

# Memorandum

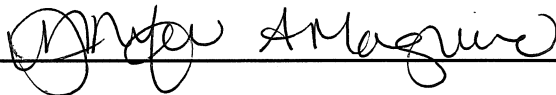
**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kim Walesh

**SUBJECT:** WORK2FUTURE SERVICES

**DATE:** June 28, 2019

Approved



Date

7-1-19

## INFORMATION

### BACKGROUND

Work2future is the federally authorized Workforce Development Board administered by the City of San José. Work2future consistently meets all its federally mandated performance outcomes, while maintaining full compliance with a complex array of federal and state program and fiscal requirements.

Funded by the federal Workforce Innovation and Opportunity Act (WIOA) legislation, work2future serves a Local Workforce Development Area of eight cities in Santa Clara County, from the San José/Campbell area to Gilroy/Morgan Hill, plus the county's unincorporated areas.

### CHANGE OF SERVICE PROVIDERS

Beginning Monday, July 1, 2019, work2future's federally funded career services will be provided solely by Eckerd Connects Workforce Development, an arm of Eckerd Youth Alternatives, Inc. (Eckerd), under contract with work2future. Eckerd currently provides adult program services for work2future in South County. It will take over service responsibility for the rest of work2future's Local Workforce Development Area from work2future Foundation, Inc. (Foundation), which is a separate entity from work2future.

The Foundation is an independent 501(c)(3) nonprofit. In 2016, following a pilot implementation of outsourced service delivery, the Foundation was selected through a competitive procurement to provide WIOA-funded Youth Program services for the entire Local Workforce Development Area and Adult and Dislocated Worker Program services north of Morgan Hill beginning July 2016. On June 4, 2019, the Foundation notified work2future that its Board of Directors had approved the dissolution of the organization because it could not see a viable way to sustain the nonprofit financially moving forward. The Foundation declared that it would stop providing WIOA services after June 28, 2019, the last day of its current fiscal year. It stated that it would continue to provide services for the City-funded San José Works program until September 30, 2019, after which the Foundation would complete its dissolution.

### NO INTERRUPTION OF SERVICES

As part of the City's Office of Economic Development, work2future staff's priority is to ensure the continuity of WIOA services to the San José and regional community and key stakeholders, especially employer partners and job seekers, with as little interruption as possible.

In consultation with the state's regional representative, and with work2future Board approval, staff has negotiated with Eckerd an amendment to its agreement with the City to include the expanded scope of services through Fiscal Year 2019-2020. Staff will release a new RFP for WIOA services beyond Fiscal Year 2019-2020.

In order to facilitate the transition in ways that will minimize the impact on employers, job seekers and the youth who rely on the WIOA programs to help achieve their goals, Eckerd has indicated that it plans to hire, to the extent possible, the Foundation's WIOA line staff into the roles they currently occupy. As a result, staff is confident that WIOA services will be provided without interruption while continuing to meet state and federal performance requirements.

Eckerd is a nonprofit founded in 1968 that operates 160 programs across 20 states and the District of Columbia, including WIOA-aligned workforce development programs in California and five other states. Last year, it served more than 34,000 individuals nationwide, mainly in the areas of workforce development, juvenile justice, and family services. Additionally, the local leadership of Eckerd has over 20 years of experience in workforce and is well versed in WIOA requirements.

The Foundation will continue to service San José Works until September 30, 2019, when the subsidized component of the program concludes. Both the subsidized and the unsubsidized components are on track to meet all required performance goals.

### **Summary Timeline**

- July 1, 2019: Eckerd assumes responsibility for work2future's WIOA career services.
- November 2019: work2future releases RFP for WIOA Services.
- March 2020: Board approves selection(s).
- July 2020: Transition to service provider(s) selected through RFP.

/s/

KIM WALES  
Deputy City Manager  
Director of Economic Development

For additional information, please contact Monique Melchor, Director, work2future, at (408) 794-1108