



BUSINESS SERVICES COMMITTEE

Tuesday, December 14, 2021, 3:00 pm

www.work2future.org

COVID-19 NOTICE

Consistent with AB 361 and City of San Jose Resolution Nos. 79485, 80237, 80266 and 80290, this meeting will not be physically open to the public. Committee members will be teleconferencing from remote locations.

Members of the public can observe the meeting by computer, smartphone and smart tablet at <https://zoom.us/j/98118983017?pwd=QmZHbkRMMFNZZG1MUVJpVEIhejI0QT09>

To provide Spoken Public Comment *during* the meeting:

a) **Phone** (669) 900-9128, Meeting ID 981 1898 3017. **Press *9** to Raise a Hand to let the Chair know that you'd like to speak. **Press *6** to Mute and Unmute yourself.

b) **Online** using the [Zoom link](#) above: 1) Use an up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. (Certain functionality may be disabled in older browsers including Internet Explorer.) Mute all other audio before speaking. Using multiple devices can cause audio feedback. 2) Enter an email address and name. The name will be visible online and will be used to notify you that it is your turn to speak. 3) When the Chair calls for the Agenda Item to which you wish to speak, click on the "Raise Hand" icon or command. Speakers will be notified shortly before they are called on to speak.

Please limit remarks to the time limit allotted by the meeting chair, usually two minutes.

To submit written Public Comment *before* the committee meeting: Send by e-mail to Lawrence.Thoo@sanjoseca.gov by 9:30 am the day of the meeting. The e-mails will be posted with the Agenda as "Letters from the Public". Please identify the Agenda Item Number in the subject line of your email.

To submit written Public Comment *during* the meeting: Send e-mail during the meeting to Meredith.Studebaker@sanjoseca.gov, identifying the Agenda Item Number in the e-mail subject line, to have the comments verbally read into the record, with a maximum of 250 words, which corresponds to approximately 2 minutes per individual comment, subject to the Chair's discretion. Comments received after the agenda item is heard but before the close of the meeting will be included as a part of the meeting record but will not be read into the record.

BUSINESS SERVICES COMMITTEE

MEMBERS | 2021

George Chao*, *Chair*

Manager, Advanced & Clean Tech Manufacturing
Manex

Rajiv Batra*

Associate General Counsel
Fundbox

Blanca Gomez*

Social Impact and Innovation
Wells Fargo

Susan Koepf-Baker*

Principal
Enviro-Tech Services

Emily McGrath*

Director of Workforce Development, Education and Training
NextFlex

Priya Smith*, MPH

Medical Group Administrator, The Permanente Medical Group
Kaiser Permanente, San Jose

Alan Takahashi*

Senior Vice President and General Manager, Multifunction Microwave Solutions
CAES

Karamjit Taunk

Senior Manager, Technical Training, National Service Center West
Olympus Surgical Technologies America

ex officio

Joe Flynn*, *Board Chair*

COO, Sourcewise

*work2future Board member

BUSINESS SERVICES COMMITTEE

December 14, 2021

3:00 pm

MEETING AGENDA

- | | |
|--|--------------------|
| I. CALL TO ORDER & ROLL CALL | <i>5 min</i> |
| | <i>3:05 pm end</i> |
| II. OPEN FORUM | <i>5 min</i> |
| Members of the public are able to address the committee on matters not on the agenda | <i>3:10 pm end</i> |
| III. BUSINESS | |
| A. Minutes Approval {Action} | <i>5 min</i> |
| Approve minutes of the October 12, 2021, Business Services Committee meeting | <i>3:15 pm end</i> |
| B. Employer Engagement | <i>10 min</i> |
| <i>Staff reports and discussion, including without limitation</i> | <i>3:25 pm end</i> |
| 1. Updates on Facebook and Resilience Corps Digital Marketing Internships | |
| 2. Bloom Energy
Recruiting assistance | |
| 3. Olympus America Medical and Surgical
Career accelerator | |
| 4. QuantumScape
Workforce development | |
| C. Services | <i>30 min</i> |
| <i>Staff reports and discussion, including without limitation</i> | <i>3:55 pm end</i> |
| 1. Manufacturing Job Fair
Partnership with MFG:SJ and Evergreen Valley College | |
| 2. Employer Demand-Driven Training and Employment Pilot
Update on the first of three Career Accelerator pilots supported by a Workforce Accelerator
Fund grant from the California Workforce Development Board | |
| 3. Incumbent Worker Training
Presentation and discussion of a draft Local Policy for Incumbent Worker Training | |
| D. Business Intelligence | <i>10 min</i> |
| <i>Staff reports and discussion, including without limitation</i> | <i>4:05 pm end</i> |
| 1. October 2021 Labor Market Summary | |
| 2. Rapid Response
Updates on layoffs and layoff aversion | |

