



Policy Board Agenda

Date: Friday, June 21, 2019
Time: 1:00pm
Place: San Diego City Hall, Council Chambers
202 C Street, 12th Floor. San Diego, CA 92101

Chair Welcome

- Non-agenda public comment

Topics (Items 1 – 8: Action Items)

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PUBLIC COMMENT: Members of the public may address the Board on issues on this agenda (three minutes per subject) and/or other items within the Board's scope. To speak, submit a "Request to Speak" form prior to the meeting. The SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

Item 1: Minutes of the April 26, 2019 Meeting

Members Present

Barbara Bry, Councilmember, City of San Diego, District 1 (Chair)
Monica Montgomery, Councilmember, City of San Diego, District 4
Nathan Fletcher, San Diego County Supervisor, District 4
Jacob Richards, Board Member, United Way of San Diego County
Greg Cox, San Diego County Supervisor, District 1 (Vice Chair)

Legal Counsel Present

Kate Malcom, City of San Diego
County of San Diego

Location: San Diego City Administration, City Council Chambers, 202 C Street, 12th Floor. San Diego, CA 92101

All reports, memoranda and letters contained in the agenda or distributed at the meeting shall by this reference become part of the original minutes.

The meeting was called to order by Councilmember Bry at 1:15 pm with a quorum present.

Non-Agenda Public Comment

None

Item #1: Minutes of the April 26, 2019 Meeting

Members Present

Barbara Bry, Councilmember, City of San Diego, District 1 (Chair)
Greg Cox, San Diego County Supervisor, District 1 (Vice Chair)
Nathan Fletcher, San Diego County Supervisor, District 4
Jacob Richards, Board Member, United Way of San Diego County
Monica Montgomery, Councilmember, City of San Diego, District 4

Legal Counsel Present

Kate Malcolm, Deputy City Attorney, City of San Diego

Location: San Diego City Administration Building, City Council Chambers

All reports, memoranda and letters contained in the agenda or distributed at the meeting shall by this reference become part of the original minutes.

The meeting was called to order by Councilmember Bry at 1:18pm, with a quorum present.

Non-Agenda Public Comment

None

Action Items

Item 1: Minutes of the March 1, 2019 Policy Board Meeting

Board approves the meeting minutes

Moved (J. Richards), Seconded (B. Bry), Carried 3-0-1. (Abstention: G.Cox)

Item 2: Membership Updates

Board, upon unanimous recommendation of the WDB, approves the appointment of Christina Bibler, City of SD Director of Economic Development join the WDB.

Moved (G. Cox), Seconded (J. Richards), Carried unanimously

Item 3: East County Career Center Lease Approval

Board, upon unanimous recommendation of the WDB, approves a 3-year lease under the costs and terms herein for the new location of the East County Career Center (ECCC): 151 Van Houten Ave., El Cajon, CA.

Moved (J. Richards), Seconded (M. Montgomery), Carried unanimously

Item 4: FY 2018 Financial Statements and Audit Report Approval

Board, upon unanimous recommendation of the WDB, approves the FY 2018 Financial Statements and Audit Report.

Moved (G. Cox), Seconded (M. Montgomery), Carried unanimously

Information Items

Item 5: Income Share Agreements (ISAs) Update

Andy Hall, COO provided an overview and additional details about the newly launched ISA initiative. After a brief video from CBS, Channel 8, Hall discussed the current status of funding and the high cost of student loans, with ISAs as an alternative. Online registration for the 1st cohort was open as of April 16th with over diverse 150 applicants in the first week. Discussion covered the economic model, the current regulatory and policy status. Initial funding has been 100% philanthropic. We are the first workforce entity in the country to embark upon this innovative approach.

Item 6: CEO and Staff Update

Peter Callstrom, CEO, provided an update on SDWP's new "In-demand jobs report", as well as the Hyatt Career Launch Academy and City Heights Coffee House, thanks to an investment by SDG&E. Councilmember Montgomery expressed support of the program and its potential expansion.

The 2019 Opportunity Summit with over 800 attendees is upcoming on May 2nd. Full day of speakers and sessions addressing opportunity youth.

Councilmember Montgomery asked about the process for potential Workforce Development Board (WDB) members. Referrals should be sent to Mr. Callstrom.

