



Workforce Development Board (WDB) Agenda

Date: Thursday, August 20, 2020
Time: 8:00 a.m.
Place: <https://us02web.zoom.us/j/84899679618>
Password: 361784

Instructions for Public Meetings

- Members of the public - please use the “raise hand” feature to speak, or you can chat your questions/comments to be asked to be read aloud
- Board members - participate by un-muting yourself, or submit questions/comments in chat box to be addressed by staff

Welcome and Introductions

- Chair calls the meeting to order and provides update
- Non-agenda public comment

Agenda Items:

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Next Meeting: October 22nd, 8am – 9:30am

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, please use the "raise hand" function at the time of public comment. SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

Item 1: CEO Report

INFORMATION ITEM – NO ACTION REQUIRED

Peter Callstrom, CEO will provide an overview of Workforce Partnership activities since the last meeting and a high-level report on the organization's health and progress on strategic initiatives.

Item 2: Minutes of the June 18, 2020 Meeting

ACTION ITEM – VOTE REQUIRED

Members Present

Sammy Totah, Chair	Ed Hidalgo	Ricky Shabazz
Christina Bibler	Kevin Johnson	Sandra Shuda
Phil Blair	Tom Lemmon	Nancy Smith-Taylor
David Blake	Kurling Robinson	Carmencita Trapese
Dennis DuBard	Mimi Rosado	Rick Vaccari
Shandon Harbour	Althea Salas	Mike Zucchet

Members Absent

Nabil Abu Ghazaleh	Barb Krol	Annie Taamilo
Andy Berg	Keith Maddox	

Staff Members Present

Peter Callstrom, President & CEO

Andy Hall, Chief Impact Officer

April House, Chief Operating Officer

Andrew Picard, Chief Programs Officer

Brooke Valle, Chief Strategy and Innovation Officer

Shaina Gross, Director of Programs

Per [Executive Order N-25-20](#), the requirement to which members of the public shall have the right to observe & offer public comment at the public meeting, consistent with the Brown Act, has been suspended.

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

Call to Order

The meeting was called to order by Sammy Totah, at 8:04 a.m. with a quorum. Peter and April commented on racial justice and SDWP's work. Peter acknowledged the opportunity for growth and healing as a region, country, and organization. SDWP is committed to sustainable action and change. April co-authored a statement with Policy Board member Monica Montgomery. She spoke about our "Listen, Learn & Act" framework that we have implemented around this issue. SDWP will be conducting listening forums for staff, the community and partners. The organization is committed to support the reduction of the racial wage gap and delivering culturally competent employment assistance services.

Non-Agenda Public Comment

None

Action Items

Item 1 Minutes of the April 16, 2020 Meeting

Motion: WDB approves the meeting minutes.

Moved (T. Lemmon), Seconded (A. Salas), Carried Unanimously

Item 2 Minutes of the June 2, 2020 Meeting

Motion: WDB approves the meeting minutes.

Moved (D. Dubard), Seconded (P. Blair), Carried Unanimously

Item 3 Board Membership – Carmen Summers, Microsoft

Peter and Brooke shared Carmen Summers' involvement in SDWP's chat bot development, pro bono support, and other projects. Brooke highlighted Carmen's ability to envision and apply technology to help the community. Carmen spoke to her bio, experience, and expertise in supporting enterprise commercial customers with Microsoft.

Motion: WDB approves the nomination of Carmen Summers

Moved (P. Blair), Seconded (D. Dubard), Carried Unanimously

Item 4 FY 21 Budget

Rick Vaccari, Audit Committee Chair, introduced the budget, which members had received earlier at the request of the board in FY20. SDWP hosted a budget informational session for the board on June 2 for a deeper dive, also a prior request of the board in FY20.

April overviewed the FY 21 budget which was discussed in depth at a special June 2 budget session. The budget includes an 11% overall decrease in funding, primarily due to cessation of a State/County-funded 'Expanded Subsidized Employment' program. SDWP's adjustments in staffing and a salary freezes allow the organization to maintain direct program impact and support.

