

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Paul Krutko  
Jennifer A. Maguire

**SUBJECT:** SEE BELOW

**DATE:** June 1, 2010

Approved

Date

6/7/10

**COUNCIL DISTRICT:** City-wide  
**SNI AREA:** N/A

**SUBJECT: ADOPTION OF 2009-2010 AND 2010-2011 APPROPRIATION  
ORDINANCE AND FUNDING SOURCES RESOLUTION  
AMENDMENTS FOR THE FEDERAL AND STATE WORKFORCE  
INVESTMENT ACT (WIA) FUND**

## RECOMMENDATION

- 1) Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act Fund (290) for 2009-2010:
  - a) Increase the estimate for Recovery Act – Federal Revenue in the amount of \$473,636;
  - b) Establish an appropriation to the Office of Economic Development for the Recovery Act – Temporary Assistance to Needy Families (TANF) Emergency Contingency Fund (ECF) in the amount of \$423,636; and
  - c) Establish an appropriation to the Office of Economic Development for the Recovery Act – Wagner-Peyser Disability Program Navigator (DPN) in the amount of \$50,000;
  
- 2) Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Workforce Investment Act Fund (290) for 2010-2011:
  - a) Increase the estimate for Recovery Act – Federal Revenue in the amount of \$2,083,661;
  - b) Establish an appropriation to the Office of Economic Development for the Recovery Act – Temporary Assistance to Needy Families (TANF) Emergency Contingency Fund (ECF) in the amount of \$2,034,589; and
  - c) Establish an appropriation to the Office of Economic Development for the Recovery Act – Wagner-Peyser Disability Program Navigator (DPN) in the amount of \$49,072.

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## OUTCOME

The recommended appropriation actions will recognize and make available funding received through the Recovery Act – TANF-ECF to provide work experience to approximately 840 youth participants, ages 15-17 years old, through a subsidized 2010 summer youth employment program. Similar to the Summer Work Experience program in 2009, work2future will administer and operate this program directly.

In addition, the new DPN grant will allow work2future to create a dedicated Disability Navigator position to provide training for all One-Stop Center staff to assure that they meet all required legislative and regulatory mandates for services to individuals with disabilities and purchase assistive technology equipment that will enhance services at the work2future One-Stop Centers.

## BACKGROUND

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) into law to stimulate the faltering economy. The ARRA grant allocates funding to several priority areas, including job training services.

Implementation of ARRA grant funds in this memorandum are governed under the existing Workforce Investment Act (WIA) Act of 1998, the current Training and Employment Guidance Letter (TEGL) No. 14-08, OMB circulars, and relevant State Directives. In section 5 of TEGL 14-08, the General Policy guidelines state four guiding principles for the utilization of these ARRA funds: (a) transparency and accountability in the use of the Recovery Act funding; (b) timely spending of the funds and implementation of activities; (c) increasing workforce system capacity and service levels; and (d) using data and workforce information to guide strategic planning and service delivery.

In April 2009, the State awarded work2future a total of \$4,744,413 in ARRA Youth program funding. work2future implemented a number of programs with this allocation including a Summer Youth Program, the Work Experience and Leadership Development (WELD) program, a College internship program, and the Green Cadre program together, these programs provided roughly 1,000 youth with various work experience.

- The Summer Youth Employment program ran between June 2009 and September 2009 providing work readiness workshops and work experience employment for 908 at-risk, WIA-eligible youth, ages 15-24, for 8-10 weeks.
- The Work Experience and Leadership Development (WELD) program held in November 2009, allowed selected summer youth participants to continue their work experience activities beyond September 30, 2009 under a waiver granted to the State by the U.S. Department of Labor. Overall, 142 youth completed a total of 51,000 work experience hours through March 2010, with several youth receiving job offers.

