

BOARD OF DIRECTORS MEETING
THURSDAY, June 15, 2017
ACTION MINUTES
CTO: 11:42 am

Prepared by: Nguyen Pham and Kathryn Azevedo; approved by Monique Melchor.

ORDER OF BUSINESS

I. QUORUM VERIFICATION

Present: Rose Amador, Louise Auerhahn, Denise Boland, Richard Friberg, Leslie Gilroy, Bob Harper, Susan Koepp-Baker, Van Le, Maria Lucero, Pam Moore, Steve Preminger, Rashad Said, Mitch Schoch, Henry Villalovoz, David Wahl. Joe Flynn arrived at 12:20pm.

Absent: Jeff Burrill, George Chao, Carl Cimino, Jack Estill, Blanca Gomez, Jeff Pallin, Brynt Parmeter, Derrick Seaver.

II. OPENING REMARKS: It was agreed by consensus that Finance Committee Chair Koepp-Baker should chair the meeting in lieu of Mr. Flynn. Ms. Koepp-Baker read the opening remarks and re-introduced Monique Melchor as the work2future Director.

III. CONSENT ITEMS

ACTION: It was moved by Mr. Preminger, seconded by Mr. Said and approved unanimously to accept the following:

- (a) HIRE Report of April 10, 2017
- (b) Customer Service Report for Quarter Ended March 31, 2017
- (c) Program Services Report as of April 30, 2017
- (d) Budget Variance Report for Quarter Ended March 31, 2017

IV. AGENDA ITEMS

A. Old Business

1. Minutes Approval

ACTION: Upon a motion by Ms. Gilroy, seconded by Mr. Villalovoz, the minutes of the March 16, 2017 Board meeting were approved unanimously.

B. New Business

1. Director's Report

Director Monique Melchor reported that the EDD has sent notification that the Youth Program allocation for FY 2017-2018 will be \$2.2 million, about 11% lower than for FY 2016-2017. No word had yet been received on the allocations for the Adult and Dislocated Workers programs. She reported that work2future will be moving the Adult and Dislocated Worker programs to a new case management

model in the new program year that will emphasize quality over quantity of services, and that the shift would not cause a delay in services.

2. Performance Update

Director Melchor provided an update on performance measures and the transition from WIA to WIOA. Staff are entering participant and activity information into CalJOBS, but the state and federal systems are still in transition and not yet able to compute and generate WIOA performance indicators. Local boards will not be held to the WIOA performance measures while the transition continues. In response to a question from Mr. Steve Preminger, Director Melchor stated that DOL estimates that the WIOA performance information may not be accessible until 2020. Ms. Melchor mentioned that the Governor has mandated that public agencies cannot request right-to-work documentation from clients. Finally, she reported that work2future came through its audit “with flying colors” and congratulated Finance Manager Joy Salandanan and the fiscal team.

3. EDD Grants: Storm Assistance, Regional Plan and CalJOBS

ACTION: Following a presentation by Director Melchor and brief discussion, Ms. Gilroy moved, Ms. Le seconded and the Board voted unanimous approval to accept three grants from the Employment Development Department as follows: (i) up to \$1,000,000 in National Dislocated Worker Grant funds for 2017 storm assistance, (ii) \$200,000 to support Bay-Peninsula regional plan activities, and (iii) \$7,000 to support the implementation of a new CalJOBS function.

4. FY 2017–2018 Proposed Budget

Finance Manager Salandanan presented the proposed operating budget for FY 2017-2018, including (i) allocations to work2future Foundation not to exceed \$2,158,935 for the provision of WIOA services to adult clients and to youth clients, respectively, and to Eckerd Workforce Development not to exceed \$262,783 for the provision of WIOA services to adult clients, and (ii) acceptance of a third grant of Proposition 39 funds in the amount of \$468,750 for the period April 1, 2017 through December 31, 2018 for a total of \$1,368,750 since January 1, 2015.

Ms. Salandanan noted that work2future can maintain current service levels even with a possible budget cut up to 25% thanks to cumulative effect of the Board’s reserves policies and staff savings of \$1 million from unfilled positions and from a revised calculation of the cost of TU employee benefits.