Motion: WDB approves the FY 2021 Budget

Moved (D. Dubard), Seconded (P. Blair), Carried Unanimously

Item 5 Contract Renewals: Youth Programs

Shaina provided a description of the providers, programs, and performance goals to be awarded \$4.8M in WIOA funds.

Motion: WDB approves the contract renewals

Moved (E. Hidalgo), Seconded (D. Dubard)

Abstentions: P. Blair

Item 6 Contract Renewals: Adult Programs

Shaina provided a description of the providers, programs, and performance goals to be awarded \$5.5M in WIOA funds and COVID specific grants.

Motion: WDB approves the contract renewals

Moved (S. Shuda), Seconded (P. Blair), Carried Unanimously

Item 7 RFP Framework – WIOA Youth Providers

Andrew provided an overview the Youth RFP process, and involvement with board members and the community. The working group hosted virtual town halls and conducted a community survey, with a combined 300+ participants. Based on the feedback, the steering committee landed on 4 populations of focus: justice involved, homeless & housing insecure, immigrants & refugees, and black opportunity youth.

Motion: WDB approves the RFP framework

Moved (D. Dubard), Seconded (R. Vaccari), Carried Unanimously

Information Items

Item 8 High Roads Construction, Energy, and Utility Projects

Andy announced SDWP has been awarded two grants totaling \$1.5M to expand the size, quality, and diversity of the entry level construction, energy, and utility project. The program was developed in partnership with Nancy Smith-Taylor and Tom Lemmon, with a meaningful focus on job quality. Peter added that SDWP is excited to build up a long-term strategy around the construction and energy industries in San Diego.

Item 9 CEO & Staff Report

Peter drew the board's attention to our new chatbot, on-demand video library, and expansion of the career portal. Peter highlighted Brooke's appointment as Entrepreneur in Residence by Jobs for the Future (JFF). Brooke was one of only 3 selected in the country. Brooke joins JFF as an EIR to address this dual challenge in the workforce by developing pilots for flexible financing and establishing metrics that lead to more wide-scale, equitable investment capital.

Adjournment

Sammy Totah adjourned the meeting at 9:21 am.

Item 3: Expanded Subsidized Employment (ESE) Contract Renewal - KRA

ACTION ITEM – VOTE REQUIRED

The WDB approve KRA Corporation for \$597,335 for the operation of the Expanded Subsidized Employment (ESE) program for Program Year 2020-2021.

BACKGROUND

The goal of the ESE program is to place the County's HHSWA Welfare-to-Work (WTW) participants in occupations that will support families making the transition from public assistance to self-sufficiency. ESE helps reduce employer's costs associated with identifying, hiring, and onboarding employees. ESE reimburses companies up to 100 percent of the wages of a new hire in the first 180 days of employment.

At the time June 2020 WDB meeting, the Workforce Partnership ESE funding was discontinued due to COVID-19. Since then the final 2020-2021 budget agreement that Governor Newsom signed on June 22, 2020, restored the full funding for the ESE Program.

If approved, this contract year would be the second year with two remaining options years for the four-year procurement cycle.

Performance Outcomes for Program Year 2020-2021

- 80% ESE placements
- 55% Job Retention rate at 3 and 12 months
- 100% expenditure of Participant Wages – we anticipate this will result in a YOY increase of participants placed in employment and/or placed in higher wages

Figure 1: KRA Contract Amount

Region	Participant Wages	KRA Contract or Staffing / Admin	Total
Countywide	\$1,456,000	\$597,335	\$2,053,335

Program Year 2019-2020 Highlights:

- \$1.2+ million expended on wage reimbursement
- 228 participants placed in employment (181 subsidized and 47 unsubsidized)
- 66 businesses were served

The ESE program directly relates to our *Population Specific Intervention* pillar as the program's goal is to increase the amount of funding that directly supports participants (e.g. wages) as a percentage of the grant total year over year. The ESE program also directly relates to our *2Gen Solutions* pillar as all ESE participants are parents with young children with the ultimate goal of self-sufficiency.

