

Workforce Development Board (WDB) Agenda

Date: Thursday, June 13, 2024
Time: 12:00 p.m. — 2:00 p.m.
Place: 9246 Lightwave Ave, Suite 100, San Diego, CA 92123
<https://workforce-org.zoom.us/j/81287184418>
Meeting ID: 812 8718 4418

Instructions for Public Meetings

- Members of the public – Please complete a “Request to Speak” form

Welcome and Introductions

- Chair calls the meeting to order
- Non-agenda public comment

Agenda Items – Open Session:

Information Items:

Item 1: WDB Chair Updates

Item 2: SDWP CEO Update

Item 3: CEO Search Firm Update

Item 4: Strategic Plan Process Overview

Action Items:

Item 5: Approval of the May 16, 2024 Minutes

Item 6: FY25 Proposed Budget Authorization

Item 7: Grant Associates Contract Renewal Authorization

Next Meeting: Thursday, July 11, 2024 12:00 p.m. – 2:00 p.m.

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 complete a public comment form. The Workforce Partnership will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

Item #1: WDB Chair Updates

INFORMATION ITEM – NO VOTE REQUIRED:

Kurling Robinson, WDB and Executive Committee Chair, to lead a discussion and provide an update on:

- WDB Member Onboarding Process
- September Board Retreat

Item #2: SDWP CEO Updates

INFORMATION ITEM – NO VOTE REQUIRED:

Interim CEO, Tony Young to provide a report out on FY24 organizational and operational highlights and key decisions taken over the course of the fiscal year for the improvement of the SDWP's operational efficiency with an aim to bring more structural balance and shift resources towards front-line staff to better respond to public needs for services.

Item #3: CEO Search Firm Update

INFORMATION ITEM – NO VOTE REQUIRED:

A thorough Request for Proposal (RFP) process was launched in April to identify the best-suited and most qualified recruitment partner for guiding and leading the SDWP Permanent CEO search process.

The RFP process included:

- **Public Issuance:** the RFP was publicly released on SDWP website and social media, inviting qualified contractors to submit their proposals.
- **Proposal Submission:** Respondents interested in undertaking the project submitted their proposals by the specified deadline.
- **Evaluation:** Each proposal was evaluated by an evaluation panel led by the JPC Co-Chairs, based on a set of defined criteria, including cost, timeline, experience, capacity, and approach.
- **Shortlisting:** Respondents were shortlisted and interviewed according to their exhibited qualifications.

As a result of the process, the Joint Personnel Committee (JPC) Co-Chairs presented their recommendation to the JPC on June 6th to select DRi Waterstone Human Capital to provide the requested recruitment services for the JPC which was approved.

Item #4: Strategic Plan Process Overview

INFORMATION ITEM – NO VOTE REQUIRED:

New Ways to Work, the firm leading the collaborative development of the new SDWP Strategic Plan, will provide an overview of the strategic planning process and the timeline. Their goal is to gather input from the WDB on the proposed process, answer questions, and discuss their potential role in the Boards' September retreat.

Item #5: Approval of the May 16, 2024 Minutes

ACTION ITEMS – VOTE REQUIRED

Minutes of the May 16, 2024 WDB Meeting

Members Present

- | | | |
|---------------------|---------------------------------|------------------------------|
| 1. Aida Rosa | 7. Efrem Bycer | 12. Matt Doyle |
| 2. Annie Taamilo | 8. Gina Lee | 13. Rick Vaccari |
| 3. Brisa Johnson | 9. Jeremy Vellon | 14. Ricky Shabazz (Via Zoom) |
| 4. Caroline Smith | 10. Kevin Johnson | 15. Veronica Dela Rosa |
| 5. Christina Bibler | 11. Kurling Robinson
(Chair) | |
| 6. Danene Brown | | |

Members Absent

- | | | |
|------------------|-----------------------|--------------|
| 1. Carol Kim | 4. Jeffrey Noyes | 7. Tina King |
| 2. Dora Mendivil | 5. Nancy Smith-Taylor | |
| 3. Jamie Gardner | 6. Phil Blair | |

Staff Members Present

Tony Young, Interim President, and CEO
Khaleda Atta, COO
Alejandra Aceves, VP Programs
Carlyne Yu, VP Finance

Call to Order

The meeting was called to order by Kurling Robinson at 12:02 pm with a quorum.

Non-Agenda Public Comment

None

Information Items:

Item 1: WDB Chair Updates

K. Robinson overviewed the progress made so far and praised the work of the team members who contributed to the project. He highlighted the current board composition and discussed the need for replacements with a focus

on the private sector, particularly from North County, those experienced with organized labor, and small business representatives.

Additionally, K. Robinson discussed the need for WDB member, Nancy Smith-Taylor's replacement. The Committee discussed her participation and absence for several successive meetings.

T. Young added that new candidates were identified, and he will meet with those candidates along with the board chair to provide recommendations to the Executive Committee. He highlighted his communication with SDG&E regarding their board seat.

K. Robinson discussed the current composition and attendance of WDB, the aim is to keep the board composition under 20, although it is no longer a strict goal due to improved participation.

He overviewed the progress made by the Joint Personnel Committee (JPC) in the process of permanent CEO selection.

K. Atta added that 11 firms submitted their responses to the RFP. A qualitative and quantitative evaluation system was used, and a recommendation for one firm will be presented at the next JPC meeting.

K. Robinson emphasized the importance of maintaining momentum and ensuring continuous improvement in board engagement and effectiveness.

Item 2: **SDWP CEO Updates**

T. Young provided an update on ongoing efforts to streamline and optimize the organizational structure. Following previous discussions, it was decided to separate the Compliance and Procurement departments to follow best practices.

Andrew Mochulsky has been appointed as the new Compliance Officer. He was selected through a thorough process involving internal and external panel members and expressed his dedication to improving compliance within the organization.

Additionally, SDWP is recruiting a Procurement Manager and a Procurement Specialist to ensure fair and focused management of contracts, facilities, and other procurement needs. He emphasized the importance of adhering to Diversity, Equity, and inclusion (DEI) principles in the procurement process.

T. Young discussed the ongoing efforts to place more staff on the frontline resulting in identifying five new staff members for the career centers. The goal is to hire a total of eight new staff members. The new hires will help reduce wait times for services, which have already improved from several months ago to approximately 28 days. The objective is to cut this wait time in half by the end of the year through the addition of these new frontline members.