Request for agenda item at next Policy Board meeting as to proposal for change in timing of meeting, will be added to agenda

Item 2: Membership Updates

ACTION ITEM – VOTE REQUIRED

RECOMMENDATION: The Policy Board appointment Kevin Johnson and Dr. Nabil Abu-Ghazaleh to the Workforce Development Board.

Background

Kevin Johnson was recommended by WDB member, Tom Lemmon. Mr. Johnson would fill a labor seat (designated by WIOA regulations)

Kevin Johnson (Labor Seat)

Kevin is the Training Director/CFO for the San Diego & Imperial County Electrical Training Institute with extensive experience working with electrical industry leaders to deliver the most thorough and relevant education in the electrical field.

Kevin started his apprenticeship in San Antonio, Texas where he completed two years of his apprenticeship before transferring to San Diego where he graduated the five-year apprenticeship with an award in leadership.

After graduation, Kevin continued to develop his leadership role and took the position of foreman with HMT Electric Inc. where he spent six years with the contractor. He worked his way up to General Foreman and eventually into the office where he became a member of the management team as Pre-Construction Manager handling duties including value engineering contract prints, identifying pre-fab opportunities, foreman safety training, and various project management roles.

During his time as general foreman, Kevin also took on the role as instructor at the San Diego Electrical Training Institute where he earned his accreditation as adjunct faculty with Palomar College and completed the 4-year National Training Institute for instructors at the University of Michigan. Kevin taught subjects such as AC theory, DC theory, Codeology, and Orientation for the apprenticeship and has taken on the role of instructor for the National Training Institute.

Dr. Nabil Abu-Ghazaleh, ED.D

Dr. Sunny Cooke (MiraCosta President) resigned at the June 13 meeting after serving her term. The WDB is very grateful for her long service and collaborative involvement and leadership. Dr. Cooke discussed her transition with SDICCCA (San Diego/Imperial County Community College Association). The SDICCCA leadership voted to recommend Dr. Abu-Ghazaleh to fill her seat (Higher Education – designated by WIOA regulations)

Dr. Nabil Abu-Ghazaleh is the Grossmont College President and has more than 28 years of experience in California community colleges. He is known for his collegiality, collaboration, and his commitment to success for all students.

Dr. Abu-Ghazaleh started at Grossmont College in July 2015, following his role as president at West Los Angeles College, which began in 2011. He began his community college career as a tenured associate professor of engineering and technology at Pasadena City College, teaching for 10 years before serving as interim dean of engineering and technology. Before teaching, he worked as a transportation engineer and computer-aided engineering trainer at Caltrans. Prior to his presidency at West Los Angeles College, Dr. Abu-Ghazaleh served as vice chancellor of education services and technology at Coast Community College District in Costa Mesa, vice president of academic affairs at Pierce College in Woodland Hills, and dean of student learning at Moorpark College.

Dr. Abu-Ghazaleh received his doctorate in educational leadership from CSU Fullerton; a master's degree in education from UCLA and a masters and bachelor's degree in engineering sciences from UC San Diego.

Item 3: Appointment of the Joint Personnel Committee (JPC)

ACTION ITEM – VOTE REQUIRED

The Policy Board appoint three members to serve on the JPC for the upcoming CEO review process.

Background

This item is to develop the JPC to conduct the annual evaluation for CEO Peter Callstrom. Per the 'Partnership Agreement' (revised 2/2016), section 5(f), states:

Maintain with SDWP a joint personnel committee charged with selecting, evaluating and recommending the compensation of the CEO. The committee shall consist of six (6) members; three (3) members of the Consortium (Chair, Vice Chair, and appointee) and three (3) members of SDWP (Chair, Vice Chair, and appointee).

Process

- The CEO will submit a self-review to the JPC which will include an overview of the prior year and goals for the next review period.
- The JPC will convene at their discretion per Brown Act guidelines.
- The JPC makes recommendations to the Policy Board.
- The Policy Board receives, reviews and acts upon JPC recommendations.

Item 4: Board Meeting Calendar

ACTION ITEM – VOTE REQUIRED

The Policy Board to decide upon any updates to:

- Meeting start times: 1:00pm
- Remaining dates for 2019.

