

2.8 Pathways to Self-Sufficiency Program.

Recommendation:

Adopt the following 2023-2024 Funding Sources Resolution and Appropriation Ordinance Amendments in the Workforce Development Fund:

(a) Increase the estimate for revenue from Federal Government appropriation by \$2,700,000; and

(b) Establish the Pathway to Self-sufficiency Program City-Wide Expenses appropriation to the Office of Economic Development and Cultural Affairs by \$2,700,000.

CEQA: Not a Project, File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment. (Economic Development and Cultural Affairs/City Manager)



COUNCIL AGENDA: 4/9/24
FILE: 24-76344
ITEM: 2.8

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nanci Klein
Jim Shannon

SUBJECT: PATHWAYS TO SELF-SUFFICIENCY PROGRAM **DATE:** March 26, 2024

Approved

Date

3/28/24

RECOMMENDATION

- (a) Adopt the following 2023-2024 Funding Sources Resolution and Appropriation Ordinance Amendments in the Workforce Development Fund:
- (1) Increase the estimate for revenue from Federal Government appropriation by \$2,700,000; and
 - (2) Establish the Pathway to Self-sufficiency Program City-Wide Expenses appropriation to the Office of Economic Development and Cultural Affairs in the amount of \$2,700,000.

SUMMARY AND OUTCOME

The recommended action will recognize and make available resources that the City of San José will receive from the County of Santa Clara (County) to implement the Pathway to Self-Sufficiency Program.

BACKGROUND

work2future is the federally authorized Workforce Development Board administered by the City of San José. The Workforce Development Board is empowered, through the Workforce Innovation and Opportunity Act, to oversee and ensure adherence to federal regulations and an annually adopted budget. work2future serves over 2,100 clients every year with multiple barriers to employment. Historically, work2future has served primarily very low-income youth and adult clients, and over 90% of clients served have been Black, Indigenous, or People of Color, while over 60% of work2future clients are unstably housed. Over the past year, work2future has secured employment for over 820 youth and adult clients, with 85% obtaining employment in high-wage, high-growth occupations relating to information technology, advanced manufacturing, health care, business and accounting, and construction and the trades.

In partnership with the County, work2future will implement the Pathways to Self-Sufficiency Program. This program was developed through an agreement wherein the County is sub-granting work2future workforce development funding. The contract delegation authority has already been authorized by the annual omnibus resolution RES2023-212. The program objective is to offer subsidized employment for 40 clients for six months, leading to 70% of these individuals securing unsubsidized employment in a high-wage occupation. This program can support the recently approved Homelessness Implementation Plan, as most of the clients are expected to be unstably housed.

Through this experience, participants can enhance their job skills, ultimately paving the way to secure permanent direct placements with employers offering a livable wage. Potential employment opportunities include priority sectors such as information technology and healthcare, among others. In preparation for subsidized employment, participants may also engage in other activities to improve their overall employability.

ANALYSIS

With \$2.7 million of funding from the County, work2future will serve 40 individuals with barriers to employment by placing them in subsidized employment for up to six months. Case managers will facilitate the placement of eligible participants into suitable positions and maintain a comprehensive system to track and monitor participant employment through the program period.

Clients served will receive a paid work experience featuring a living wage for up to six months. work2future will collaborate with the County's Social Services Agency's Department of Employment and Benefits Services, as well as other County departments, including the Office of Supportive Housing and Diversion and Reentry Services, to implement the program.

work2future will provide a wide variety of workforce services to eligible participants spanning a wide range of ages, languages, and cultures. Participants will receive intensive case management assistance, including, but not limited to, the following:

- Initial face-to-face contact and enrollment alongside a case manager;
- Job readiness workshops, such as resume development and interviewing techniques;
- Six months of paid work experience in high-wage occupations;
- Case management and retention support for eligible participants that includes conducting comprehensive occupational assessments and referrals to agencies that provide wrap-around services;
- Supportive services, such as transportation, interview clothes, tools and materials if needed, licensing fees, etc.

The target population for this project is low-income individuals who face barriers to employment and lack equitable access to living-wage occupations, recipients of public assistance, and/or

individuals who are basic skills deficient. This includes unemployed or underemployed individuals as well as those who are working but are not earning a living wage. Individuals will be pre-screened for program eligibility and program fit to ensure their success in the program. Retention and follow-up support to ensure that the client's needs are met and are successful in their subsidized placement will also be offered and monitored. This includes weekly monitoring during the first month of subsidized employment, followed by monthly follow-ups for the first three months. Follow-ups may include telephone or email contact with the participants and worksite or visits during the case management check-ins. Other retention support includes workplace intervention and supportive counseling to strengthen participants' abilities to keep their jobs.

Performance will be monitored both by the work2future staff and in partnership with the County. By the end of the two-year program, 70% of the participants will transition from subsidized to unsubsidized employment and earn the equivalent of the County's living wage or higher. Training will also be provided to eligible participants who need additional industry-recognized credentials (e.g., cyber security, cloud computing).

EVALUATION AND FOLLOW-UP

No additional follow-up actions with the City Council are expected at this time.

COST SUMMARY/IMPLICATIONS

The funds received from the County will be used to execute the Pathway to Self-Sufficiency program. Acceptance of this funding would provide the City a total of \$2.7 million upfront to spend over a two-year period, from the date of City Council approval to April 30, 2026, to offer eligible participants the chance to secure temporary subsidized employment. The County will provide this money as a lump-sum amount at the beginning of the contract. The remaining funds will be carried over into subsequent years until two years from the initiation of the project.

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum and remaining project costs.

Fund #	Appn #	Appn. Name	Current Appn	Recommended Budget Action	2023-2024 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
290	R110	Revenue from Federal Government	\$10,918,652	\$2,700,000	1069	10/17/23 Ord. No. 23-361
290	NEW	Pathway to Self-Sufficiency Program	N/A	\$2,700,000	N/A	N/A

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the April 9, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

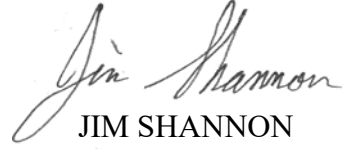
CEQA

Not a Project, File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

PUBLIC SUBSIDY REPORTING

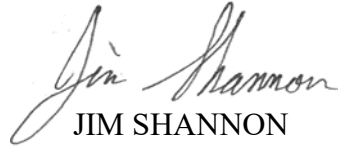
This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
NANCI KLEIN
Director of Economic Development and
Cultural Affairs



JIM SHANNON
Budget Director

I hereby certify that there will be available for appropriation in the Workforce Development Fund in Fiscal Year 2023-2024 monies in excess of those heretofore appropriated therefrom, said excess being at least \$2,700,000.



JIM SHANNON
Budget Director

The principal author of this memorandum is Sangeeta Durrall, Division Manager – work2future, Office of Economic Development and Cultural Affairs. For questions, please contact at email sangeeta.dural@sanjoseca.gov or (408) 314-9444.