Further organizational restructuring and staff reallocations are planned to enhance efficiency. Specifically, the downtown career center will see reduced staff due to low client flow, with personnel being redirected to the Metro and South County centers where demand is higher. The downtown center, located on the 5th floor, incurs no rent, but its staff will be better utilized in other locations. The largest site on Imperial Ave, and South County will now handle clients previously serviced downtown. He added that the public will be informed about the updated service locations to ensure a smooth transition and continued access to services.

T. Young shared that the organization has been awarded a \$1.8 million grant by EDD for Opportunity Youth Adult (OYA) a Career Pathway Program. The program will help young adult participants pursue careers in the medical and other fields. The grant is significant and will involve partnerships with medical organizations, organized labor, and other training providers. This initiative targets individuals aged 18-24. Further details and plans for implementing the grant will be discussed in subsequent meetings.

An update on the strategic plan RFP was highlighted. T. Young announced that New Ways to Work has been selected as the partner for strategic planning. The selection followed a thorough evaluation by a panel. The CEO of New Ways to Work, who has extensive experience in workforce development and was recommended by the Irvine Foundation, will present to the board next month.

Various operational highlights were discussed, including participation in job and resource fairs across the region. T. Young mentioned his presence at events such as the South County Career Center and highlighted his involvement in supporting united domestic workers affected by the flood relief efforts.

Additionally, successful events like the Central Library Career Entry Resource Fair and a refugee job fair at Grossmont College showcased the team's efforts and dedication to the community.

J. Vellon inquired about the refugee job fair, expressing interest in the attendees and the representation among the job seekers, and aiming to

understand the demographics and backgrounds of those being supported through the event.

M. Vasquez shared that there was significant participation from Grossmont Community College at the refugee fair, along with involvement from organizations such as IRC and other service providers. There was a diverse representation from various countries, including East Africa, Asia, and Ukraine.

Item 3: **NAWB Briefing on WIOA Reauthorization**

Gail Ravnitzky Silberglie, Senior Director of Government Relations and Advocacy, and Steve Voytek, Policy Advisor, at the National Association of Workforce Boards (NAWB) presented the status of Workforce Innovation and Opportunity Act (WIOA) reauthorization in Congress.

S. Voytek focused on the recent bipartisan negotiations regarding the WIOA reauthorization, resulting in the introduction of HR6655, the Stronger Workforce for America Act (SWAA). The House Education and Workforce Committee passed this bill with significant support, and it was subsequently approved by the House of Representatives. The legislation primarily targets updates to Title I of WIOA, maintaining the existing governance structure while focusing on streamlining processes, especially around eligible training provider lists.

He added that a new training mandate requiring at least 50% of Title I formula dollars for adults and dislocated workers to be used for training services. However, there are concerns about this mandate reducing local control. The bill proposes only a modest 3% increase and introduces mandatory funding from H1B visa fees to support the training mandate. It also suggests changes to one-stop infrastructure funding, a focus on opportunity youth, and a new 10% state set-aside for a Critical Skills Industry Fund. Providing states with more flexibility in funding allocation by allowing states to reserve up to 25% of their WIOA formula dollars for these activities.

Three significant concerns regarding the proposed bill were highlighted. First, the 50% training mandate which would limit state and local autonomy, which is crucial for the system's success, and negatively impact operations at the local level. Second, the mandated training would reduce funding for other essential services, such as childcare and transportation, which are vital for participant success in training programs, lastly, the proposed increase in the state-level set-aside to 25% would further reduce local funding, effectively requiring more training with less funding.

Additionally, the bill includes a provision for a triggered redesignation process midway through its authorization, allowing governors to reassess and potentially redesignate local workforce development areas.

G. Ravnitzky emphasized the importance of board members' involvement in advocacy, highlighting that they possess critical, timely information that can influence policymakers. She mentioned that NWAB has created template letters for board members and business members to send to their senators, emphasizing the need to address problematic elements of the bill.

E. Bycer shared his concern about the 50% training mandate in the HR6655 bill, noting that one reason for this mandate is the low number of people being trained under WIOA. He inquired about potential alternatives to the 50% training mandate that could effectively address the issue of low training members.

S. Voytek discussed the complexities of the WIOA system and the proposed 50% training mandate in the bill. He emphasized that WIOA is designed to prioritize populations facing significant barriers to labor market entry, which requires comprehensive support beyond mere training. The broader discussion in Congress involves redefining what counts towards the training mandate and recognizing the multifaceted support systems that WIOA programs provide to help individuals secure employment.

Item 4: **SD County Economic Development Strategy Briefing**

C. Smith, Director of Economic Development and Government Affairs (EDGA), County of San Diego, WDB member, and Steve Lockett, Deputy Director, County of San Diego, provided an overview of the department's integrated approach to enhancing community services as well as plans.

C. Smith highlighted the synergy between federal grants and local implementation, the federal team identifies grant opportunities and collaborates with Steve's team to process and distribute these to County departments and community organizations.

EDGA's structure facilitates real-time collaboration and efficient resource utilization, significantly speeding up processes such as the reauthorization of the Economic Development Administration (EDA).

S. Lockett highlighted the importance of the County's five-year comprehensive Economic Development Strategy (CEDS), developed in late 2022. This strategy, required by the federal Economic Development Administration (EDA) serves as a foundational document enabling the County and local organizations to apply for EDA funding. The CEDS covers

a wide range of areas, including behavioral health and early childhood education, emphasizing workforce development and job creation.

In addition, S. Locket encouraged the board to align their strategic plans and local area plans with the CEDS to strengthen grant applications. He acknowledged the collaboration with the board's staff and expressed optimism about continuing these partnerships to drive economic development and prosperity in San Diego County.

C. Bibler expressed appreciation for the establishment of the Economic Development team at the County, which specific praise for Steve's exceptional work.

T. Young highlighted that C. Smith, a member of the board, has been instrumental in these efforts, ensuring alignment with regional economic development goals. He emphasized the importance of working closely with the County and the City of San Diego to achieve shared objectives and support regional growth and prosperity.

Item 5: **FY Budget Preview**

T. Young explained the purpose of presenting this item as an informational item to both the Executive Committee and WDB. He acknowledged that the budget discussion should have taken place last month, allowing for more comprehensive preparation and input. This meeting serves as an opportunity for the committee members to discuss their expectations and what they want to see in the final budget document to be presented next month.