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- The College Internship program began in February 2010, providing low-income, WIA-eligible full-time college students, ages 18-21, with paid professional internships. The 22 college students currently enrolled will complete their 520 hours of internship by June 30, 2010, primarily by working at local non-profit organizations.
- The Green Cadre program was initiated in February 2010 providing 50 low-income, WIA-eligible youth, ages 18-24, with civic engagement opportunities and "clean and green" training that will allow them to advance San José's Green Vision while preparing them for future green jobs. The youth completed a two-week orientation in February, staffed San Jose's public streetlight demonstration and survey on March 3 and 4, 2010, and attended a series of workshops on urban forestry. Upon completion of the program, the youth will earn OSHA 10 Safety Certifications, CPR/First Aid/AED Certifications and National Center for Construction Education and Research Certifications.

In March 2010, work2future was approached by the Santa Clara County Social Services Agency (SCC SSA) to partner with them to implement a summer youth work experience program in June 2010. The City will receive a sub-grant from the Santa Clara County Social Services Agency in the amount of \$2,458,225 for Recovery Act TANF-ECF funds, depending on the actual final number of recipients served, to work2future. The program will provide seven weeks of summer work experience combined with work readiness training for approximately 840 eligible 15-17 year olds in work2future's service area. It is anticipated that eighty percent (80%) of the eligible youth will come from the City of San José, which corresponds to the overall TANF eligible recipients in the County of Santa Clara.

work2future is required to provide a funding match equal to a minimum of 20% of the actual costs incurred from the TANF-ECF funds of at least \$491,645. The funding match is defined as the value of non-federal cash or in-kind contributions provided by a third party that are directly related to the administration and implementation of the Summer Youth Subsidized Employment program. A portion of the match (\$382,200) represents the salaries of the individuals who will supervise the youth workers at the various agencies that participate in this program and a partnership with the Parks, Recreation and Neighborhood Services Department for the use of the St. James Senior Center and related facility expenses equivalent to \$112,500.

The State Employment Development Department (EDD) ARRA Wagner-Peyser funding for the Disability Navigator program in the total amount of \$99,072 will integrate the Disability Navigator function into daily operations at the One-Stop Centers, provide outreach to job seekers, businesses and community partners, and maintain a stable infrastructure for serving customers with disabilities within the One-Stop Centers.

### ANALYSIS

The Summer Youth Subsidized Employment program will be funded from both the County of Santa Clara's ARRA TANF-ECF available funds up to \$2,458,225 and the required 20% match

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from non-federal funding and in-kind contributions up to \$491,645 for total funding of \$2,949,870. This sub-grant from SCCSSA actual funding amount is dependent upon the actual final number of recipients served by the work2future program. In order to receive the full grant amount, 840 youth must be served. Should participation levels fall below this level, a proportional amount of funding will be provided.

In addition, a funding match equal to a minimum of 20% of the actual costs incurred from the TANF-ECF is required, up to \$491,645. The funding match is defined as the value of non-federal cash or in-kind contributions provided by a third party that are directly related to the administration and implementation of the Summer Youth Subsidized Employment program. The contract outlines that up to 25% of the participants' gross wages, which are funded through the ARRA 2009 TANF-ECF can be utilized toward the 20% funding match. This is the value of the worksite supervisor's time spent coaching and supervising the client. work2future will recognize this funding as a portion of the matching funds in the amount of \$382,200. In addition, the remainder of the match will be sourced through a partnership with the Parks, Recreation and Neighborhood Services Department for the use of the St. James Senior Center and related facility expenses for a portion of the matching funds equivalent to \$112,500.

The program is anticipated to result in \$1.5 million in youth wages during the summer of 2010. work2future's experience from last year's summer youth program shows that since these youth are all low-income, nearly all of their earnings are locally recirculated to pay basic living expenses.

work2future will partner with several non-profits, civic and municipal organizations, schools, and colleges to provide work experience sites for the youth participants. In addition, the SCCSSA requires all Summer Nutrition Collaborative agencies to include work experience positions for the summer employment program youth.

