and Reinvestment Act of 2009 (ARRA), which was signed into law by President Obama on February 17, 2009. LWIAs are expected to move quickly to use ARRA funding in the first year in conjunction with other available funds. ARRA funding must be spent by June 30, 2011.

The table below shows the formula funding and ARRA allocations awarded to work2future for PY 2009-10. Compared to PY 2008-09, work2future received \$13,341,087 more in WIA funding this year, equivalent to an increase of 120.6%.

Formula Funding	2008-09 Allocation	2009-10 Allocation	ARRA Allocation	Total Allocation	Increase (Decrease)	% Change
Adult	\$ 3,567,075	\$3,671,512	\$2,026,103	\$5,697,615	\$2,130,540	59.7%
Dislocated Worker	\$ 3,426,132	\$4,255,510	\$4,448,400	\$8,703,910	\$5,277,778	154.0%
Youth	\$ 3,713,904	\$3,851,009	\$4,744,413	\$8,595,422	\$4,881,518	131.4%
Rapid Response	\$ 358,860	\$ 771,721	\$638,390	\$1,410,111	\$1,051,251	292.9%
Total	\$11,065,971	\$12,549,752	\$11,857,306	\$24,407,058	\$13,341,087	120.6%

With the infusion of ARRA funding, work2future will be able to serve an additional 1,500 to 2,000 Adults and Dislocated Workers through increased services at the One-Stop Centers, including extended hours, additional workshops, and expanded training opportunities.

Using ARRA Youth funding, work2future was able to provide a subsidized Summer Jobs for Youth Work Experience (SJYWE) program for over 900 low income, at-risk youth in San Jose and southern Santa Clara County from late June through September 2009.

work2future will also use ARRA youth funding to provide a Work Experience and Leadership (WELD) Program, an extension of the SJYWE program which will serve up to 160 currently enrolled youth, ages 19-24, and a Green Corps program for 50 youth ages 18-24. The Green

Corps program will provide selected youth participants the opportunity to work with community partners to develop broader knowledge of the new clean and green economy and labor force.

Furthermore, work2future's special programs have discretionary funding, both new and carried over from the previous year, as follows:

Special Programs Funding	2009-10
Small Business Administration	\$ 245,643
Housing Trust Fund: Project Hope	\$ 710,277
HHS: New Americans	\$ 99,170
Other Funding	\$ 35,000
Total	\$ 1,090,090

- Small Business Administration Congressional Earmark – provides key funding to enhance existing BusinessOwnerSpace.com (BOS) website with additional tools to improve awareness, expand services, and optimize service reporting.
- Housing Trust Fund: Project Hope (carry-over) – provides non-violent ex-offenders, domestic violence survivors, foster youth, and homeless individuals with needs and skills assessments, job training and placement assistance, housing assistance, and supportive services. Seventy individuals will receive job training and employment assistance.
- Health and Human Services (HHS): New Americans (carry-over) – provides assistance to San Jose residents to obtain marketable skills and housing. Fifty new Americans will receive workforce services such as labor market information, vocational skills assessment, job search techniques training, vocational skills training, and job placement.
- Other Funding (carry-over) – grants were received from Wells Fargo (\$10,000 for BusinessOwnerSpace.com) and Washington Mutual (\$25,000 for BOS enhancements).

work2future SERVICES AND CLIENT OVERVIEW

work2future directly oversees the operations of the full-service One-Stop Career Centers in San Jose and Gilroy, as well as the integrated services provided at the State Employment Development Department (EDD) office in Campbell, and services provided through work2future's Partner Affiliate, Center for Training Careers (CTC) at its new facility on Story Road in San Jose.

The One-Stop system is a cooperative effort between state and local agencies, business, and community-based organizations. work2future's One-Stops offer comprehensive employment resources and services customized to job seekers and employers alike. Services include job search and placement assistance, career counseling, resume, interviewing and career exploration workshops, Occupational Skills Training, English as a Second Language Classes, soft skills (communication, teamwork, customer service), computer workshops, Internet access, on-line job

postings, use of fax and copy machines, and specialized programs for seniors, ex-offenders, youth, new citizens, and disabled individuals.

The One-Stop Centers serve the business community by providing specialized recruiting events to connect qualified employees to employers through job fairs and employer presentations.

STATEWIDE INTEGRATION OF ADULT/DISLOCATED WORKER PROGRAM

The federal WIA legislation requires that funds be expended to assist “Adult” and “Dislocated Worker” customers. Services targeted to unemployed or underemployed Adults (individuals at least 18 years old) and Dislocated Workers (individuals who have recently lost their employment due to economic downturns) provide assistance to increase occupational skills leading to employment, job retention, and increased earnings. work2future has contracted with the San Jose/Evergreen Community College District’s Workforce Institute to provide one-on-one career counseling and skills upgrade training to work2future’s enrolled Adults and Dislocated Workers.

On July 1, 2008, work2future became a “Learning Lab” as part of a California pilot effort to align WIA Adult and Dislocated Worker programs with the EDD’s Job Services program. Services integration impacts everything from program focus, priorities, performance, staff development and training to One-Stop design and facilities management. WIA and EDD staff serve a common pool of customers, with common services and customer flow.

The new integration model moves each One-Stop client through a set of value-added services designed to increase their employability and their chances of retaining jobs and advancing in them. Less emphasis is placed on self-help, and more on assessment, career coaching and skill development.