C. Yu overviewed the FY24 budget. She reported that the initial budget for the year was \$36.5 million. The current trend projects the year-end total to be \$36 million. As of the end of Q3, expenditures stood at \$25.2 million.

C. Yu explained that there is typically a ramp-up in spending towards the end of the fiscal year due to the completion of various training cohorts. These cohorts finish their programs, including training and schooling, towards the end of the fiscal year, which accounts for the increased spending.

In addition, she highlighted various factors contributing to major variances in expense categories. These included challenges in recruitment and restructuring, resulting in reduced spending on headcount-related expenses. Additionally, increased professional fees, attributed to higher legal and consulting costs, were noted.

Other factors that impacted spending were decreased attendance at conferences and low enrollment in specific programs, such as ERiCA, Healthcare, P2E, and the Dislocated Worker.

To address these challenges, efforts will focus on enhancing recruitment, managing professional fees, and intensifying outreach for the Dislocated Worker to attract more qualified participants.

C. Yu discussed the FY25 budget. She announced that the State cut \$1.8 million in funding for the Expanded Subsidized Employment (ESE) program. SDWP has eight staff members working on the ESE and had planned to reassign these employees to fill out vacant positions.

C. Yu noted that unrestricted funds of up to \$2.7 million are available to cover any gaps, ensuring adequate coverage. Close monitoring throughout the fiscal year will be essential to avoid surprises, with the programs team regularly assessing spending.

Comparing the FY24 and FY25 budgets, an increase is observed, mainly in personnel costs projected to rise from 130 to 152 employees, though this will be adjusted due to the ESE funding cut. Professional fees have increased due to a capacity-building grant from the Irvine Foundation and rising legal fees. Supportive services spending will also rise, driven by state grants and efforts to enhance service delivery. Contractor payments will see a \$5.6 million increase, primarily due to the HIRA program.

C. Yu highlighted key focus areas in FY25 including timing of events, hiring personnel, and managing subrecipients, which involves board approval. Careful planning is essential to ensure targets are met. Major grants such as the state EMS Fire Pilot Pathways and Peer Support and the CWDB (High Road Construction Careers, Resilient Workforce (HRCC RWF) require significant ramp-up in spending. The EMS grant totaling \$10 million and expiring in June 2026, has only seen \$750,000 spent to date. Similarly, the CWDB HRCC grant, with a budget of \$6.4 million and the same expiration date, has only had \$621,000 spent so far. The target for this program in FY25 is to spend \$2.2 million. Efforts will focus on significantly increasing expenditures in FY25 to meet grant targets.

The board members expressed their interest in seeing a pie chart that would illustrate the different percentages of the budget allocated to various categories to understand the costs associated with personnel and the proportion of the budget dedicated to different areas.

J. Vellon suggested including a breakdown of training versus supplemental funds going to the programs. This request was based on trends indicating a move towards greater granularity and accountability in budget reporting.

Action Items:

Item 6: Minutes of the April 18, 2024 Meeting

Motion: WDB approves the meeting minutes

Moved (D. Brown), Seconded (A. Taamilo), Motion carried Unanimously

Item 7: Employer of Record Contract Authorization

K. Atta presented the recommendation of contracting with SUNA as the new employer of record (EOR) service provider. SUNA will be responsible for processing onboarding, payroll, benefits administration, and tax compliance for participants in short-term work-related programs.

The proposed contract with SUNA is for one year and is valued at up to \$250,000. This decision follows the experience with the previous provider, Signature Staffing LLC, which has been contracting for a couple of years. It is anticipated that payroll processing needs will be around \$900,000.

K. Atta added that SUNA was chosen from a shortlist of three firms interviewed, and it is a local company based in downtown San Diego, operating since 2008. The executive team is stable, with most members having over 10 years of tenure.

SUNA has offered favorable terms, including a 21% markup fee for payroll processing and a 4% fee for stipends, with a commitment to these terms for up to two years. The proposed contract is for one year, valued at up to \$250,000.

Y. Ruiz highlighted the challenges faced by the previous provider, which included higher markup fees (24% for payroll and 12% for stipends) and inefficiencies in timesheet processing due to Signature's remote location in Texas. She added that the new system offered by the new provider will eliminate the need for internal timesheet management and speed up processing.

Motion: WDB approves new contract recommendation and authorizes SDWP management to execute a contract with SUNA.

Moved (K. Johnson), Seconded (R. Vaccari), Motion carried Unanimously

Item 8: WIOA Youth Subcontracts Renewal Authorization

A. Aceves presented the proposal for the WIOA youth contracts renewal, which are set on an annual basis. The proposal renewals included no

changes to the number of young participants served or the funding amount from the previous year.

R. Vaccari inquired about the quarterly amount of \$4,800. He noted that it seemed low for a yearly total under \$20,000.

A. Aceves clarified that this figure was set by the State, but the team often exceeds these expectations. The contracts and community programming are designed to include roles for peer support and youth internships, which are compensated between \$21.80 and 22.50 per hour.

J. Vellon inquired about the contracts' outcomes from last fiscal year, and whether these contractors performed well in the past year.

A. Aceves mentioned that these contractors met their performance, which is why the program team is not making any recommendations for changes in their status.

K. Johnson discussed the cost-per-person metrics set in these contracts and last fiscal year outcomes.

A. Aceves mentioned that the cost was set at \$7,000 per person, based on local policy and outlined in the Request for Proposal (RFP). She added that the cost reflects the needs of youth, including support services and participant activities.

C. Bibler clarified that the type of these contracts is a cost reimbursement. Contractors will need to perform in order then subsequently get paid.

Motion 8.1: WDB approves contract renewal recommendation with Access – Career Centers and authorizes SDWP management to execute the contract for \$1.5M. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (C. Bibler), Seconded (A. Taamilo), Motion carried Unanimously

Motion 8.2: WDB approves contract renewal recommendation with Access – Foster Youth and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (J. Vellon), Seconded (C. Bibler), Motion carried, C. Smith abstained

Motion 8.3: WDB approves contract renewal recommendation with Access – San Pasqual Academy and authorizes SDWP management to execute the contract for \$400,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (D. Brown), Seconded (G. Lee), Motion carried, C. Smith abstained

Motion 8.4: WDB approves contract renewal recommendation with SBCS – Justice-Involved Youth and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (V. Dela Rosa), Seconded (B. Johnson), Motion carried Unanimously

Motion 8.5: WDB approves contract renewal recommendation with San Diego Continuing Education – ELL/Immigrant/Refugee and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (A. Taamilo), Seconded (R. Vaccari), Motion carried Unanimously

Motion 8.6: WDB approves contract renewal recommendation with SDYS – Unhoused Youth and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (V. Dela Rosa), Seconded (G. Lee), Motion carried Unanimously

Motion 8.7: WDB approves contract renewal recommendation with YMCA – Black Opportunity Youth and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (B. Johnson), Seconded (V. Dela Rosa), Motion carried, C. Bibler abstained

Item 9: **Helping Justice-Involved Reenter Employment (HIRE) Subcontracts Authorization**

A. Aceves presented this item and announced that SDWP had received an award from the California Workforce Development Board (CWDB) to continue their work with the reentry population, totaling \$4.8 million. This award signifies SDWP's commitment to supporting the community and collaborating with smaller organizations that may lack the resources to apply for state grants independently.

