

**CITY OF SAN JOSE
SMALL BUSINESS DEVELOPMENT COMMISSION
AUGUST 12, 2009, 6:00 – 8:00 P.M.**

**SAN JOSE BIOCENTER
5941 OPTICAL COURT, SAN JOSE**

- 1. CALL TO ORDER**
- 2. APPROVAL OF THE AGENDA – 1 MIN.**
- 3. APPROVAL OF JULY 8, 2009 SYNOPSIS – 5 MIN.**
- 4. OPEN FORUM/ PUBLIC COMMENT / ORAL PETITION PERIOD – 2 MIN. EACH**
Any person may address the Commission on any subject not on the agenda. Speakers are asked to state their name and address for the record. Since the subject is not on the agenda, the Brown Act (State Open Meeting Law) prohibits action by Commission members or City Staff. However, Commission members and City Staff may briefly respond to statements or questions and/or provide referral to Staff. The Commission may place the item on an agenda for a future meeting.
- 5. BUSINESS ASSISTANCE ORGANIZATION(S) – 30 MIN. ORGANIZATION, INFORMATIONAL**
The SBD Commission has invited a range of business assistance organizations to discuss the challenges that they see as significant to small businesses in selling to government and other areas and what types of initiatives they are engaged in to address those.
- 6. EMPLOYEE TRAINING PROGRAMS – 15 MIN. STAFF, INFORMATIONAL**
Staff will provide information about the types of programs available to assist businesses with (re)training of employees.
- 7. IMPROVING THE CITY PLANNING PROCESS – 20 MIN. BRAUNSTEIN, ACTION**
Commissioner Braunstein would like to discuss potential improvements to the development process to improve efficiency and speed. The Commission may consider taking action to pursue the discussion further.
- 8. PUBLIC AWARENESS COMMITTEE REPORT – 20 MIN. WANG, ACTION**
The committee will report on its progress and may request further authorization from the Commission as a whole.

9. FUTURE MEETING LOCATIONS – 10 MIN.

COMMISSIONERS, ACTION

Commission to consider future offsite meeting locations.

10. STAFF REPORT

11. CHAIR REPORT

12. NEW AGENDA ITEMS – 5 MIN.

- **DBE PROGRAM UPDATE (SEPTEMBER)**
- **PROCUREMENT SURVEY RESULTS (SEPTEMBER)**
- **QUARTERLY AIRPORT CONSTRUCTION REPORT (SEPTEMBER)**

13. ADJOURNMENT

For questions regarding the agenda, please contact Dhez Woodworth at (408) 535-8181.

You may view this agenda and related documents at <http://www.sjeconomy.com/businessassistance/sbdc.asp> along with minutes, agendas and packets from previous meetings.

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 the City Manager's Office at San Jose City Hall, 200 E. Santa Clara St., 17th Floor, San Jose, CA 95113 at the same time that the public records are distributed or made available to the legislative body.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please call Rosemary Maire or Dhez Woodworth of the Office of Economic Development at (408) 535-8181 or (408) 294-9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

**CITY OF SAN JOSE
SMALL BUSINESS DEVELOPMENT COMMISSION**

Synopsis (Not Approved)

July 8, 2009

200 E. Santa Clara St., Room 1446

START TIME: 6:10 pm

ADJOURNMENT 8:13 pm

COMMISSIONERS PRESENT:

Brian Ho

Helen Wang

Norman C. Nguyen

James E. Smith

Miguel Olivo

Joyce Puopolo

Molly Uzoh

COMMISSIONERS ABSENT

Rudy Rodriguez (excused)

Robert Braunstein

Thai Mai

Minh Quoc Duong

Council Liaison

Not present

City Staff

Dhez Woodworth (Office of Economic Development)

Public Present

Johnny Khamis

Emily Navarra – Refugio

Michael Elkin

Iris Lei

David Tschong

1. CALL TO ORDER

Called to order by Smith at 6:10 pm

2. APPROVAL OF AGENDA

Corrections:

- None

Motion: Approval

Motion: 1) Olivo 2) Nguyen X App no

3. APPROVAL OF JUNE 10, 2009 SYNOPSIS

Corrections:

- Correct Synopsis to reflect approval of May rather than March synopsis.