E. Workplan

Staff report and discussion

5 min

4:10 pm end

Committee meeting schedule and suggestions for Committee business in 2022

IV. OTHER

Announcements, other housekeeping

V. ADJOURNMENT

Please note: *Times to the right of agenda items are estimates only of the duration of the item and its approximate ending time. Actual times may vary, and items may be taken out of order at the discretion of the chair.*

CITY OF SAN JOSE CODE OF CONDUCT FOR PUBLIC MEETINGS

The Code of Conduct is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, its Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

Novel Coronavirus (COVID-19) Precautions

Consistent with the California Governor's Executive Order No. N-29-20, Resolution No. 79450 from the City of San José and the Santa Clara County Health Officer's March 16, 2020 Shelter in Place Order, the meeting will not be physically open to the public. Instead, the meeting will be conducted via video teleconference open to the public. The Code of Conduct will apply to the extent possible in a video teleconference setting.

1. Public Meeting Decorum:
 - a. Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
 - b. Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
 - c. Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
 - d. Appropriate attire, including shoes and shirts are always required in the meeting room.
 - e. Persons in the audience will not place their feet on the seats in front of them.
 - f. No food, drink (other than bottled water with a cap) or chewing gum will be allowed in the meeting room, except as otherwise pre-approved by City staff.
 - g. All persons entering the meeting room, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.
2. Signs, Objects or Symbolic Material:
 - a. Objects and symbolic materials, such as signs or banners, will be allowed in the meeting room, with the following restrictions:
 - i. No objects will be larger than 2 feet by 3 feet.
 - ii. No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - iii. The items cannot create a building maintenance problem or a fire or safety hazard.
 - b. Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.
 - c. Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the meeting room if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools;

letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Board or Committee:

- a. Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the administrative staff at the meeting.
- b. Meeting attendees are usually given two (2) minutes to speak on any agenda item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Applicants and appellants in land use matters are usually given more time to speak.
- c. Speakers should discuss topics related to work2future business on the agenda, unless they are speaking during open forum.
- d. Speakers' comments should be addressed to the full body. Requests to engage Board or Committee Members or Staff in conversation will not be honored. Abusive language is inappropriate.
- e. Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
- f. If an individual wishes to submit written information, he or she may give it to the administrative staff at the meeting.
- g. Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.

Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at work2future's Business and Administrative Services Center at the Almaden Winery Community Center, 5730 Chambertin Drive, San Jose, California at the same time that the public records are distributed or made available to the legislative body.

I.

**Call to Order &
Roll Call**

II.

Open Forum

III.A

Minutes Approval

[Action]

BUSINESS SERVICES COMMITTEE
October 12, 2021
3:00 pm

MINUTES

Staff: Azevedo, Hupman, Pham, Thoo, Tran

Guest: Greg Harris, Business Services Manager, Equus Workforce Solutions

I. CALL TO ORDER & ROLL CALL

Chair Chao called the Zoom meeting to order at 3:03 pm

Roll Call

Present: Chao, Batra, Koepp-Baker, Smith (arrived at 3:29 p.m.), Takahashi, Taunk

Absent: Flynn, Gomez, McGrath

II. OPEN FORUM — Tessa Woodmansee talked about the importance of sustainable planning and .

III. BUSINESS

A. Minutes Approval

ACTION: Mr. Batra moved, Mr. Takahashi seconded, and the committee unanimously approved the minutes of the September 14, 2021, Business Services Committee meeting.

B. Employer Engagement

- 1. Introduction of Greg Harris** — Strategic Engagement Manager Thoo introduced Greg Harris, the new Manager of the Business Services team at Equus, work2future's career services provider. Before Greg was promoted to lead the Business Services team, he served as a Career Advisor for Equus and he stated that he looks forward to coordinating communication among the different work groups to facilitate helping clients.
- 2. Facebook and Resilience Corps Digital Marketing Internships** — Mr. Thoo reported that Resilience Corps is recruiting for a second set of seven interns to backfill employers still needing interns.
- 3. Layoff and Layoff Aversion Activity Update** - Mr. Thoo reported that there was no new layoff activity in the last month.

C. Services

- 1. Employer Demand-Driven Cohort Training Pilot** — Strategic Engagement Manager Thoo provided an update on the Workforce Accelerator Fund 9.0 grant. Efforts have continued to be focused on the first phase of the grant and development of a sustainable earn-and-learn model for the first cohort. Evergreen Valley College and CAES (Cobham Advanced Electronic Solutions) have framed a first pilot cohort of 5 participants that is scheduled to begin on November 8, 2021 and last ten and a half weeks. They will take part in subsidized classroom and hands-on training and successful graduates will be eligible for full-time employment at CAES. Committee members asked questions and discussion ensued.