Friday, August 23

Friday, October 25

Friday, December 13

Item 5: FY 2019/2020 Organizational Budget

ACTION ITEM – VOTE REQUIRED

The Policy Board approve the FY20 June budget.

BACKGROUND

San Diego Workforce Partnership is proud to present a balanced, sound, and conservative budget for the start of FY20.

FY20 REVENUE (FIGURE 1, 2 & 3)

Revenue is planned at \$29.9M, (5.8%) or (\$1.8M) lower than the \$31.7M FY19 revised budget approved by the Policy Board on March 1, 2019.

WIOA Formula Funds - WIOA formula funds decreased by approximately (9.5%) or (\$2.0M). The EDD controls the level of funding received from WIOA formula funds to the Workforce Partnership.

Public Grants - Public grants decreased approximately (8.0%) or (\$0.7M) from the previous budget.

Private Grants - Private grants increased approximately 54.9%, +\$.9M from the previous budget.

Figure 1: Two Budget Cycle Revenue Comparison by Funding Type

(Thousands)	FY20 Jun	FY19 Feb Mod	\$ Difference	% Difference
WIOA Formula Funds	19,163	21,171	(2,008)	(9.5%)
Public Grants	8,213	8,929	(716)	(8.0%)
Private Grants	2,494	1,610	884	54.9%
Total	29,870	31,710	(1,840)	(5.8%)

*WIOA formula funds include Adult, Dislocated Worker, Youth, and Rapid Response federal job training funds the Workforce Partnership receives each year because we serve as the local WDB for San Diego County.