She added that SDWP is partnering with nine organizations to enhance their capacity and support their work with the reentry community. These organizations have prior experience working with the reentry population and have established interactions with each other and with SDWP.

T. Young clarified that the funds awarded to the organizations were provided by the CWDB directly. The funding source selected these organizations to receive the funding.

R. Vaccari inquired about the outcomes measurement to be implemented for this project.

A. Aceves discussed the measurement criteria. Under this grant, milestones are diverse, ranging from arranging appointments with parole officer to completing required courses or obtaining employment, each organization participating in the grant identified milestones based on their scope and expertise.

The board members discussed the alignment of contract terms with the timeline, the implications of not meeting performance benchmarks outlined by the State, the desired outcomes, including recidivism rates and job placement rates, and reporting compliance requirements.

A. Aceves emphasized the collaborative nature of the grant program and the need for ongoing support and capacity building among participating organizations.

J. Vellon inquired about the number of participants. A. Aceves clarified that the number of participants the program will serve is 150.

Motion 9.1: WDB approves new contract recommendation with Always Ready for Southern California and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (D. Brown), Seconded (B. Johnson), Motion carried Unanimously

Motion 9.2: WDB approves new contract recommendation with Kitchens for Good and authorizes SDWP management to execute the contract for \$750,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (V. Dela Rosa), Seconded (G. Lee), Motion carried, C. Bibler abstained

Motion 9.3: WDB approves new contract recommendation with Lived Experiences and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (A. Taamilo), Seconded (C. Bibler), Motion carried Unanimously

Motion 9.4: WDB approves new contract recommendation with Restoring Citizens and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (C. Bibler), Seconded (V. Dela Rosa), Motion carried Unanimously

Motion 9.5: WDB approves new contract recommendation with Rise Up Industries and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (D. Brown), Seconded (J. Vellon), Motion carried Unanimously

Motion 9.6: WDB approves new contract recommendation with SBCS Corporation and authorizes SDWP management to execute the contract for \$700,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (G. Lee), Seconded (C. Bibler), Motion carried Unanimously

Motion 9.7: WDB approves new contract recommendation with Vehicles for Change and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (D. Brown), Seconded (V. Dela Rosa), Motion carried Unanimously

Motion 9.8: WDB approves new contract recommendation with Women Initiating Success Envisioned Inc and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

Moved (B. Johnson), Seconded (C. Bibler), Motion carried Unanimously

Item 10: **High Road Construction Career (HRCC) Subcontracts Modification Authorization**

T. Eckard presented the proposed modifications to three subcontractors with the San Diego College of Continuing Education, The San Diego Building and Construction Trades Council, and Southwestern College.

These modifications pertain to changes in the readiness program, specifically focusing on a State Registered Pre-Apprenticeship program in construction built around the Multi-Craft Core Curriculum (MC3). These subcontracts are funded by the California Workforce Development Board (CWDB) under the High Road Construction Careers initiative, representing important partnerships for SDWP.

A. Taamilo sought clarification regarding the contract value for the extension of the subcontract with Southwestern College.

T. Eckard confirmed that the recommendation is to extend all three subcontracts to June 2025 to align them with the fiscal and program year. Southwestern extension didn't entail requesting additional funding while adding extra funding for the San Diego Building & Construction Trades

Council for \$37,195 totaling \$583,351 and \$356,703 for the San Diego Continuing Education Foundation.

J. Vellon suggested standardizing the reporting of outcomes to provide outcome percentages based on either the guidance or the contract outcome. He added that standardizing the reporting process would enhance clarity and facilitate a better understanding of the outcomes achieved.

T. Eckard highlighted that the outcomes presented in the meeting were based on the original terms of the contracts. The outcomes tracked include enrollments, training completion (MC3), and placements, categorized into various segments such as apprenticeships, construction jobs, non-construction jobs, and post-secondary education placements. These outcomes are shared with the state as part of quarterly reporting.

After a thorough discussion and review, board members approved the subcontracts highlighted in this item below:

Motion 10.1: WDB approves contract modification recommendation with San Diego Continuing Education Foundation (SDCEF) for the amount of \$356,703 and the term commences on July 1, 2024 ending June 30, 2025, and authorizes SDWP management to execute the modification.

Moved (C. Smith), *Seconded* (C. Bibler), Motion carried Unanimously

Motion 10.2: WDB approves contract modification recommendation with San Diego Building & Construction Trades Council for the amount of \$583,351 and the term commences on July 1, 2024, ending June 30, 2025 and authorizes SDWP management to execute the modification.

Moved (M. Doyle), *Seconded* (C. Bibler), Motion carried Unanimously

Motion 10.3: WDB approves contract modification recommendation with Southwestern College to extend the term of the contract to commence on July 1, 2024, and end on June 30, 2025, and authorizes SDWP management to execute the modification.