Item 4: Faces of Workforce – Monal Parmar of Education Vision Technologies

INFORMATION ITEM – NO VOTE REQUIRED

Monal Parmar, CEO and Founder of Educational Vision Technologies ([link](#)) will share about his entrepreneurship journey, how COVID-19 is impacting his business, how he has worked with the Workforce Partnership and other partner organizations to find talent for his early stage company, and what his company needs to continue to expand and grow into the future.

About education Vision Technologies

Educational Vision Technologies (EVT) is San Diego based artificial intelligence startup that is transitioning university courses online during the pandemic. EVT autonomously generates online courses to enable efficient learning, support students with disabilities, and substantially reduce the time to create distance learning programs. Departments at UCSD have used EVT's service to create over 50 online courses and UCSD student feedback from spring quarter has shown that students substantially prefer EVT for online courses over other e-learning solutions. EVT especially benefits students with disabilities, first gen students, international students, and student veterans. EVT was initially formed to address academic challenges cofounder Monal Parmar encountered as a first-generation college student in STEM while attending Mission College, a junior college in Santa Clara, and attending UC San Diego for his BS and MS in electrical engineering. EVT consists of a diverse and talented team dedicated to bridging gaps in education and making education accessible on a global scale.

[This video](#) provides a product demo.

Testimonial:

“We are experiencing an influx of university customers who are moving courses online” said Monal Parmar, CEO and Founder of Educational Vision Technologies. We can do so because we leveraged TechHire to help accelerate our growth. The TechHire process is quick, saves us time on recruitment, and reduces costs. TechHire curates candidates, handles all HR paperwork, and manages payroll for the interns. The majority of our 8 interns transitioned to become permanent members of our team. Expanding support for TechHire would accelerate the growth of SD businesses, bolster SD’s tech talent, and substantially grow SD’s economy in the long run. The next Qualcomm could very well be a startup supported by TechHire.”

Item 5: FY 21 Budget Update

INFORMATION ITEM – NO VOTE REQUIRED

April House, COO will provide an update on the FY21 budget since the board approved budget of June 2020.

In June 2020, SDWP anticipated a decrease of 12% or \$2.9M primarily due to the planned ending of the Expanded Subsidized Employment (ESE) program. Since that June meeting, the State of CA has restored funding for the ESE program.

Figure 1 is the updated revenue status as of August with the addition of new funds and rebalancing of WIOA Formula funds. With the continuation of the Expanded Subsidized Employment program and an increase in ISA funding and other grants, the FY21 budget is within 1% of the FY20 budget.

Figure 1: Revenue Comparison

FY21 Revenue	FY21 Current v. FY20				
	FY21 Current	FY21 Prior	FY20	\$ Difference	% Diff.
#1: WIOA Formula Funds	19,411,933	19,569,596	20,888,144	\$(1,476,211)	(7%)
#2: Grants / Contracts	9,335,558	6,041,509	8,706,129	\$ 629,430	7%
#3: Income Share Agreements	2,307,719	2,258,196	1,786,189	\$ 521,530	29%
#4: CalFresh E&T	1,500,000	1,500,000	1,500,000	\$ -	0%
Total	32,555,210	29,369,301	32,880,462	\$ (325,251)	(1%)

FY 21 Expenses

The Workforce Partnership categorizes expenses in three categories (*fig. 2*):

- **Central Operations:** Includes executive, finance operations and support services. A 4% or \$0.1M decrease in spending is planned in this category, driven by an decrease in staff.
- **Direct Program Support:** Includes expenses that directly support specific grant programs and/or functions: Adult, Youth, Regional Planning, Businesses Services, Research, Communications, IT, Facilities, and Human Resources. Overall, a decrease of 1% or \$0.1M in spending is planned, primarily driven by a reduction in staffing.
- **Programs & Contracts:** Services provided to program participants through contracted providers, including training funds, supportive services, and direct service staff (career centers, WIOA Youth Contracts, etc.). A 1% or \$.01M decrease in spending primarily driven by a decrease in contract spending.