2. **Incumbent Worker Training** — Mr. Thoo reviewed the Employment Development Department's Workforce Services Directive on Incumbent Worker Training. Mr. Thoo hopes to have a draft local policy for the committee at the next meeting.

D. Business Intelligence

1. Layoff-related Activity Report — Business Services Analyst Huong Tran announced that there were no new WARN notices in the last two months. However, the Business Services team continues to work with Boston Scientific and TE Connectivity, two companies that have pushed out their layoff dates.
2. July 2021 Labor Market Summary — Mr. Thoo presented the June to July 2021 labor market activity summary. He noted that unemployment in the MSA and County had dipped slightly to 5% and 4.9%, respectively. Mr. Thoo also presented a chart noting how the region was recovering jobs lost during the pandemic, especially in priority sectors such as Information & Communications Technology (ICT) in which employment now exceeds pre-pandemic levels. He also presented new local Census data, including shifts in Santa Clara County's racial and ethnic makeup since the 2010 census. Discussion among committee members ensued.
3. Discussion of the need to improve business intelligence — Mr. Thoo discussed the need to improve how we gather business information at the operational level. He presented the question of how do we develop the capacity to have this information for our front-line career services workers?

E. Workplan

1. Mr. Thoo shared and discussed the current in-demand quality occupations list
2. Mr. Thoo informed that committee that in-person meetings are expected to resume in October and a discussion of a committee meeting schedule beyond October 2021 ensued. Staff will poll committee members on best meeting frequency and day of week/time.

IV. Other — None

V. ADJOURNMENT

Chair Chao adjourned the meeting at 4:31 pm.

Draft minutes prepared by K. Azevedo, reviewed by L. Thoo

All votes were by roll call, unless otherwise indicated

III.B

Employer Engagement

[Discussion]

EMPLOYER ENGAGEMENT

Staff reports will include, without limitation:

1. Updates on Facebook and Resilience Corps Digital Marketing Internships
2. Recruiting assistance for Bloom Energy, a green energy development and manufacturing company headquartered in San Jose
3. Initial meeting with Olympus America Medical and Surgical regarding the Workforce Accelerator Fund Career Accelerator pilot
4. Introductory meeting with QuantumScape, a solid-state battery developer and manufacturer headquartered in San Jose, regarding workforce development

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III.C

Services

[Discussion]

SERVICES

Staff reports will include, without limitation:

1. **Manufacturing Job Fair**
work2future is planning, in partnership with Manufactur: San Jose and Evergreen Valley College, an in-person job fair focused on employers in the manufacturing sector. Tentatively set for later January or late February, the event will be work2future's first large-scale recruiting event since the pandemic shutdown was ordered in March 2019.
2. **Employer Demand-Driven Cohort Training Pilot**
Update on the first of three Career Accelerator pilots supported by a Workforce Accelerator Fund grant from the California Workforce Development Board
3. **Incumbent Worker Training**
Presentation and discussion of a draft Local Policy for Incumbent Worker Training (see attached).

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Attachment: Draft Incumbent Worker Training Draft Policy

INCUMBENT WORKER TRAINING

EXECUTIVE SUMMARY

The Workforce Innovation and Opportunity Act (WIOA) of 2014 provides guidance on the provision of Incumbent Worker Training (IWT) for an employer (or group of employers) and employees. IWT is work-based training designed to ensure that employers and employees can acquire and develop the necessary skills to obtain and maintain a quality workforce by increasing the competitiveness of both. Through IWT, an employer can avert the need for layoffs and retain a skilled workforce.

IWT is a business service, so the delivery of the training service does not require an employee to meet the eligibility requirements for formula funding participants (unless they are co-enrolled), does not require an Individualized Training Account (ITA), nor does it require the training program to be listed on the Eligible Training Provider List (ETPL).

IWT funding includes options to use up to 20% of formula allocations for IWT activities (this does not include administrative functions) or use Rapid Response funds by leveraging IWT activities into part of a layoff aversion strategy.

POLICY AND PROCEDURES

Definitions

For the purposes of this policy, the following definitions apply:

Business and Employer – A private sector, local government, for profit or not-for profit place of business. Business and Employer are used interchangeably in this policy.

California Employer Account Number – An eight-digit payroll tax number issued to a registered employer by the Employment Development Department, also known as the Employer Payroll Tax Account Number, State Employer Identification Number, or state ID.