Moved (V. Deal Rosa), *Seconded* (G. Lee), Motion carried Unanimously

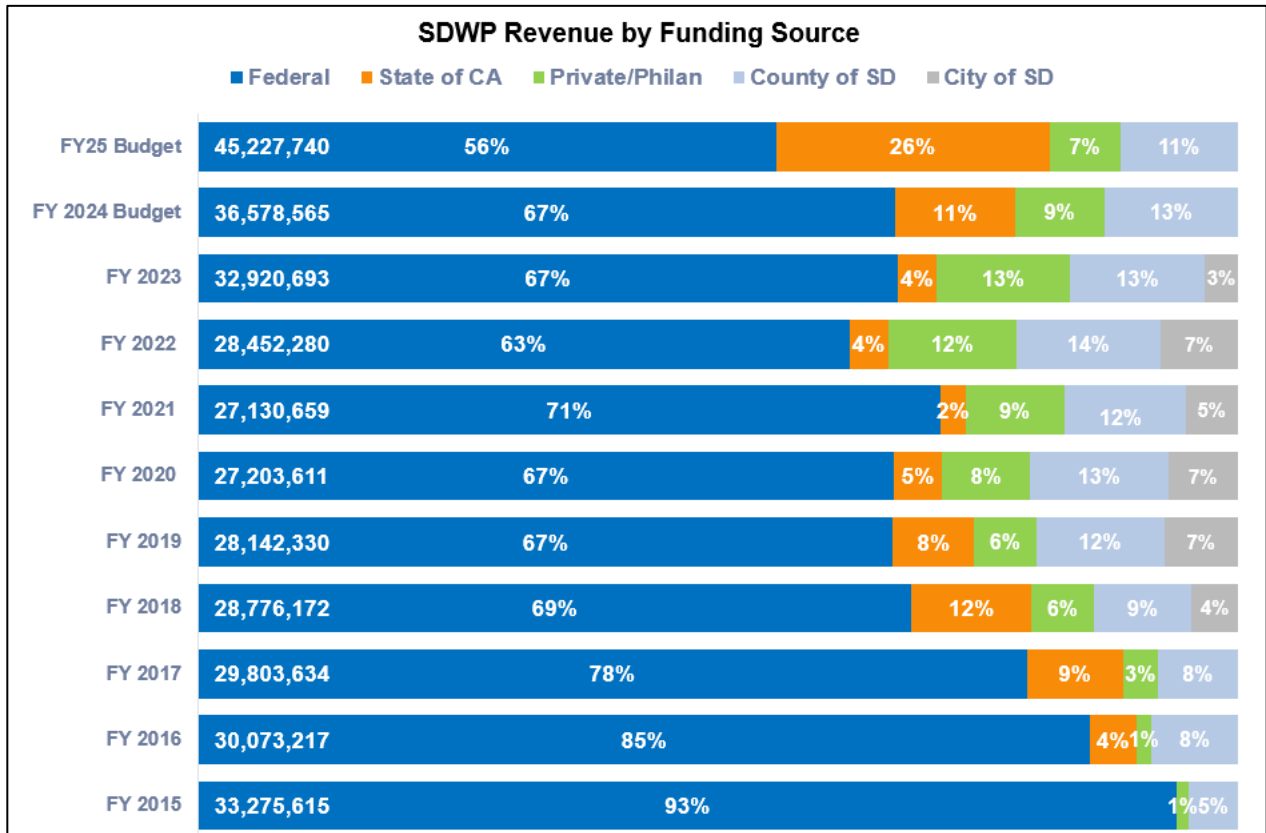
Adjournment

K. Robinson adjourned the meeting at 1:45 pm.

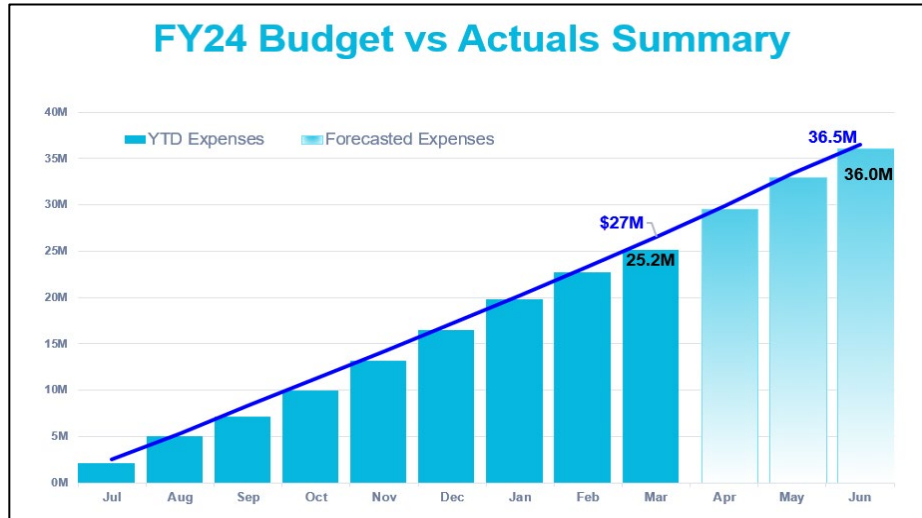
Item #6: FY25 Proposed Budget

ACTION ITEM – VOTE REQUIRED:

The FY25 Budget is projected at \$45.2M representing a 19% increase over the FY24 Budget (\$36.5M). Based on our projected estimates; Federal funding will increase slightly (\$25.3M vs \$24.5M), State funding increased dramatically (\$11.8M vs \$4.0M), with Private and County fairly stable at 8M each year and similar to last year: no funding is expected from the City of San Diego. However, we have seen a substantial increase in multi-year funding. The increase in multi-year funding has triggered us to ramp up spending this fiscal year to ensure that we are able to spend out prior to grant expiration.



FY24 Budget was approved at \$36.5M. Our projected expenditure to date is trending at \$36.0M. Some programs (e.g. Equal Representation in Construction Apprenticeship, State Peer Support and Google/Social Finance) adjusted the timing of their activities causing a reduction in expenses. The projected headcount for this FY was 160 while the current headcount is around 120 with significant recruitments still under way. We are currently identifying and eliminating inefficiencies to improve the structure of our organization while increasing productivity and efficiency.



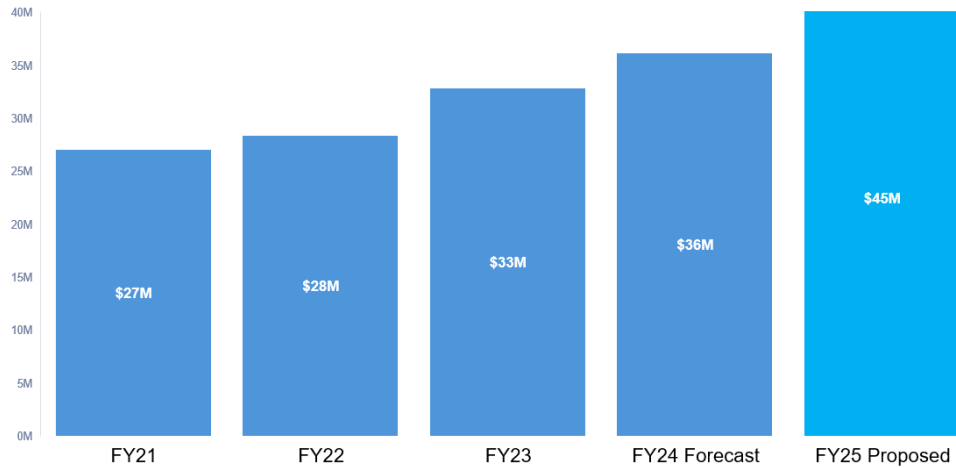
FY24 YTD (07/01/23-03/31/24) expenditure was budgeted at \$27M. We are currently at \$25.2M in Q3. The deficit is attributed to lower personnel count and enrollment with regards to supportive services. This is offset by an increase in professional fees as we incurred larger legal and consulting expenses.