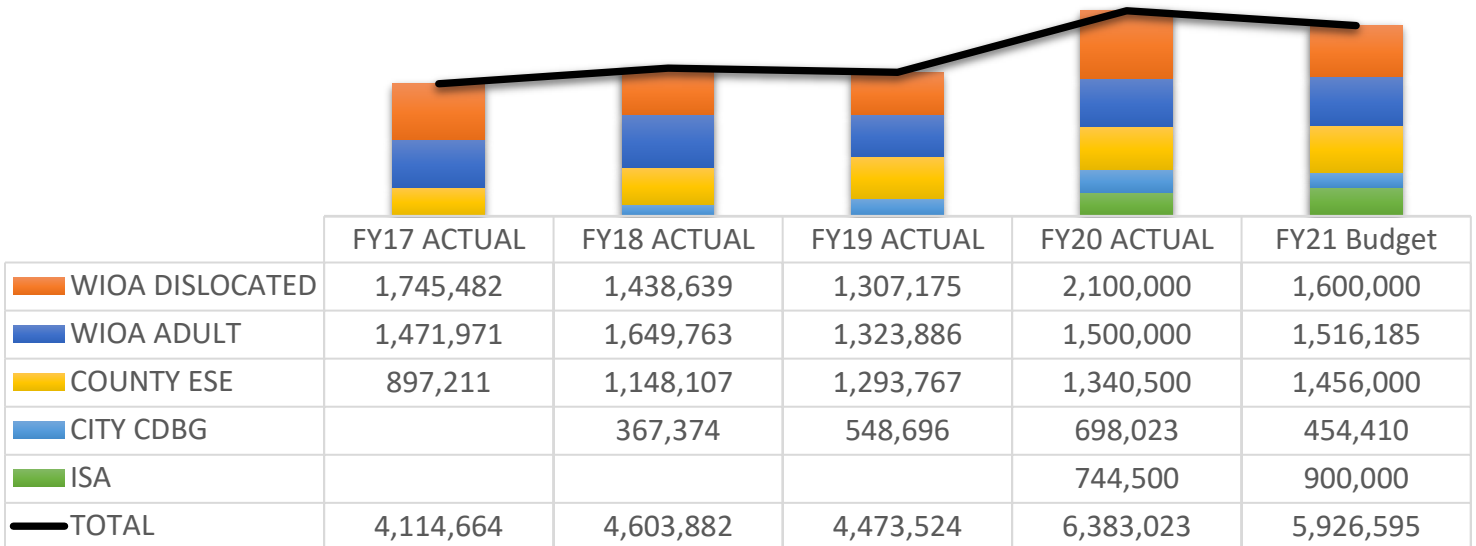
Figure 2: Planned Expense Categories

(Thousands)	FY21 BUDGET Mod	FY20 BUDGET	\$ Difference	% Difference
Central Operations	2,245	2,339	(94)	-4%
Direct Program Support	6,863	6,945	(82)	-1%
Programs and Contracts	23,447	23,596	(149)	-1%
Total	32,555	32,880	(325)	-1%

Training and Wages:

The impact of revenue changes in addition to the overhead cost reductions brings the planned training and wage funds directly invested in the community up to \$5.9M (fig 3), an increase of 33% over the \$4.4M reported in the June report.

Figure 3: Planned Training Funds



Looking Ahead:

- With level revenue and internal cost savings, the organization is able to put more funding directly into the community.
- Revisiting staff merit increases in December and exploring alternative cost savings measures for our corporate lease at the administrative office.