Figure 2: FY19 Mod vs. FY20 Budget Changes by Source

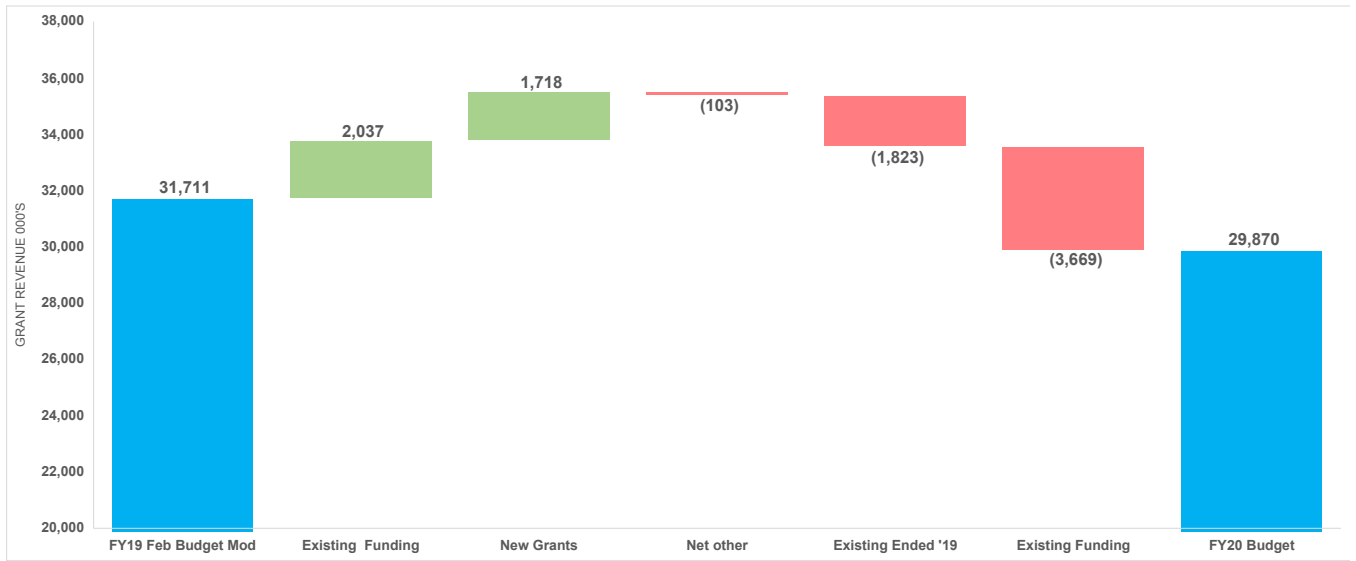
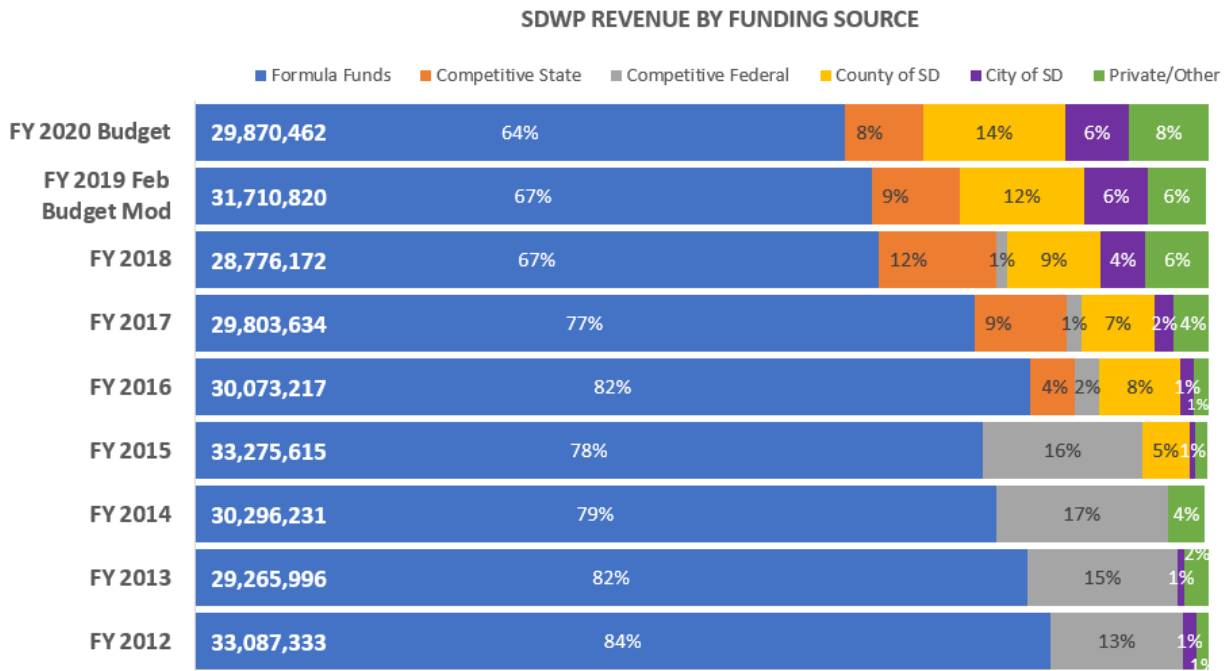


Figure 3: Funding by Source



FY20 EXPENSES (FIGURE 4)

The Workforce Partnership categorizes expenses in three categories:

Central Operations: Includes executive, finance operations and support services. A (5.8%) or (\$0.14M) decrease in spending is planned in this category, driven primarily by a reduction in direct allocated costs due to a new cost allocation methodology as of July 1, 2019.

Direct Program Support: This category includes expenses that directly support specific grant programs and/or functions. The following departments are included in this category: Adult, Youth, Businesses Services, Income Sharing Agreements, Research, Communications, IT, Facilities, and Human Resources. Overall, there was no difference in spending due to the offset between the increase of support expenses for new grants, the decrease in support expenses for grants that ended in FY19, and existing grants that changed funding levels.

Programs & Contracts: Services provided to program participants through contracted providers, including training funds, supportive services, and direct service staff (the America's Job Centers of CA, WIOA Youth Contracts, etc.). The Workforce Partnership anticipates a (7.4%) or (\$1.7M) decrease in funding for direct programs and contracts primarily driven by the reduction in WIOA grants.

