

Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

**FROM: Kim Welsh
Jennifer A. Maguire**

SUBJECT: SEE BELOW

DATE: March 23, 2015

Approved

Date

4/1/15

**SUBJECT: ADOPTION OF 2014-2015 APPROPRIATION ORDINANCE AND
FUNDING SOURCES RESOLUTION AMENDMENTS TO THE
WORKFORCE INVESTMENT ACT FUND TO SUPPORT THE YOUTH
SUMMER EMPLOYMENT PROGRAM**

RECOMMENDATION

- (a) Adopt the following 2014-2015 Appropriation Ordinance and Funding Sources Resolution amendments to the Workforce Investment Act (WIA) Fund:
- (1) Increase the estimate for Earned Revenue by \$312,000; and
 - (2) Establish an appropriation to the Office of Economic Development for the Youth Summer Employment Program in the amount of \$312,000.

OUTCOME

These recommended appropriation actions will recognize and make available a grant award from the County of Santa Clara to operate a Youth Summer Employment Program (SEP) to serve 500 CalWorks, CalFresh, and foster youth ages 16 to 21 years old. The Youth SEP will support job readiness training, supportive services and placement of 200 youth in subsidized employment with participant wages paid by the work2future Foundation ("Foundation") and the County of Santa Clara. The Youth SEP will also support placement of 300 youth in unsubsidized employment opportunities with participant wages paid by the employer. The term of the Youth SEP grant agreement between the City of San José and the County of Santa Clara shall be from April 1, 2015 through February 28, 2016.

BACKGROUND

Serving over 4,000 adult and at risk youth annually, work2future was recently designated as a high performing Workforce Investment Board (WIB) by the State of California. Despite significant federal budget reductions over the last 5 years, work2future has continued to meet all of its federal mandated performance goals for its adult and youth programs.

In 2009, utilizing the federal American Recovery and Reinvestment Act (ARRA) funding, work2future developed and operated a large scale summer youth employment program, whereby approximately 900 youth completed work readiness training, and approximately 850 youth successfully completed the required 8 to 10 weeks on-site work experience program, working 20 to 30 hours per week depending on their age.

Capitalizing on the success of the 2009 ARRA Summer Youth Employment Program, work2future in 2010 contracted with the County of Santa Clara to deliver a subsidized summer employment program for 769 CalWorks, CalFresh, and foster youth ages 15 to 17 years old. The program was funded by the California Temporary Assistance to Needy Families (TANF) Emergency Contingency Fund (ECF) with a 20% in-kind contribution by the City of San José. Youth were assigned counselors and received training in work readiness intended to shape positive work habits. Over 85% of the youth completed the training and over 80% of the youth earned work experience.

ANALYSIS

In 2014, the County of Santa Clara undertook an evaluation of existing youth programs to identify potential gaps in services for summer employment programs. The outcome of this analysis led the County to allocate funding for a youth summer employment program that will encompass job readiness training, counseling, and supportive services.

In addition to focusing on foster and CalWorks youth, the County has also indicated a strong interest in promoting private sector participation either having local companies hire the youth directly and/or providing funding to further expand the scope and impact of the program. To date, Microsoft and Bank of America have provided funding towards this effort. Target, Lowes, Home Depot and Bank of America have committed to hire up to 180 youth on an unsubsidized basis.

Facing significant time constraints to structure and implement the program, the County Administration recommended the City of San José's work2future program as an allowable single-source contractor based on the success of the 2009 and 2010 summer employment programs. In addition, work2future was recommended based on having identified approximately 200 service sites located throughout the County and a well-designed program infrastructure to enable work2future to quickly ramp up and launch an effective summer youth employment program.

On February 10, 2015, the County Board of Supervisors awarded the City of San José’s work2future program funding of \$1,020,226 which will provide contractual services through the Foundation while the City of San José’s work2future will be responsible for administrative and program oversight. It is estimated that these funds will be expended from April 1, 2015 to February 28, 2016, with \$312,000 is anticipated to be spent in 2014-2015 and the remaining balance of \$708,226 in 2015-2016. The contract to make these funds available and provide authority for program operations was fully executed by the City Manager on March 27, 2015. It should be noted that on June 10, 2014, City Council adopted Resolution No. 77026 authorized the City Manager or designee to negotiate and execute all grants agreements, subgrant agreements, and any documents necessary to accept grants for discretionary funding applied for and approved by the work2future Board, for the period from July 1, 2014 to June 30, 2015.