Under statewide services integration, all job seeking clients entering the One-Stop system through work2future facilities are now eligible for enrollment into the WIA program and access to work2future’s services. The immediate impact of this change was an increase in the enrolled client base from approximately 500 participants to over 9,790 enrollees. Customer satisfaction levels have risen steadily, but as other states that have implemented integration have noted, the effect of increased enrollments has caused a small reduction in the number of customers entering employment.

YOUTH PROGRAM

work2future’s Youth Program seeks to serve youth with multiple barriers to employment by connecting them with academic and occupational training, internships, and other learning opportunities. Services include tutoring, study skills training, alternative secondary school offerings, paid and unpaid work experience, occupational training, leadership development, supportive services, adult mentoring, follow-up services, and comprehensive counseling. A

modification to the program, driven by changes to the WIA performance indicators, has led to provision of year-round services focusing on youth 17-21 years of age.

For the current year, contractors Center for Training and Careers, San Jose Conservation Corps and Workforce Institute will serve 223 youth clients.

work2future's ARRA-funded Summer Jobs for Youth Program served over 900 participants by providing them with 8 weeks of work experience linked to work readiness preparation. These youth participants worked at nonprofits, colleges, schools, and in municipal departments throughout the work2future service area, providing over 171,000 hours of work experience. Over 150 ARRA Summer Jobs for Youth participants selected for additional work experience have been extended through March 2010 as part of the Work Experience and Leadership Development (WELD) program.

In work2future's new Green Corps program, youth will participate in various clean and green service projects, such as planting and maintaining trees with Our City Forest, building energy-efficient housing with Habitat for Humanity, and recycling with Goodwill. In addition to service learning, youth will complete internships with clean and green companies and non-profit organizations. Through this program, youth will learn to serve as green advocates for their own communities, teaching others how to weatherize their homes, reduce greenhouse gases, and grow food sustainably.

BUSINESSOWNERSPACE.COM

According to research conducted by work2future, the San Jose Metro Area is home to over 130,000 small businesses. Though services offered by various City departments and external service providers are broad, there exist many barriers to connecting small business to available resources. In light of the diverse needs of the small business community, work2future launched BusinessOwnerSpace.com (BOS) in October 2007.

work2future formed a small business coalition of 39 partners, including seven City departments, to create BOS, a service network of City and external service providers. Through this extensive partnership of diverse organizations, a broad menu of services is now available to small businesses, including business plan and marketing support, human resources training and technical assistance, permit facilitation and access to capital. All partners have agreed to operate under the brand name "BusinessOwnerSpace.com" and to adhere to a set of continuous quality improvement criteria.

Since its launch in October 2007, approximately 119,715 businesses have accessed services through the BOS network. Marking its third year on October 29, 2009, BOS increased awareness in Vietnamese and Spanish communities by translating the website into these two languages. BOS foresees expanding the website to include a "How Green is My Business" assessment tool, as well providing informative links to assist small businesses to learn more about procurement opportunities.

LOOKING AHEAD

- **WIA Reauthorization**

The Workforce Investment Act (WIA) has been extended each year since 2004. With the Obama administration's increased focus on workforce education, reauthorization of the Act is anticipated to come to the forefront within the next 12 months. Many varying proposals have been discussed, including the creation of regional "super board" WIBs, State workers assuming responsibility for the operation of one-stops, and mandated minimum investments in training. work2future will actively track the progress of reauthorization, keep City Council informed, and work with lobbyists as required to ensure that policymakers understand work2future's priorities.

- **Performance Outcomes**

The US Department of Labor (DOL) requires all local workforce boards to meet a total of nine common performance measurements for all three of its funding streams: Adult, Dislocated Worker, and Youth. Employment rates, retention rates and average income earnings are measured for both Adult and Dislocated Workers Programs. For Youth Programs, placement in employment or education, attainment of a degree or certificate, and literacy and numeracy gains are measured.

For the last four years, work2future has met and exceeded all performance measures. It is notable that, notwithstanding the doubling of unemployment and significant numbers of local jobs lost, work2future will meet eight of the nine measures.

Looking to next year, work2future still anticipates meeting most performance outcomes. As we moved from serving 500 clients to nearly 10,000 clients, we had anticipated a similar performance decline as that experienced by other states implementing integration; however, the recent downturn in the economy has further impacted work2future's performance outcomes in terms of entered employment for Adult and Dislocated Worker customers.

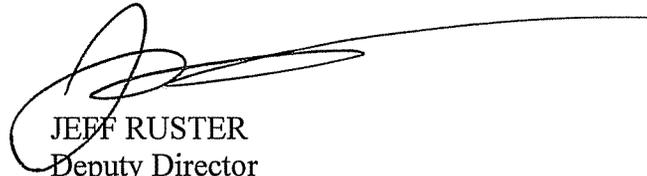
- **Resource Diversification**

Resource diversification efforts focus on bringing additional funding and other resources to work2future through various federal, state, and foundation sources. In a recent example of these efforts, work2future, in partnership with organized labor and local community-based organizations, has submitted an application to secure a "Pathways out of Poverty" grant from the U.S. Department of Labor to train low-income workers in the skills required in emerging energy efficiency and renewable energy sectors.

In light of stimulus funding, work2future is aggressively pursuing additional discretionary funding in partnership with business, labor, community colleges, and other key stakeholders. Additionally, work2future will be rolling out its Geomapper, an interactive Geographic Information System (GIS) interface developed as a powerful, robust tool for workforce and economic development applications, as another potential source of funding for work2future

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programs. The Geomapper's capabilities are actively marketed to local Workforce Investment Boards and other interested entities as part of work2future's resource diversification program.

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a long, sweeping horizontal line that extends to the right.

JEFF RUSTER
Deputy Director
Office of Economic Development