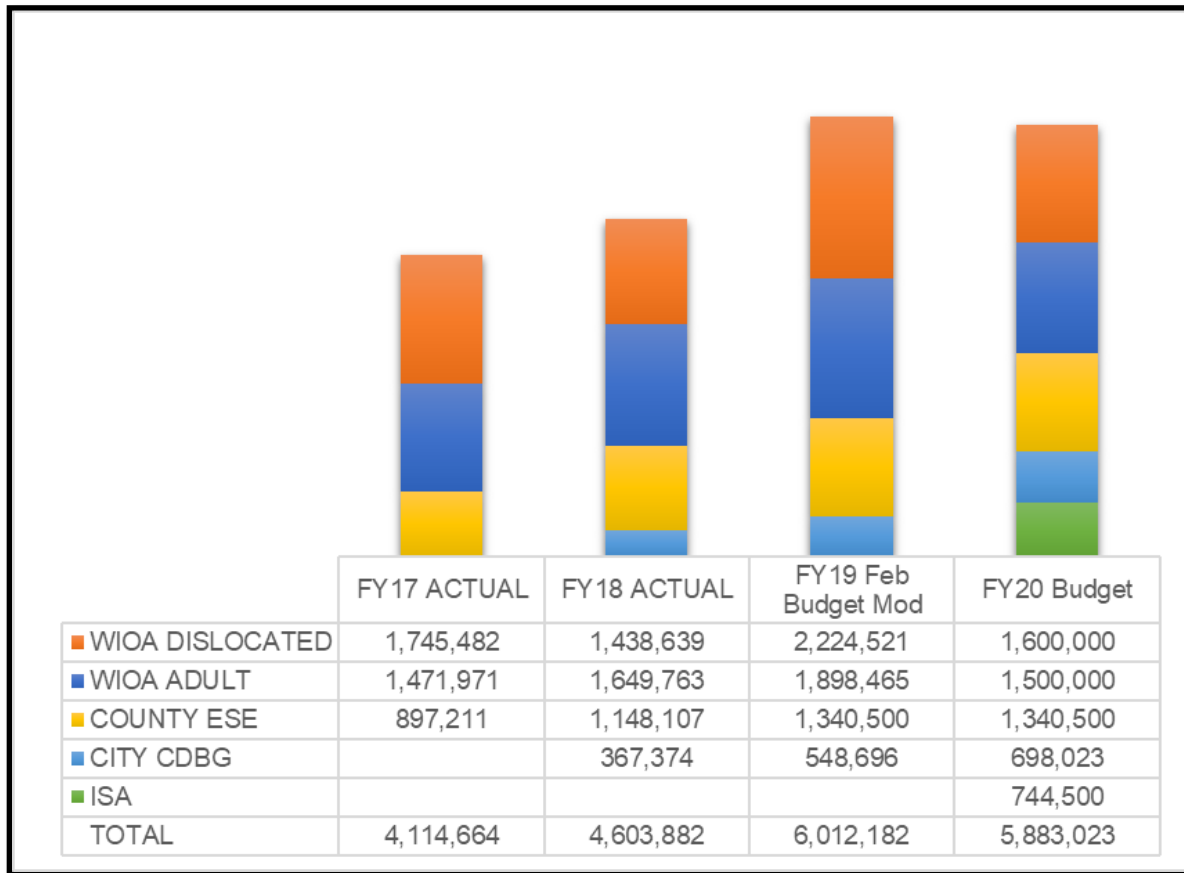
Figure 4: Planned Expense Categories

(Thousands)	FY20 Jun	FY19 Feb Mod	\$ Difference	% Difference
Central Operations	2,339	2,484	(145)	(5.8%)
Direct Program Support	6,467	6,467	0	0.0%
Programs & Contracts	21,064	22,759	(1,695)	(7.4%)
Total	29,870	31,710	(1,840)	(5.8%)

FY20 TRAINING DOLLARS (FIGURE 5)

The Workforce Partnership invests in individuals in the community by providing training dollars (financial assistance) in the form of stipends, course registration, wages, etc. to help develop the skills necessary to become successful. The graph below shows our organizations' continued commitment to putting as many dollars back into the community as possible every year. See Figure 3 on the following page.