- Advocacy to include \$15B Relaunching America's Workforce Act (3x current federal allocation) in next Cares Act package ([link here](#)).
- Readjusting ISA expectations (item 8 and adding new CalWorks E&T partners, Goodwill Industries and Workshop for Warriors) beginning October 2021.

Item 6: FY 21 Strategic Plan Updates

INFORMATION ITEM – NO VOTE REQUIRED

Brooke Valle, Chief Strategy and Innovation Officer, will provide an update on the Workforce Partnerships strategic plan and the KPIs the organization has laid out to advance it during the 20/21 program year.

Item 7: Racial Justice Working Group Update

INFORMATION ITEM – NO ACTION REQUIRED

Ricky Shabazz (board member), Andy Hall (CIO) and April House (COO) will provide an update on efforts to address racial justice in and through the work and investments of the Workforce Partnership, with a focus on the below charter.

Racial Justice Workforce Development Board Working Group Charter

Last Updated: 8/5/2020

Background:

The Workforce Partnership vision is for every business in San Diego to have access to a skilled workforce and every job seeker to have access to meaningful employment. But controlling for age, sex, and education, the unemployment rate among black San Diegans is 4 points higher than among whites, and the region's Black workers earn \$10,500 less than their white peers.¹ Peer-reviewed research shows that women and black, Indigenous, and people of color (BIPOC) continue to be discriminated against in education, hiring, promotion, lending, and the legal system.²

As long as inequalities in opportunities and discrimination exists, businesses will struggle to find skilled workers and we will never see all San Diegans obtain equal access meaningful employment. We must recognize when women and BIPOC make up 76% of our population, denied equal access to [quality jobs](#).

The Workforce Partnership has an essential role to play in bringing about more [inclusive economic growth](#). We have a responsibility to address the effects of centuries of discriminatory public policy, and we do that through [targeted](#), [outcomes-focused](#), [multigenerational](#) interventions.

These challenges are deep, and it is our boards intention to create space for board member and executive staff dialogue, strategy, and execution related to Racial Justice within the organization and through the public workforce system the Workforce Partnership oversees.

Purpose: WDB Board members and executive staff will collaborate and meet to develop and execute on strategies and initiatives that advance Equity, Diversity, and Inclusion principles across the workforce development system in San Diego County.

Board Members: Dr. Ricky Shabazz, Mimi Rosado, Dennis Dubard,

Year 1 focus areas:

- Identify and/or design, fundraise, build, and implement a mentoring program for BIPOC customers and/or entrepreneurs.
- Identify, test, and roll out a trusted suite of services for businesses interested in DEI resources to be delivered through the Workforce Partnership business services team.
- Provide high-level feedback and resource identification for “Listen, Learn, Act” internal framework.

- Recommendation to board in February 2021 meeting how to continue, sustain, and expand racial justice activities in and through the Workforce Partnership.

SD Workforce Staff: April House, Chief Operating Officer; Andy Hall, Chief Impact Officer

Board Commitment:

- Monthly work group conference calls (September through February)
- Intermittent feedback on work products.
- Recommendations to full board for long term efforts to sustain and expand racial justice framework at the February 2021 WDB meeting.

**Workforce staff will provide work group coordination and management support.*

Item 8: Income Share Agreement / Workforce Ventures Update

INFORMATION ITEM – NO ACTION REQUIRED

Parina Parikh, Director of Programs will provide an update on income share agreement program performance to date, the impact of COVID-19 on our financial projections, and efforts to continue to evolve and adapt program operations. Below are key highlights on the performance of the fund.

Workforce Partnership ISA Program Delivery (as of July 31, 2020)

Figure 1: Program Student Flow

Applied	ISAs signed*	Graduated	Placed	Over \$40K
460	153	27	10	6

*ISA contracts for coursework in business intelligence (51), digital marketing (39), front end web development (44), and java programming (19) at UCSD Extension.