Purpose	2014-2015	2015-2016	Total
Contract	\$300,000	\$695,226	\$995,226
Administrative and Program Oversight	12,000	13,000	25,000
Total Grant Amount	\$312,000	\$708,226	\$1,020,226

The proposed Youth SEP will serve approximately 500 youth ages 16 to 21 years old whose families reside in Santa Clara County and are receiving benefits through CalWorks and/or CalFresh, or foster care program. Services provided will include workshops designed to enhance participants’ job readiness, development of worksites, placement of participants, and support to ensure the successful performance of participants. The 200 youth in subsidized employment will be employees of the Foundation and will be placed at job sites with nonprofits, government agencies, and the public sector. The 300 unsubsidized youth will be hired directly by the employers. The WIB will provide oversight for the Youth SEP to ensure that the program achieves its goals.

The City’s work2future is in the process of amending its existing contract with the Foundation to provide contractual services funding in the amount of \$995,226. As discussed above, the contract amendment with the Foundation will be considered through Resolution No. 77026 authorizing the City Manager or designee to negotiate and execute all contracts, amendments, agreements, leases, subleases, and memorandum of understanding with contractors and vendors providing services to the Workforce Investment Act Program for the period of July 1, 2014 to June 30, 2015. With these funds, the Foundation will provide Youth SEP services for participants as well as two hiring options for interested employers. The first option allows direct hiring of youth by participating employers. The second option allows using tax-deductible donations from corporations or employers that are considered to be sponsorships for youth jobs, thus allowing employers unable to hire youth themselves to support youth employment opportunities at other employers’ sites.

In addition, under the City’s contract with the County, the City’s work2future and the Foundation have agreed to the fundraising goal in the amount of \$145,496 to support an additional 100 youth in subsidized employment opportunities. To achieve this goal, the Foundation has secured \$75,000 in private funding from Microsoft and Bank of America and anticipates securing additional funding from other sources.

Services will be provided throughout the County, including the Social Services Agency's Employment Service site in North County, work2future's Youth Training Center in San José, work2future's Job Center service sites in Morgan Hill and Gilroy, and potentially in other locations.

EVALUATION AND FOLLOW-UP

The Youth SEP grant through the County of Santa Clara in the amount of \$1,020,226 has been evaluated and was approved for funding by the Santa Clara County Board of Supervisors on February 10, 2015. Actions in this memorandum will allocate the funding that will be used in 2014-2015. Budget actions will be brought forward as part of the 2015-2016 budget process to allocate the remaining grant funds.

Ongoing progress reports will be submitted to the County of Santa Clara and work2future Board. Information on the final outcome of the program will be included in the annual report by the Office of Economic Development's work2future staff to the City of San José's Community and Economic Development Committee.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda Website for the April 14, 2015, City Council Meeting.

COORDINATION

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

FISCAL POLICY ALIGNMENT

This action 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 total grant award of \$1,020,226 from the County of Santa Clara to the City of San José will implement the Youth SEP to serve and place approximately 500 Foster Care/CalWorks/CalFresh youth in subsidized employment (approximately 200 participants) and unsubsidized employment (approximately 300 participants) during the Summer 2015 and will also provide administrative and program oversight.

The recommended budget actions in this memorandum will increase the estimate for Earned Revenue and appropriate \$312,000 for the Youth Summer Employment Program to cover anticipated program development costs in 2014-2015. The remaining funding of \$708,226 will be brought forward as part of the development of the 2015-2016 budget.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the project recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Rec'd. Changes	2014-2015 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
290	NEW	Youth Summer Employment Program	N/A	\$312,000	N/A	N/A
Total			N/A	\$312,000		

CEQA

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

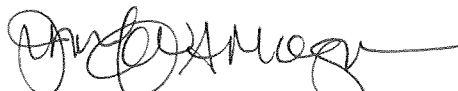
/s/

KIM WALESCH
 Deputy City Manager
 Director Economic Development



JENNIFER A MAGUIRE
 Interim Senior Deputy City Manager/
 Budget Director

I hereby certify that there will be available for appropriation in the Workforce Investment Act Fund in the Fiscal Year 2014-2015 moneys in excess of those heretofore appropriated therefrom at least for \$312,000.



JENNIFER A. MAGUIRE
 Interim Senior Deputy City Manager/
 Budget Director

For questions, please contact Jeff Ruster, Director of Strategic Partnerships, at 408-535-8183.