ACTION: Upon a motion by Mr. Preminger, seconded by Ms. Amador, the Board approved unanimously the three budget scenarios and inclusions proposed for FY 2017-2018.

5. San Jose Works

Finance Manager Salandanan presented an update on San Jose Works 2.0 and requested approval to accept funding in the amount of \$1,500,000 for SJ Works 3.0 to fund work2future’s portion of the 2017 SJ Works program and to distribute funds in the amount of \$1,281,600 to work2future Foundation to provide services for the 2017 SJ Works program. Ms. Salandanan also expressed appreciation to Derrick

Seaver, The Silicon Valley Organization, and David Mirrione, work2future Foundation, for their contributions to the SJ Works program. Mr. Schoch remarked that he is so impressed by a number of the part-time SJ Works interns that his firm, Bentek, has taken that it would be willing to pay the cost of making their internships 40 hours a week, instead of just 20.

ACTION: Upon a motion by Mr. Harper, seconded by Ms. Boland, the Board voted unanimously to accept the \$1,500,000 funding for SJ Works 3.0 and authorize the distribution of funds as proposed to work2future Foundation.

6. Local and Regional Plans Update

Special Projects Supervisor Lawrence Thoo reported that the California Workforce Development Board has approved the draft Local Plan submitted on March 15, 2017. Mr. Thoo also reported that nine of 13 partner organizations have signed the Phase II Memoranda of Understanding. Two organizations are in discussions, and two others have chosen not to move ahead because they are at the end of their grants.

7. Morgan Hill Satellite Job Center

ACTION: Following a presentation by Economic Development Officer Dhez Woodworth, Ms. Koepp-Baker moved, Ms. Lucero seconded and the Board voted unanimously to approve termination of the lease for, and closure of, the Morgan Hill Satellite Job Center and authorization for the development of an alternative service plan for the South County.

In his presentation, Mr. Woodworth clarified that the EDD has reduced its Morgan Hill hours but continues to offer services there pending its requested move to the Gilroy Job Center.

8. One-Stop Operator Approval

ACTION: Following a presentation by Contracts Manager Colleen Brennan on the One-Stop Operator RFP process, Mr. Preminger moved, Ms. Amador seconded and the Board voted unanimously to approve the selection of and authorization to enter into an agreement with Phoenix Consulting Group, Inc., with an amount not to exceed \$25,000, to serve as One-Stop Operator for the period July 1, 2017 through June 30, 2018 with an option for up to three one-year extensions.

9. Labor Market Information Update

LMI Senior Project Manager Bige Yilmaz presented an update on April 2017 Market data for the San Jose-Santa Clara-Sunnyvale MSA in the context of The Silicon Valley Dichotomy, a report on economic distress in Santa Clara County completed recently by BW Research Partnership for work2future. Ms. Yilmaz pointed out that the low unemployment rate “masks” the 4 in 10 households that are in economic distress

10. Sector Strategies-Career Pathways Initiative

Special Projects Supervisor Lawrence Thoo presented information on the new initiative to advance sector strategies and career pathways, which are integral elements of work2future’s Local Plan. He informed the Board that the project will focus first on Advanced Manufacturing from among work2future’s priority sectors.

V. **ITEMS FOR NEXT AGENDA:** Report on the NDWG grant for storm assistance.

VI. ANNOUNCEMENTS

Mr. Harper announced his retirement from the Campbell Union High School District and said he is suggesting the adult education director from the East Side Union High School District to replace him on the Board. Mr. Preminger announced that he has 10,000 blankets in storage that are available to anyone willing to pick up blankets. Ms Boland informed the Board that Santa Clara County has released an RFA for a CalFresh employment and training program.

VII. NEXT MEETING

The next regular meeting of the Board of Directors is scheduled for 11:30 am–1:30 pm, September 21, 2017, at the work2future Business and Administrative Services Center, 5730 Chambertin Dr., San Jose.

VIII. THE PUBLIC RECORD

It was moved by Mr. Preminger, seconded by Mr. Villalovoz and approved unanimously by the Board to note and file the item in the Public Record.

IX. PUBLIC COMMENT: None

X. ADJOURNMENT: 1:28 pm