- **The Workforce ISA Fund has underperformed this quarter compared to expectations.**

Our goal was for 60% of graduates to be placed 3 months after graduation and 90% of these 27 to be placed in jobs making over \$40K within 6 months of graduation. The current rate four months after graduation is 22%.

- **Covid-19 and the related economic contraction has played a large role in underperformance**, as it has with all of our programs with job placement goals.

Unemployment is at 13.9%, up from 3.2% in February 2020. Job postings decreased by **33% in Q2 of this year** compared to the first three months of the year and by **21% when compared to Q2** of 2019. While technology jobs have been perceived as safer than others during the lockdown, the industry suffered a greater slowdown in job postings than the average. Our Digital Marketing graduates entered a job market where postings for marketing related positions were on average 50% lower than they were in Q1 of this year. While the decline was less for our Business Intelligence graduates, they still saw 35% less postings in this quarter.

32% of job applications submitted by program participants were unsuccessful because job postings were taken down due to company hiring freeze. A further **26%** of these job applications were never responded to by the business.

Job postings have once again dropped in July as a result of the second lockdown and while tech careers remain more stable due to their remote capability, the market remains sluggish.

- **The outcomes orientation of the ISA program is driving the program to quickly adapt and evolve for these changing conditions.**

Given uncertainty and lower placement rates with digital marketing and business intelligence graduates, we scaled back our spring recruitment.

Career consultants have increased overall number of jobs applications being completed by ISA participants

The program has also launched a partnership with San Diego Code School to launch a Tech Apprenticeship targeted at ISA Grads to continue adding to their talent stack while earning \$15+ per hour starting wages with SD Code School partner companies.

We also hired Manpower San Diego to represent our graduates within their business networks

Figure 2: Financial Performance

Philanthropic	Repayments	Total Revenue	Total Expenses	Balance	Cost Per ISA
\$3.298M	\$1,173	\$3.299M	\$850,725	\$2,448M	\$5,560*

*not including start up, fundraising, legal, and set up costs.

- **The ISA financial tool is working as designed in an unprecedented time.**

The philanthropic fund, not the students, is bearing the immediate risk and downside created by the covid-19 pandemic. With a **\$2.448M** balance, the fund has the cash on hand to survive this 'black swan' event that has triggered a global economic crisis and local slow down in the job market.

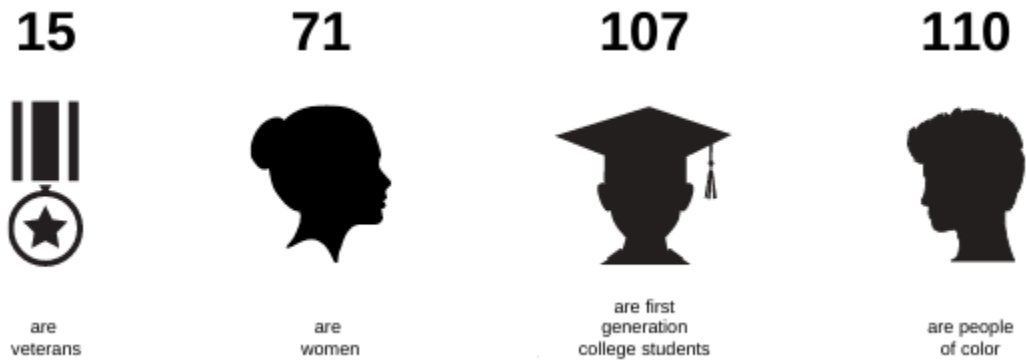
- **We remain confident in the long-term performance of the fund.**

Four months after the first 27 graduates have hit the job market during an unpredictable time, we remain confident in our program design. We will stay close to all graduates for several years, helping them land, retain, and grow into high paying jobs that lead financial results for them (higher earnings) and the fund (higher repayments) over the 3-5 year repayment window.