Figure 5: PY20 Budget with planned training dollars



Looking Ahead:

SDWP looks forward to another strong financial year with a diversified portfolio, a sound operational infrastructure, and no pension or long-term lease obligations. Between now and the February modification, we expect another \$2-3M in confirmed revenue through the following:

- **Organic growth** with current funders and partners.
- **ISA Fund:** additional philanthropic fundraising and cash inflows.
- **New private foundation relationships:** we have several submissions - including a \$500K grant from the Lumina Foundation that we expect to finalize in July. SDWP continues to strengthen existing funder relationship and aggressively pursues new sources in the public and private sector.
- **Growth in fee for service:** research, business services, and program departments.

By focusing on these four revenue growth strategies, we expect to continue to expand our impact in the community regardless of the federal funding allocation.

Item 6: 2017 Tax Return & 990

ACTION ITEM – VOTE REQUIRED

That the Policy Board approve the 2017 tax return, submitted on May 9th, 2019 by SDWP's audit partner Rogers, Anderson, Malody & Scott LLP.

BACKGROUND

The full tax returns are public documents and can be found here:

<https://workforce.org/wp-content/uploads/2019/06/2017-Tax-Return-San-Diego-Workforce.pdf>

Print copies of the return will be available at the meeting for the public.

Item 7: Contract Renewals: Youth Providers

ACTION ITEM – VOTE REQUIRED

The Policy Board recommend approval of the following 12 contracts for PY 2019-2020 Workforce Innovation and Opportunity Act (WIOA) Youth Programs for a total of \$4,763,432.

These contracts would be executed for 1 year, with the option to renew one final year in PY 2020-2021 before a re-procurement.

BACKGROUND:

Through these 12 contracts, SDWP's youth provider network serves approximately 1,600 young adults: aged 16-24 not working and not in school or in the foster care system. Services include career coaching, supportive services, education counseling, mentorship, internship and job placement, as well as services to help participants success in their job and/or education placement.

Key performance goals for the youth system include (but are not limited to):

- **75%** placement in employment or education rate
- **75%** retention in employment or education 6 months after exit.

These measures, as well as several other programmatic and fiscal management measures, are also negotiated into the contract and tracked on a quarterly basis (see attachment A).

Methodology

The contract amounts are based upon WIOA Youth funding from the Employment Development Department (EDD) and SDWP's geographic distribution model across the County's four regions. For PY 2019-2020, EDD projected an 11% reduction of funding for our WIOA youth allocation.

The current Program Year of 2019 funding was a total of \$5,224,937 and the proposed budget for next Program Year of 2020 is \$4,763,434 for an overall reduction of 9% across WIOA Youth providers.

The recommended contract amounts funding reduction were calculated based on the following three factors and negotiated with each organization individually.

- 1) the provider's overall performance in this program year
- 2) total amount of unspent funds in this program year
- 3) the contract performance deliverables and program design.

Figure 1: Funding Recommendation for Out-of-School Programs:

East Region (\$614,435, 15.6% of total)			
Organization	PY 2019 Funding	PY 2020 Funding	%
Access	\$435,775	\$424,067	-3%
International Rescue Committee	\$218,382	\$190,368	-13%
South Region (\$694,156, 17.6% of total)			
Organization	PY 2019 Funding	PY 2020 Funding	
Access	\$707,366	\$694,156	-2%
North Region (Total \$1,104,717, 28.1% of total)			
Organization	PY 2019 Funding	PY 2020 Funding	
Access	\$437,227	\$425,526	-3%
Interfaith Community Services, Inc.	\$386,882	\$348,091	-10%
YMCA of San Diego County	\$363,969	\$331,100	-10%
Metro Region (Total \$1,523,882, 38.7%)			
Organization	PY 2019 Funding	PY 2020 Funding	
Able-Disabled Advocacy, Inc.	\$437,258	\$461,496	-2%
Access	\$437,516	\$426,067	-3%
San Diego Continuing Education, SD Community College District	\$375,045	\$356,267	-5%
San Diego Second Chance	\$413,020	\$280,052	-32%
Network Total	\$5,224,837	\$3,937,190*	25%

In addition to the out of school youth providers, SDWP funds two providers to provide education and workforce services for foster youth in partnership with the County of San Diego, Health and Human Services Agency (County HHSA).