Eligible Employer – An eligible employer meets the following criteria:

- Demonstrate a need and/or commitment for IWT employees to create advancement opportunities that will result in wage and/or benefit increases or show the aversion of layoffs.
- Employer must provide a valid California Employer Account Number.
- Be registered as a preferred employer (recruiting employer) in CalJOBS.
- Be an equal opportunity employer compliant with all State and Federal laws

pertaining to fair labor and employment practices.

- Correlate the relationship of the training to the competitiveness of an individual and the employer.
- Be categorized in a work2future Priority Sector.
- Be located within work2future's service delivery area (SDA).
- Provide the employee a certificate of completion or credential upon a successful training completion.

Employer Share – Employers are required to pay for a significant cost of the training for those individuals in IWT. The minimum amount of employer share in IWT depends on the size of the employer.

Follow-up – Shall be performed six months after reported completion of IWT to determine outcomes (retained employment, advancement, and increased wages).

Incumbent Worker – The following criteria defines an employee as an Incumbent Worker:

- Be at least 18 years of age.
- Meet the Selective Service requirements.
- Be a current employee of the eligible employer (defined above) and have an established employment history with the employer for six months or more. An employee is not held to the six-month employment requirement if the IWT is being provided to a cohort of employees. In this instance, not every employee must meet the employment history requirement if most of the employees being trained do meet the requirement.
- Meet the Fair Labor Standards Act requirements for an employer-employee relationship.
- Meet WIOA Adult or Dislocated Worker program eligibility if necessary for co-enrollment. Client does not have to be co-enrolled.

[Reference: Title 20 CFR Section 680.780]

IWT – The following characteristics define IWT:

- Designed to meet the special requirements of an employer (including a group of employers) to retain a skilled workforce, avert the need to lay-off employees by assisting the workers in obtaining the skills necessary to retain employment, and/or provide training that will result in progression on a career pathway and income mobility.
- Conducted with a commitment by the employer to retain employees, avert the layoff(s) of the incumbent worker(s) trained for a period of six months following completion of the training, or promote incumbent workers to higher paying positions.
- Increases the competitiveness of the employer or employee.
- Gives employees the opportunity to progress on their career pathway by providing opportunities to obtain certificates or credentials based on the employers need.

IWT Allowable Costs – work2future’s share of the cost of training (teacher, books, materials) for the delivery of IWT. This amount excludes the cost of individual wages paid by the employer while the employee is attending/participating in the training.

Qualified Trainer – Qualified training can be provided in-house, by a training agency, or by a third party. Training providers should be California-based, unless the training is so unique that a training provider cannot be found in California. The choice and method of training are determined by the employer. [Reference: WIOA Section 134(d)(4)(C)-(D)]

Training Method – The following are types of training methods allowable for IWT:

- Classroom training is instruction in a classroom setting that is provided to a group of trainees and conducted by a qualified instructor.
- Laboratory training is hands-on instruction or skill acquisition under the constant and direct guidance of a qualified trainer. Laboratory training may require the use of specialized equipment or facilities. Laboratory training may be conducted in a simulated work setting, or at a productive work setting, also known as Productive Laboratory.
- Computer-based training is delivered through a computer program at a pace set by the trainee. There is no requirement for delivery by a live trainer and training does not have to be interactive.
- Video Conference training is live, interactive instruction provided by a trainer through a video communications session.
- E-Learning instruction is delivered through a web-based system, conducted in a virtual environment utilizing a web meeting/webinar.

[Reference: WIOA Section 134(d)(4)(C)-(D)]

Eligibility for IWT

Once an employer has met the definition of “Eligible Employer” and an employee has met the definition of “Incumbent Worker”, the determination for WIOA is met for the creation of an IWT program.

Funding for IWT

IWT is part of a comprehensive business engagement strategy designed to meet the special requirements of an employer (including a group of employers) to upskill current employees. Use of up to 20 percent of the Adult and Dislocated Worker formula allocations can be IWT activities. This 20 percent can only be used for programmatic activities and cannot be used for administrative functions. Rapid Response funds can be leveraged by including IWT as part of a layoff aversion strategy. (Title 20 CFR Section 682.330)

WIOA defines IWT as a business service, therefore:

- The delivery of IWT does not require the use of an Individual Training Account (ITA).
- The training program is not required to be listed on the Eligible Training Provider List (ETPL).
- The Incumbent Worker participating in IWT is not required to meet the eligibility requirements for the Adult or Dislocated Worker program, unless they are also co-enrolled as a participant. As a co-enrolled participant, they may qualify for access to other funded services in addition to IWT funding.