- **We have updated short and medium term cashflow projection based on placement and repayment rates to date, plus revised economic outlooks for the local job market.**

This will be provided at the WDB meeting as an addendum.

Figure 4: Demographics of 153 Signed ISAs



- **In most cases, the program is providing access to high-quality training and placement into technology careers for individuals underrepresented in tech.**

Of the 153 students, 46% of students are female, 72% identify as non-white, and 58% do not have a four-year degree.

We are seeing a lot less veterans than expected; we believe this is because coding and non-traditional education providers have increasingly begun qualifying for GI bill benefits. We are encouraging veterans to use those benefits for a high-quality program prior to an ISAs.

As the numbers of graduates, placements, and employments increase, we will begin to analyze these outcomes by different demographics. At this point in time, the numbers are too small to draw operational insights.

Workforce Ventures

In December 2019, the [Policy Board approved](#) the use of a separate entity to support financial management aspects of the ISA program. Workforce Ventures was launched in March 2020 to serve this purpose. Startup of the Workforce Ventures entity was funded by a generous gift from The James Irvine Foundation. Both Rockefeller and Lumina, organizations currently funding research and incubation of new ISA models through grants to the Workforce Partnership, have also expressed their excitement and support for the creation of the Workforce Ventures entity.

Workforce Ventures is a missionally-aligned but legally separate 501(c)(3) entity. As such, Workforce Ventures has a separate governance structure from the Workforce Partnership. Key staff and board include the following:

- CEO: Brooke Valle (Current Workforce Partnership Strategy and Innovation Officer)
- Chair: Ky Lewis (Retired Sharp Health Care Executive and Corporate/Finance Lawyer, former WDB member)

Additional Board Members:

- Kristin Carroll (San Diego Tech Leader / CEO of Rescue Agency, current WDB member)
- Kurling Robinson (Tech Entrepreneur and CEO of Fokcus)
- Dr. Hei-ock Kim (Founder and Executive Director of Kim Center for Social Balance)
- Erica Bouris (Senior Technical Advisor, Economic Empowerment at International Rescue Committee)

Workforce Ventures was created to provide maximum protection and flexibility to the Workforce Partnership as we continue to explore new and innovative ways to finance the education and supportive services necessary to serve our community. The ability to leverage a separate entity enables the Workforce Partnership to focus on its core programmatic functions while still taking advantage of opportunities as they arise.

Over the next year, Workforce Ventures will be:

- Receiving repayments from successful ISA students on Workforce Partnership's behalf and deploying funds to future students – this reduces the direct/indirect costs associated with ISAs enabling more money to be deployed to the community. Through a service agreement, the Workforce Partnership will transfer the cash inflows to Workforce Ventures for financial management purposes
- Originating ISAs on Workforce Partnership's behalf and managing the servicing partner – this reduces risk to the Workforce Partnership entity and assets in the event of legal proceeding or need to pursue student for nonpayment; this also allows Workforce Partnership staff to focus time on high quality program delivery vs. financial processes
- Pursuing Community Development Financial Institution status (CDFI) in order to enable Workforce Partnership to tap into CRA designated funds to support our work with businesses
- Raising additional grant funds from philanthropies interested in organizations dedicated to innovative financing mechanism through outreach and reputation for eminence building activities (e.g. writing, technical assistance fee for service, speaking engagements)

- Supporting other workforce boards seeking to launch ISA funds in order to generate revenue streams that can flow back to support the Workforce Partnership. Leverage of the Workforce Ventures entity has been fully supported and encouraged by our funders as a mechanism to expand impact and lower transaction costs. Work is being done in partnership with Jobs for the Future (JFF) and the Jain Family Institute (JFI).
- Able to accept return seeking capital and braid it with federal and philanthropic streams to produce diverse capital stacks in support of Workforce Partnership ISA programs, while protecting the existing entity, resources, and board