Expenses	FY24 Total Budget	YTD Budget	YTD Actuals	%
Salaries & Wages	12,077,113	8,822,704	8,286,883	94%
Benefits, Insurance & Taxes	3,985,392	3,020,931	2,408,315	80%
Contracted Labor	239,111	214,216	75,371	35%
Professional Fees	701,301	525,691	718,097	137%
Facilities	2,014,346	1,513,884	1,790,247	118%
Communications	175,668	134,750	100,711	75%
Computer & Equipment	567,925	456,365	388,378	85%
Conferences & Meetings	431,066	252,350	101,584	40%
Insurance	131,000	119,714	91,078	76%
Office Expense	55,885	41,751	43,079	103%
Printing & Publications	64,625	48,423	32,747	68%
Shipping & Mailing	3,300	5,475	6,827	125%
Dues & Subscriptions	53,897	35,513	43,544	123%
Supportive Services	1,863,166	1,234,849	919,346	74%
Special Events	41,447	28,025	28,496	102%
Other Expenses	253,575	245,888	69,345	28%
Contractor Payments	13,919,748	10,314,488	10,123,566	98%
Total Expenses	36,578,565	27,015,017	25,227,613	93%

San Diego Workforce Partnership Balance Sheet As of 3/31/2024	
Assets	
Cash	12,710,992
Accounts Receivable	1,081,748
Other Assets	585,364
Total Assets	<u>14,378,104</u>
Liabilities	
Accounts Payable	
Accounts Payable	759,010
Accrued Accounts Payable	182,148
Total Accounts Payable	941,159
Accrued Liabilities	
Accrued Payroll	291,658
Accrued Vacation	432,447
Total Accrued Liabilities	724,105
Other Liabilities	
Due To State	391,174
Due To Federal	39,239
Due To Unclaimed Property	7,244
Due To Other	110,034
Flex Benefits	6,673
Insurance	(313,980)
Fica Medicare	5
SUI & ETT	29
SDI	(0)
Deferred Revenue-Other	41,806
Total Other Liabilities	282,225
Total Liabilities	<u>1,947,488</u>
Fund Balance	
Total Fund Balance	<u>12,430,616</u>
Liabilities & Fund Balance	<u>(14,378,104)</u>

San Diego Workforce Partnership Statement of Revenues and Expenditures by Period From 7/1/2023 Through 3/31/2024	
Revenues	
GRANT REVENUE	35,095,871
DONATIONS	175
OTHER INCOME	9,702
Total Revenues	<u>35,105,749</u>
Expenses	
Salaries & Wages	8,286,883
Benefits, Insurance & Taxes	2,408,315
Contracted Labor	75,371
Professional Fees	718,097
Facilities	1,790,247
Communications	100,711
Computer & Equipment	388,378
Conferences & Meetings	101,584
Insurance	91,078
Office Expense	43,079
Printing & Publications	32,747
Shipping & Mailing	6,827
Dues & Subscriptions	43,544
Supportive Services	919,346
Special Events	28,496
Other Expenses	69,345
Contractor Payments	10,123,566
Total Expenses	<u>25,227,613</u>
Total	<u>9,878,136</u>

Annual Trend



SDWP is still predominantly funded by Federal Grants representing 56% of our funding. WIOA provides majority of the Federal funds. Followed by a substantial increase in state funding representing 26% of our budget.

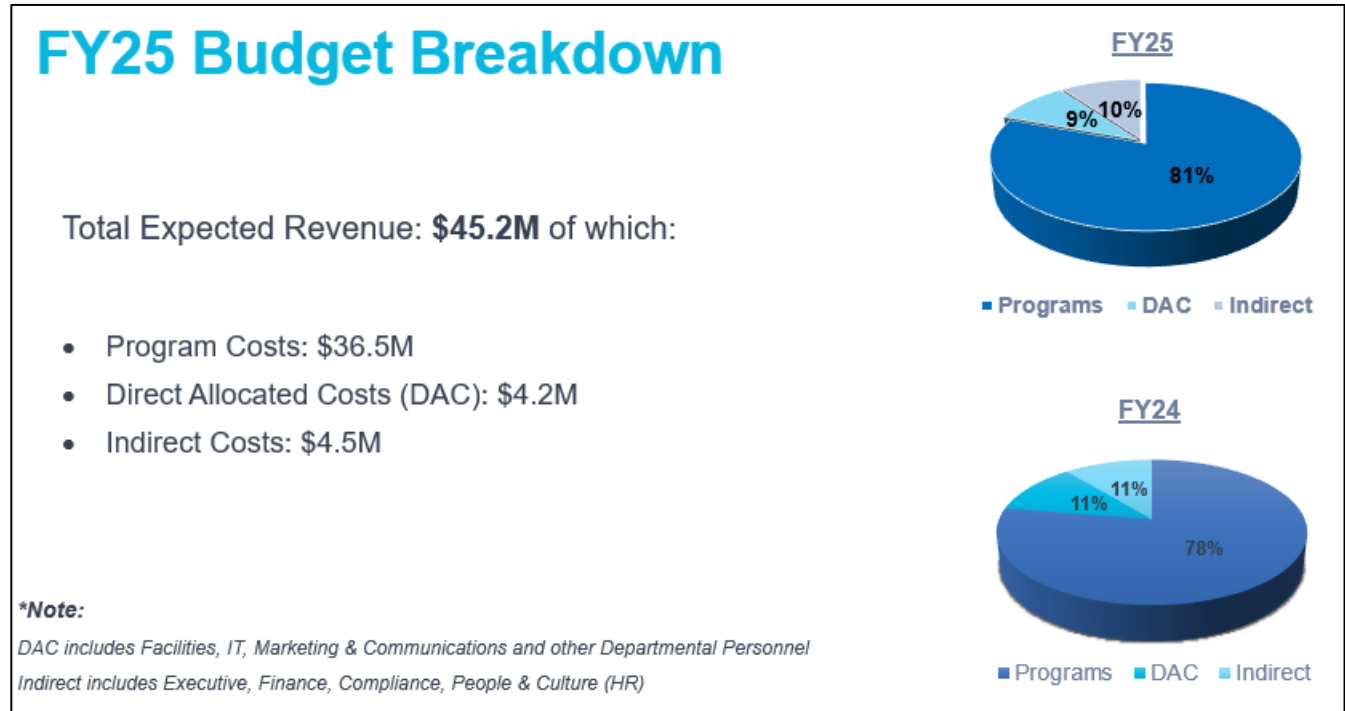
We are anticipating \$1.8M in Calfresh (CFET) revenue for FY24, making our FY25 budget projection more in line with current performance.

