

**work2future Board Meeting**  
**Thursday, June 20, 2019**  
**ACTION MINUTES**  
CTO: 9:37 AM

Prepared by Kathryn Azevedo; reviewed by Lawrence Thoo; approved by Monique Melchor

WDB STAFF: Kathryn Azevedo, Monique Melchor, Joy Salandanan, Meredith Studebaker, Lawrence Thoo, Khara Ramirez, Sangeeta Durrall, Huong Tran, Dhez Woodworth, Colleen Brennan

**I. CALL TO ORDER**

Read by Chair Joe Flynn. Joe Flynn introduced and thanked Board Member Brynt Parmeter of NextFlex for hosting the meeting and retreat.

**II. QUORUM VERIFICATION & OPENING REMARKS**

**Present:** Louise Auerhahn, Rajiv Batra, George Chao, Jack Estill, Joe Flynn, Blanca Gomez, Juan Gutierrez, Susan Koepp-Baker, Van Le, Maria Lucero, Brynt Parmeter, Rafaela Perez, Steve Preminger, Rashad Said.

Pam Moore arrived at 9:46 AM.

**Absent:** Rose Amador, Jeff Burrill, Leslie Gilroy, Henri Villalovoz, Kishan Vujjeni, David Wahl

**III. CONSENT ITEMS**

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

- A. Financial Status as of March 31, 2019
- B. WIOA Performance Indicators as of March 31, 2019

**IV. BUSINESS ITEMS**

**A. Old Business**

**1. Minutes Approval**

**ACTION:** Upon a motion by Mr. Estill, seconded by Mr. Said, the minutes of the March 21, 2019 Board meeting were approved unanimously.

**B. New Business**

**1. Monitoring for FY 2019**

Director Monique Melchor reported on the preliminary clean findings from the state's monitoring of work2future's fiscal and procurement activities for Fiscal Year 2018-19 and thanked board members for attending the meeting and retreat.

## **2. Single Audit for FY 2018**

Finance Manager Joy Salandanan reported on the clean findings from the independent audit of the City of San Jose finances for FY 2018 and related audits of work2future's career services providers, Eckerd and work2future Foundation. In response to a question from board member Steve Preminger, Ms. Salandanan reported that work2future has had clean audits for the last 8 years.

## **3. San Jose Works 5.0**

Finance Manager Salandanan asked for approval of the following:

- a) Acceptance of \$1.5 million in City of San Jose funds to support San Jose Works 5.0
- b) Distribution of the funds above to support San Jose Works 5.0, as follows:
  - (a) \$1,258,000 to work2future Foundation (providing services until September 30, 2019),
  - (b) \$95,000 to the City's Parks, Recreation and Neighborhood Services Department (PRNS), and
  - (c) \$147,000 for San Jose Works related expenditures in the work2future Operating Budget.

Ms. Salandanan stipulated that staff will provide a revised budget to the Executive Committee which will reflect work2future Foundation providing services through September 30, 2019.

**ACTION:** Upon a motion by Ms. Koepp-Baker, seconded by Mr. Estill, the Board unanimously approved the acceptance and distribution of funds for San Jose Works 5.0. Ms. Gomez abstained from voting on this item.

## **4. Prison to Employment Grant**

Finance Manager Salandanan asked the board to approve the acceptance of \$661,783 for implementation of the Prison to Employment Initiative, including \$607,976 for program service delivery and \$53,807 for work2future's service as program lead. Director Melchor explained that the grant was awarded to the Bay Peninsula RPU, with NOVA serving as the fiscal lead and work2future as program coordinator, and that each workforce board will undertake its own projects to implement the initiative.

**ACTION:** Upon a motion by Mr. Preminger, seconded by Mr. Said, the Board unanimously approved the acceptance of the grant funds.

## **5. WIOA Career Services in Fiscal Year 2019-20**

Director Melchor reported on the Executive Committee approval on behalf of the Board at a Special Meeting on June 6, 2019 to expand the scope of the Eckerd Youth Alternatives, Inc. WIOA Adult and Dislocated Worker Program services agreement from South County to all of work2future's Local Workforce Development Area, to establish an agreement with Eckerd for WIOA Youth Program

services, and to distribute \$2,414,059 to Eckerd for FY 2019-20 to support the aforementioned services.

The above action was necessary because time was of the essence. work2future Foundation informed Board staff only on June 4, 2019 that the Foundation would stop providing WIOA services on June 28, 2019 because it could not sustain itself financially.

Eckerd will provide all services as of July 1, 2019. In order to provide a seamless transition, Eckerd plans to hire as much of the work2future Foundation's customer-facing WIOA staff as possible. A RFP is planned for late 2019 for services beyond FY 2019-20.

There was a consensus among members that there is a need to better understand how the situation came about in order to avoid a recurrence. Mr. Estill offered to lead an ad hoc committee for that purpose. Chair Flynn said the Executive Committee would take up the suggestion.

#### **6. WIOA Operating Budget for FY2020**

Finance Manager Salandanan presented the proposed WIOA Operating Budget of \$6,842,369 for Fiscal Year (FY) 2019-20, which had been unanimously recommended for Board approval by both the Finance and Performance Committee and the Executive Committee, including:

- a) Adjustment of \$34,313 to the March 21, 2019 Board-approved preliminary WIOA Program Operating Budget for FY 2019-20
- b) WIOA Administrative Budget in the amount of \$579,649
- c) Proposed WIOA *estimated* Rapid Response Funding for FY 2019-20 of \$467,823
- d) Authorization for staff to transfer funds without additional Board approval between budget line items, as long as overall amounts for personnel and non-personnel expenses are not changed, and between the Adult and Dislocated Worker Programs, as needed, so long as the total budget amount is not changed.

Ms. Salandanan reminded members that service provider funds would be allocated only to Eckerd Youth Alternatives, Inc., as approved by the Executive Committee at its June 6 Special Meeting.

**ACTION:** Upon a motion by Mr. Estill, seconded by Ms. Koepp-Baker, the Board approved unanimously the recommended WIOA Operating Budget of \$6,842,369 for Fiscal Year (FY) 2019-20 as presented. Mr. Gutierrez abstained.

Mr. Said and Ms. Auerhahn recused themselves from this item.

#### **V. PUBLIC COMMENT: None**

**VI. SUGGESTIONS FOR FUTURE AGENDA ITEMS**

Update on the proposed ad hoc subcommittee on the unexpected termination of work2future Foundation services.

**VII. ANNOUNCEMENTS**

- A.** The next meeting of the work2future Board is scheduled for Thursday, November 21, 2019, 11:30 am at the America's Job Center of California, San Jose, 1601 Foxworthy Ave, San Jose.
- B.** Mitch Schoch has resigned from the work2future board.
- C.** Van Le announced that the East Side Union School District is sponsoring a fundraiser for homeless students at Yerba Buena High School on Sunday, August 25, 2019.

**VIII. ADJOURNMENT TO BOARD RETREAT:** The meeting was adjourned at 11:02 a.m.

**DRAFT**