Figure 2: Funding Recommendation for Countywide Foster Youth Programs

County-Wide			
Organization	PY 2019 Funding	PY 2020 Funding	%
South Bay Community Services (Independent Living Skills)	\$436,356	\$427,986	-8%
Access (San Pasqual Academy)	\$513,043	\$398,256	-22%
Total	\$949,399	\$826,242*	-13%

Independent Living Skills (ILS)

This program serves in-school and out-of-school current and former foster youth ages 16-24, helping transitioning youth and young adults graduate high school, access post-secondary education and training, find employment, and achieve self-sufficiency.

San Pasqual Academy (SPA)

Since 2001, SDWP has invested workforce funds in the SPA work-readiness program, a unique residential high school program for in-school foster youth in San Diego County. Through work-readiness, case management, internships, job shadows, and other workforce services, Access serves 90 foster youth each year as they graduate high school, leave SPA, and work toward their next step on their career path.

Attachment A: Youth Program Quarterly Performance

PY 18/19 (Last four quarters)

Contractor	Program	Funding	Contract Award (PY19)	(P) Program Perf. (F) Fiscal Mngt* Far right = Most recent
Youth Programs				
Able Disabled Advocacy	(Metro) Out of School Youth	WIOA	\$473,258	P ●●●● F ●●●●
Access, Inc.	(Metro)	WIOA	\$437,516	P ●●●● F ●●●●
	(East)	WIOA	\$435,775	P ●●●● F ●●●●
	(North)	WIOA	\$437,227	P ●●●● F ●●●●
	(South)	WIOA	\$707,366	P ●●●● F ●●●●
	(County-Wide) Foster Youth-SPA	WIOA	\$513,043	P ●●●● F ●●●●
Interfaith Community Services	(North)	WIOA	\$386,882	P ●●●● F ●●●●
International Rescue Committee	(East)	WIOA	\$218,382	P ●●●● F ●●●●
San Diego Cont. Ed	(Metro)	WIOA	\$375,045	P ●●●● F ●●●●
Second Chance	(Metro)	WIOA	\$413,020	P ●●●● F ●●●●
South Bay Community Services	(County-Wide) Foster Youth	WIOA	\$463,356	P ●●●● F ●●●●
YMCA	(North)	WIOA	\$363,969	P ●●●● F ●●●●

Corrective action policy: SDWP places contractors on corrective action after any single quarter reporting under performance. Corrective action involves documenting immediate targets for improvement, and prescribed, frequent technical assistance sessions from SDWP staff. Generally, SDWP moves to recommend funding reduction if a contractor has seen two or more successive quarters below corrective action targets, without improvement on agreed upon milestones.

Item 8: Contract Renewal: KRA Corporation

ACTION ITEM – VOTE REQUIRED

The WDB recommends approval of the contracts totaling \$7,373,961 for the Operation and Management of the America's Job Center of California (AJCC) Network for Program Year 2019-2020, which includes several grant programs competitively awarded to KRA Corporation.

BACKGROUND

This contract serves as the backbone of our service delivery system, funding operations at six comprehensive Career Centers that serve over **77,000+** visitors, providing intensive services to **3,700** individuals that include individual career coaching, development of career plans, training financing, and job and internship placement. The AJCC network is primarily funded by the Workforce Innovation and Opportunity Act (WIOA) grants awarded annually by the Department of Labor. Key goals of these career centers include:

- **75%** employment placement rate,
- **75%** retention rate, and
- **80%** credential attainment rate for people in training

Additional, specialized programs like the Expanded Subsidized Employment (ESE), Rapid Re-Housing, and Disability Employment Initiative (DEI) programs have additional contract goals and requirements.

This contract year is the second year with two remaining options years for the four-year procurement cycle.

Figure 1: KRA Contract by Program and Amounts

Region	WIOA Adult	WIOA DW	ESE	Rapid Re-Housing	DEI	Total
Metro	\$1,072,792	\$1,220,821			\$90,960	\$2,385,573
North	\$610,517	\$641,528				\$1,252,045
South	\$444,579	\$507,130				\$951,709
East	\$362,989	\$317,810				\$680,799
Countywide			\$1,965,975	\$138,860		\$2,104,835
Total	\$2,490,877	\$2,687,289	\$1,965,975	\$138,860	\$90,960	\$7,373,961

*These amounts may increase or decrease by July 1, 2019 based on availability of formula fund allocation from the Employment Development Department (EDD). SDWP anticipates that full funding allocations will be known on or about the time of the negotiations.