Funding Sources						
	FY25	FY24	\$ Diff	Diff	Budget	
County of SD	\$ 5,118,602	\$ 4,693,571	\$ 425,031	9%	11%	
Federal	\$ 25,141,288	\$ 24,535,930	\$ 605,358	2%	56%	
Private/ Philanthropic	\$ 3,076,616	\$ 3,158,564	\$ (81,948)	-3%	7%	
State of CA	\$ 11,891,233	\$ 4,190,500	\$ 7,700,733	184%	26%	
Total	\$ 45,227,740	\$ 36,578,565	\$ 8,649,175	24%	100%	

Revenue Categories						
	FY25	FY24	\$ Diff	Diff	Budget	
WIOA Formula Grants	\$ 23,115,309	\$ 20,007,567	\$ 3,107,742	16%	51%	
Other Grants	\$ 20,348,424	\$ 13,831,570	\$ 6,516,854	47%	45%	
CalFresh E&T (CFET)	\$ 1,764,007	\$ 2,739,428	\$ (975,421)	-36%	4%	
Total	\$ 45,227,740	\$ 36,578,565	\$ 8,649,175	24%	100%	

WIOA Formula Grants						
	FY25	FY24	\$ Diff	Diff	Budget	
Adult	\$ 11,634,109	\$ 7,992,325	\$ 3,641,784	46%	26%	
Dislocated Worker	\$ 4,281,280	\$ 6,743,778	\$ (2,462,498)	-37%	9%	
Youth	\$ 6,448,735	\$ 7,450,127	\$ (1,001,392)	-13%	14%	
Rapid Response/ Layoff Aversio	\$ 751,186	\$ 559,947	\$ 191,239	34%	2%	
Total	\$ 23,115,309	\$ 22,746,177	\$ 369,132	2%	51%	

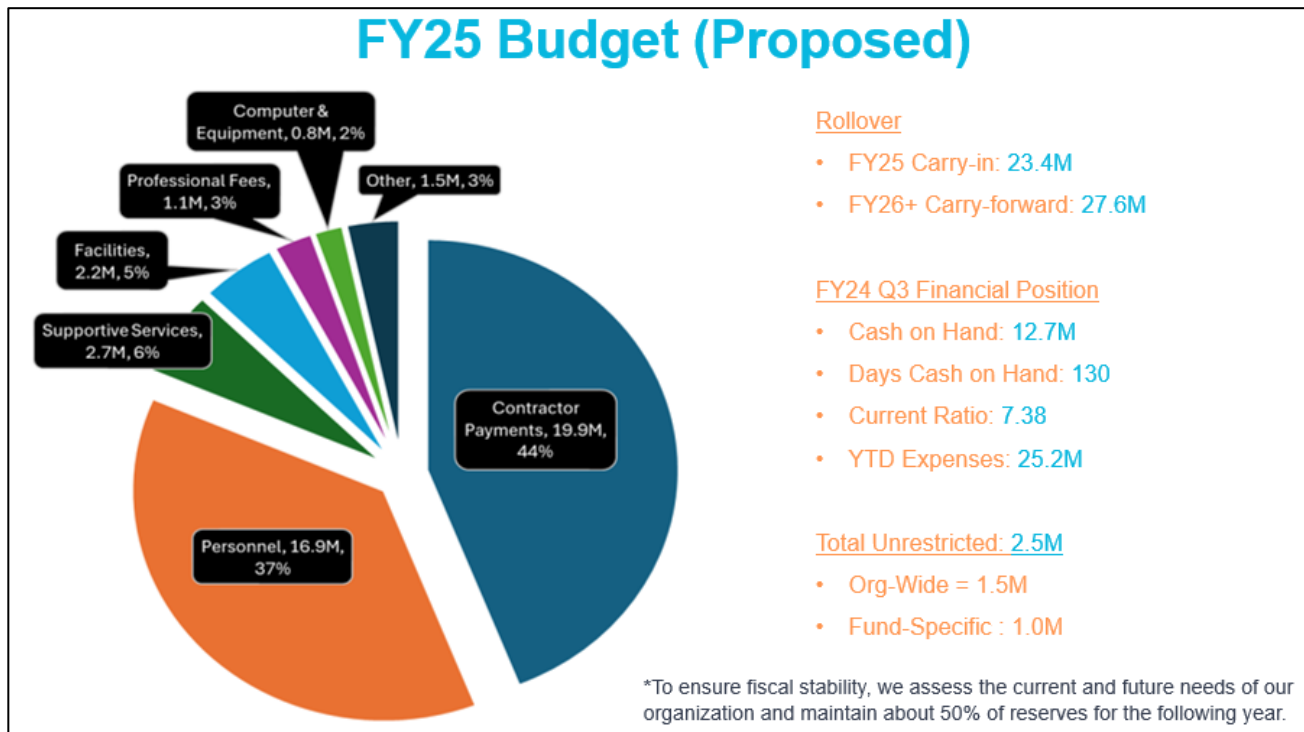
Our programmatic spending will go up 3% in comparison to FY24. This was a result of decreasing our Indirect (-1%) and Direct Allocated Costs (-2%).



The FY25 Budget was developed in conjunction with organizational restructuring initiatives. This was driven by optimization of WIOA funding across the organization, congruent with the mandate for WIOA to support the entire workforce system as well as the need for efficiency as we project substantial growth in the coming year.