For an employer to receive IWT funds, the employee(s) participating in the IWT must meet the definitions of an Incumbent Worker and the employer must meet the definitions of an Eligible Employer.

IWT should be provided to private sector employers, but there may be instances where a non-profit or local government entities may receive IWT funds. For example, IWT funds may be used in the health care industry where nursing upskilling opportunities are available in a hospital operated by a non-profit organization.

Employer Share

Employers are required to pay for a significant cost of the training for those individuals in IWT. This can be done through cash payments and fairly evaluated in-kind contributions. The wages paid to individuals while in training may include the wages the employer pays to the individual while they are attending the training.

The number of employees participating in the training, the wage and benefit levels of the employees (at the beginning and anticipated upon completion of the training), the relationship of the training to the competitiveness of the employer and employees, and the availability of other employer-provided training and advancement opportunities contribute to the fairly-evaluated Employer Share. The minimum amount of employer share in IWT depends on the size of the employer (total number of employees at all locations operated in California) as follows:

- At least 10 percent of the cost for employers with 50 or fewer employees.
- At least 25 percent of the cost for employers with 51 to 100 employees.
- At least 50 percent of the cost for employers with more than 100 employees.

IWT Allowable Costs

The delivery cost of the IWT (teacher, books, materials, etc.) is an allowable cost, except for any wages paid by the employer (while the employee is attending/participating in the training) to the Incumbent Workers.

Tracking IWT Expenditures

The EDD Workforce Services Branch's Financial Management Unit (FMU) is tasked with keeping track of IWT expenditures to ensure Local Boards do not exceed the 20% allowance for IWT. FMU has updated the expenditure reports the sub-recipients use to include a line item for IWT. Each quarter, FMU compiles a report for the Local Boards that details where they stand in regard to these expenditure levels. An example of the updated expenditure reports can be found as attachments to [WSD16-13 \(PDF\)](#).

Note – IWT expenditures can be counted toward the training expenditure requirement in [WSD18-10 \(PDF\)](#). The employer contributions for IWT can be counted as leveraged dollars.

IWT Performance and Reporting Requirements

Eligibility for IWT is determined at the employer level (not the individual level) and the Department of Labor (DOL) does not consider individuals in IWT to be a participant in the Adult and/or Dislocated Worker program. Therefore, individuals who only receive IWT services are not included in the WIOA Adult or Dislocated Worker program performance calculations. DOL does require Local Boards and the State to report certain participant and performance data on all individuals participating in IWT. The required information for these individuals is limited to demographic information, and information necessary to calculate employment in the 2nd and 4th quarters after exit, median earnings in the 2nd quarter after exit, measurable skill gains, and credential attainment. To calculate these metrics for IWT-only individuals, the exit date is the last date of training, as indicated in the training contract.

Documentation for each IWT program must be retained to ensure all training is completed and certificates of completion are obtained for each trainee. This documentation will be subject to program monitoring/auditing.

For reporting requirements, the following will be required and accessible to work2future:

- Employee demographic information for entry into CalJOBS.
- Information pertaining to the calculation of employment in the 2nd and 4th quarters after completion of training.
- Information on wages pre and post training and wages earned in 2nd quarter after completion of training.
- Obtainment of certificates, credentials, or licenses after completion of training
- Aversion of layoffs or loss of jobs in correlation to the IWT provided.

All required data will be collected and entered into the CalJOBS system (State's reporting database), for each IWT program individual. This includes the collection of a Social Security Number (SSN). For all SSNs collected, the EDD will conduct a base wage match to obtain their employment and earnings data. This will reduce the reporting burden the employers.

Note – If the individual in IWT becomes a participant in the Adult or Dislocated Worker program at any point, they are included in performance calculations for the core program that provides additional services.

INQUIRIES

If you have any questions, contact

III.D

Business Intelligence

[Discussion]

BUSINESS INTELLIGENCE

Staff reports will include, without limitation:

1. October 2021 Labor Market Summary
2. Rapid Response
Updates on Layoffs and Layoff Aversion

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III.E

Workplan

[Discussion]

WORKPLAN

Staff proposes that the Business Services Committee meet every other month in 2022, with the addition of a meeting in January 2022 to finalize the local policy and other implementation parameters for Incumbent Worker Training and update progress on the Workforce Accelerator Fund grant.

Meetings would remain on the second Tuesday of January, February and every other month thereafter. They would continue to be scheduled to start at 3 pm and continue for approximately 90 minutes.

2022 Meeting Dates

January 11, 2022

February 8, 2022

April 12, 2022

June 14, 2022

August 9, 2022

October 11, 2022

December 13, 2022

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IV.

Other

V.

Adjournment