Moreover, work2future will provide extensive outreach to youth through programs affiliated with the Mayor's Gang Prevention Task Force. work2future's experience during the last summer program has shown that youth connected to a workplace with positive role models will often move out of gangs or other inappropriate lifestyles. work2future has already provided extensive outreach to community organizations, libraries, community centers, and school districts as well as through the City websites, and has sent out a targeted mailing to thousands of CalWORKS and food stamp recipient families.

work2future will also use its projected remaining Workforce Investment Act (WIA) ARRA Youth Program appropriated funding of approximately \$550,000 to provide an eight-week work experience program to approximately 80 out-of-school youth, ages 18-24, who meet the WIA eligibility requirements, such as low-income status and a barrier to employment as defined by the WIA legislation. The program provides a mixture of civic engagement, leadership development, training, and work readiness preparation, in conjunction with work experience offered through municipalities, nonprofits, schools and colleges to enhance readiness for unsubsidized employment. Enrollment in this program is limited to youth living within the work2future service area.

The EDD State funding provides for the hiring of a dedicated Disability Navigator to train One Stop Center staff to ensure that they are knowledgeable and comfortable in assisting job seekers with disabilities. The Navigator will also train staff on the assistive technology equipment to enhance client services.

### EVALUATION AND FOLLOW-UP

The Recovery Act – TANF-ECF grant funding of up to \$2,458,225, combined with the non-federal match in cash and in-kind contribution of up to \$491,645 and the State Disability Navigator funding of \$99,072 have been evaluated and approved for funding by the CSCSSA and the EDD, respectively.

Ongoing progress reports will be submitted to the City Council, work2future's Board, CSCSSA, and to the City's Community and Economic Development Committee.

### POLICY ALTERNATIVES

Not applicable.

### PUBLIC OUTREACH

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. (Required: E-mail and Website Posting)
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. (Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)

The recommended action meets the above criteria regarding use of public funding equal or greater than \$1 million. This memorandum will be posted on the City's website for the June 22, 2010 City Council Agenda.

### COORDINATION

This memorandum has been coordinated with the Offices of the City Manager, Parks, Recreation, and Neighborhood Services Department, and the City Attorney. In addition,

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work2future coordinated the program specifications with the City Human Resources and Finance Departments.

The Youth program strategy is scheduled to be presented to the work2future Executive Committee on June 3, 2010; the Youth Council Committee on June 8, 2010; the Finance Committee on June 9, 2010; and to work2future's Board of Directors on June 17, 2010.

### FISCAL POLICY ALIGNMENT

The Recovery Act – TANF-ECF Summer Youth Subsidized Employment program and the Disability Navigator program advance Initiative 7 of the City's 2010 Economic Development Strategy, "Prepare Residents to Participate in the Economy Through Training, Education, and Career Support."

### COST SUMMARY/ IMPLICATIONS

The recommended budget action will appropriate \$2,458,225 for the Recovery Act – Santa Clara County Social Services Agency TANF-ECF and \$99,072 for the State DPN program in both 2009-2010 and 2010-2011 as the program anticipates running through these two fiscal years. These funds will be received on a reimbursement basis as funding is expended and reported by work2future to SCCSSA and EDD. In addition, the necessary matching 20% funding of 491,645 will be generated from the value of the worksite supervisor's time spent coaching and supervising the client and will be calculated at 25% of the participants' gross wages (\$382,200). The remaining matching funds will be realized through a partnership with the Parks, Recreation and Neighborhood Services Department for the use of the St. James Senior Center and related facility expenses for a portion of the matching funds equivalent to \$112,500.

### BUDGET REFERENCE

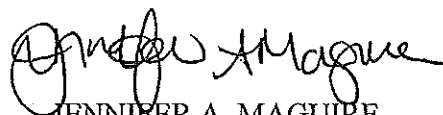
Not applicable.

### CEQA

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

/s/

PAUL KRUTKO  
Chief Development Officer

  
JENNIFER A. MAGUIRE  
Budget Director

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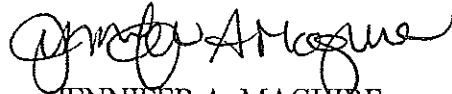
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I hereby certify that there will be available for appropriation in the Workforce Investment Act Fund moneys in excess of those heretofore appropriated therefrom:

In the Fiscal Year 2009-2010 Workforce Investment Act Fund	\$ 473,636
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In the Fiscal Year 2010-2011 Workforce Investment Act Fund	\$ 2,083,661
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JENNIFER A. MAGUIRE  
Budget Director

For questions, please contact Jeff Ruster, work2future Executive Director, at 408-535-8183.