Expenses	FY25 Budget (Proposed)	FY24 Budget	Difference	%
Personnel	16,938,454	16,062,505	875,949	5%
Professional Fees	1,118,140	940,412	177,728	19%
Facilities	2,202,412	2,014,346	188,066	9%
Communications	125,118	175,668	(50,550)	-29%
Computer & Equipment	835,849	567,925	267,924	47%
Conferences & Meetings	288,914	431,066	(142,152)	-33%
Insurance	151,000	131,000	20,000	15%
Office Expense	45,200	55,885	(10,685)	-19%
Printing & Publications	190,658	64,625	126,033	195%
Shipping & Mailing	3,300	3,300	0	0%
Dues & Subscriptions	97,903	53,897	44,006	82%
Supportive Services	2,681,778	1,863,166	818,612	44%
Special Events	82,607	41,447	41,160	99%
Other Expenses	544,034	253,575	290,459	115%
Contractor Payments	19,922,373	13,919,748	6,002,625	43%
Total Expenses	45,227,740	36,578,565	8,649,175	24%

To ensure fiscal stability, we assess the current and future needs of our organization and maintain about 6 months of reserves for the following year.



The FY25 Proposed Budget includes expenditure modifications to achieve a balanced budget for FY25. The list below highlights some of the changes by department:

- Executive & P&C
 - Increased headcount for additional support (2 FTEs)
- Programs
 - Dept restructure & realignment of duties
 - New grant awards
 - Loss of ESE contract (-\$2.7M)
- Client Services
 - Management reduction in force
 - South Career Center move (2 months overlap, tentative date: Apr 2025)
 - Shifting Downtown Library services to Metro Career Center
- Operations & Finance
 - Dept restructure & realignment of duties
 - ADP software enhancement (includes benefit & recruitment)
 - Questica Budget to replace PowerPlan Budget software.

We anticipate an \$8.6M increase in spending for FY25. Due to our reputation for innovation, we have secured many large grants that will require thorough planning and execution. FY24 timing of activities also shifted, leading to a ramp up of spending in FY25. Listed below are key items for consideration throughout grant management as well as major grants that will require focus to ensure funds are fully spent down prior to expiration.

Key Items for Grant Management:

- Collaboration
- Hiring of personnel
- Selection and management of subrecipients/contractors
- Contractual execution of agreements
- Networking
- Capacity building

Major Grants:

- State Fire Pilot Pathways – \$5.0M
- State Peer Support – \$5.0M
- CWDB Behavioral Health Expansion - \$6.4M
- Helping justice-involved Reenter Employment (HIRE) Reentry Works – \$5.0M
- Opportunity Young Adult (OYA) Career Pathway - \$1.8M

Looking Ahead:

SDWP looks forward to another strong fiscal year with a growing and diversified portfolio. The Partnership is more diversified than most, if not all, Workforce Boards in the country. Most Workforce Boards are dependent upon federal funding and have few, if any, other sources. The SDWP has a sound operational infrastructure and is always working to ensure we have the right tools and talent to meet current and future needs. By focusing on these revenue strategies, we expect to continue to expand our impact.

Item 7: Grant Associates Contract Renewal Authorization

ACTION ITEM – VOTE REQUIRED

RECOMMENDATION:

Request for WDB to authorize SDWP management to renew our contract with our one stop operator, Grant Associates for a budget not to exceed \$320,000 for FY25. The current contract is for \$300,000 per year.

Term: July 1, 2024-June 30, 2025

Amount: up to \$320,000

Contract Type: Renewal

BACKGROUND:

SDWP first contracted with Grant Associates following Workforce Development Board approval on February 22, 2022 and Policy Board on February 25, 2022. The initial term ran from April 1, 2022 through June 30, 2023 at a total cost of \$375,000. The contract included three one-year options, each at a total cost of \$300,000. SWDP seeks to exercise the second year option with modifications.

The proposed \$320,000 budget estimate covers 2.3 FTE and a revised scope of work that will include: facility management of 4 career centers based on need, WIOA certification of our centers, capacity building and technical assistance for our staff, and enhancements of our standard operating procedures. The revised scope of work reflects the current needs of our organization. We had a shift in our operating model and in an effort to rebalance our working relationship with our One Stop Operator, we decided to modify the scope of work moving forward. We are mandated by EDD to use an external party operator for our centers unless we submit a waiver and it gets approved.

Budget:

Personnel Costs: \$256,454

ICT & Communications: \$1,545

Staff Training & Travel Costs: \$10,647

Insurance & Payroll Services: \$1,924

Indirect Costs (10%): \$27,057

Markup (5%): \$14,881

TOTAL BUDGET: \$312,508

Scope of work:

Metro	South	East	North
Facilities Management and Related Career Center Communication	Facilities Management and Related Career Center Communication	Partner in the implementation of process and infrastructure changes	Partner in the implementation of process and infrastructure changes
Partner in the Implementation of Process and Infrastructure Changes	Partner in the Implementation of Process and Infrastructure Changes	Communication to colocated partners	Communication to colocated partners
Schedule, Support, and Follow-up on Repairs and Enhancements & Building safety management	Schedule, Support, and Follow-up on Repairs and Enhancements & building safety management	Requirements for WIOA career center certification	Requirements for WIOA career center certification
Requirements for WIOA career center certification	Requirements for WIOA career center certification		

Facility management:

Facilities Management and Related Career Center Communication: Manage Contractors, schedule maintenance work, communicate plans to co-located partners, secure and manage new quality contractors as needed, including janitorial and security contractors.

Schedule, Support, and Follow-up on Repairs and Enhancements: This includes but is not limited to HVAC, plumbing, electrical, roof maintenance, fire/life/safety, and security systems, and miscellaneous building repairs.

Building Safety Management:

This includes but is not limited to ensuring the building is compliant with regulations, manage the after-hours security, maintain safety materials and systems, manage security contractors, safety trainings for staff, recommendations of expanding safety materials and systems, water intrusion mitigation, and other situations caused by natural disasters.

Partner Relationships, Engagement, and Innovation

Partner Relationships, Engagement, and Innovation: Establish strong relationships with and between collocated partners at the career centers and fostering an environment where partners have knowledge of each other's program offerings and goals so that they can seamlessly refer clients to their respective programs and provide mutual support toward each of their goals.

WIOA Certification

Requirements for WIOA Career Center Certification: We ensure the career centers meet the baseline requirements and Indicators of Excellence as established by the California Workforce Development Board (CWDB).