Adult/Dislocated Worker Funding: These funds support the AJCC's that provide employment and training services to assist eligible individuals in finding and qualifying for employment, and to help employers find the skilled workers they need to compete and succeed in business.

Expanded Subsidized Employment (ESE)

The goal is to move welfare-to-work (WTW) participants from subsidized employment to unsubsidized employment in occupations that will improve earnings and support families making the transition from public assistance to self-sufficiency.

ESE funds can subsidize wages for up to 6 months for participants. County WTW participants are referred to the AJCC network for job placement once they are deemed job ready. The County funds this program and SDWP administers it through the AJCC's.

Rapid Re-Housing

In 2018, SDWP partnered with the City of San Diego, the Regional Task Force on the Homeless, and Rapid Re-Housing program providers to test the Individual Placement and Support (IPS) Model for supported employment for individuals experiencing homelessness.

Since October 2018, 36 out of 95 participants have been placed in employment.

DEI/Ticket to Work

In September 2016, SDWP was awarded the Disability Employment Initiative (DEI) a pilot program to improve access for job seekers with disabilities to careers.

KRA is currently on corrective action due to start-up challenges and underperformance including:

- DEI Clients Employed
- DEI Clients Entering a Career Pathway
- DEI Clients Completing a Career Pathway
- DEI Clients Obtaining an Industry Recognized Credential

This program is a pilot. SDWP, KRA and EDD are restructuring certain elements that reflect learning to date. KRA has delivered a corrective action plan. SDWP will be monitoring this contract closely for improvements.

Attachment A: KRA Program Quarterly Performance

PY 18/19 (Last four quarters)

Contractor	Program	Funding	Contract Award	(P) Program Perf. (F) Fiscal Mngt* Far right = Most recent
Adult Programs				
KRA (South)	Adult/DW	WIOA	\$1,006,648	P ●●●● F ●●●●
KRA (North)	Adult/Dislocated Workers	WIOA	\$1,300,020	P ●●●● F ●●●●
KRA (Metro)	Adult/Dislocated Workers	WIOA	\$1,976,462	P ●●●● F ●●●●
KRA (East)	Adult/Dislocated Workers	WIOA	\$978,092	P ●●●● F ●●●●
KRA	Disability Employment Initiative (DEI)	EDD	\$112,664	P ●●●● F ●●●●
KRA	Expanded Subsidized Employment (ESE)	County of San Diego	\$2,126,000	P ●●●● F ●●●●
KRA	Breaking Barriers San Diego	DOL - WIF	\$1,030,646	P ●●●● F ●●●●
KRA	English Language Learner Grant (ELL)	EDD	\$44,070	P ●●●● F ●●●●
Total			\$8,574,602	

*Each program may be reporting quarter on separate cycle. SDWP funding streams have different performance cycles, most are on Jul-Jun or Dec-Jan, with some on Sept-Oct. Some are only 12- to 18-month pilot programs.

**KRA's 2nd quarter of PY 2018-2019 is below target in South, North, and East counties is related to the transition of service provider as of July 1, 2018. KRA will continue to move towards target as participants exit.

Corrective action policy: SDWP places contractors on corrective action after any single quarter reporting under performance. Corrective action involves documenting immediate targets for improvement, and prescribed, frequent technical assistance sessions from SDWP staff. Generally, SDWP moves to recommend funding reduction if a contractor has seen two or more successive quarters below corrective action targets, without improvement on agreed upon milestones.

Item 9: Reentry Works - Update

INFORMATION ITEM – NO ACTION REQUIRED

An update on SDWP's reentry services for individuals.

The SDWP and the San Diego Sheriff's Department has grown successful operations of two job centers in correctional facilities since 2015.

In 2019, the State EDD has awarded \$2.5M of the Prison2Employment (P2E) grant the Southern Border Region (San Diego Workforce Partnership and Imperial County WDB) to expand our efforts to provide workforce development services to justice-involved individuals.

Item 10: CEO & Staff Update

INFORMATION ITEM – NO ACTION REQUIRED

An update on key activities.