Motion: Approval

Motion: 1) Puopolo 2) Olivo X App no

4. OPEN FORUM/ PUBLIC COMMENT/ ORAL PETITION PERIOD

- Iris Lei and David Tschong (members of the public) were invited to introduce themselves
- Commissioner Uzoh discussed a summer youth program available at www.svap.org

5. BUSINESS ASSISTANCE ORGANIZATION(S)

- Michael C. Elkin, Assistant District Director for Entrepreneurial Development for the Small Business Administration, spoke to the group
- Mr. Elkin presented "American Recovery Act Resources for Small Businesses"
- Some highlights include:
 - i. Lending is typically roughly \$20 Billion annually – nearly \$0 in January
 - ii. Guarantees to banks are now available at 90%
 - iii. Fees are waived on the 7(a) program until 9/2010
 - iv. Fixed interest rates now available (roughly 3% over prime)
 - v. Surety bonds are now available up to \$5 million

6. CONTINUATION OF CITY OPPORTUNITIES COMMITTEE

- Commissioner Uzoh suggested that the group consider the creation of a Committee to monitor and review City programs promoting small/local business opportunities.

7. DISCUSSION OF PUBLIC AWARENESS SUBCOMMITTEE

- Ensuring that the public is aware of City programs and SBD Commission activities remains a priority.

Motion: Subcommittee mission:

Increase public participation at meetings

- Increase communication with stakeholder through
- Website,
- Newsletters,
- Other public communication (e.g.: TV etc.)

Motion: 1) Uzoh 2) Olivo X App no

Motion: Subcommittee membership:

- Olivo
- Uzoh
- Wang

Motion: 1) Radcliffe 2) Olivo X App no

8. STAFF REPORT

- Woodworth to follow up with information about alternative service delivery meetings.

9. CHAIR REPORT

- None

NEW AGENDA ITEMS – 5 MIN.

- Future Meeting Locations
- Report from Public Awareness Committee
- Report from Airport
- DBE Program Update
- Touch base on Survey
- Work to Future apprentice training (OJT – August?)

10. ADJOURNMENT 8:13 PM



CUSTOMIZED TRAINING PROGRAM 2007-2008

The Customized Training (CT) Program is funded by the Federal Workforce Investment Act (WIA) and administered by work2future. The purpose of the program is to provide reimbursements to employers to assist with certain expenses associated with skills upgrade training to bridge the gap between the participants' initial skill level and the skill level required to benefit the committed employer(s).

PROGRAM INFORMATION

Customized training is defined as training:

- That is designed to meet the special requirements of an employer or group of employers;
- That is conducted with a commitment by the employer to employ an individual on successful completion of the training; and
- For which the employer pays for at least 50% of the cost of training.

CT is indicated when an employer or a group of employers determine a need for employees with specialized skills or training that is not readily available through the ETPL or other local training providers. Customized Training may be provided to WIA eligible trainees whom the employer commits to hire after successful completion of training. Customized Training may be provided to WIA eligible trainees who are currently employed if employee's base wage, not including benefits, is less than work2future's established Self-Sufficiency wage of \$24.79 per hour. Trainees must be WIA enrolled prior to beginning of training.

APPLICATION PROCESS

Eligible Applicants

Applications for the 2007-2008 work2future Customized Training Program are open to companies, agencies and organizations meeting the guidelines listed below.

All applications are subject to a pre-award review by a panel of work2future staff.

Business Applying for Funding:

- **Must not use WIA funding for any activity that would otherwise be available in the absence of such funds (per section 195.2, Workforce Investment Act of 1998)**
- Must not have exhibited a pattern of failing to provide CT participants with continued long-term employment with wages, benefits, and working conditions equal to that of regular employees doing similar work for a similar length of time.
- Must agree to certify the skills and abilities obtained by trainees who successfully complete the Customized Training program with a nationally recognized or industry recognized certification.

- Is not eligible to execute a contract until 120 days after the commencement of operations of a relocating establishment, if the relocation resulted in the loss of employment for any employee at the original location
- May receive reimbursements for training WIA-eligible trainees who are not yet hired but whom the employer commits to hiring after successful completion of training
- May receive reimbursements for training WIA-eligible trainees who are *currently employed* if employee's base wage, not including benefits, is less than work2future's established Self-Sufficiency wage of \$24.79 per hour
- Must be a business in qualified, targeted industries providing demand occupations. Preferences will be given to a business that provides training in an industry on the work2future Industry Clusters List below.

work2future Industry Clusters List

- Bioscience/Biotechnology
 - Software
 - Retail
 - Hospitality/Tourism
 - Healthcare
 - Financial Services
 - Construction Trades
 - Public Sector
- Must provide Customized Training related to one of the following:
 - The introduction of new technologies
 - The introduction of new production or service procedures
 - Upgrading to new jobs that require additional skills
 - Workplace Literacy
 - Other appropriate purposes as identified by the Local Workforce Investment Board
 - Must demonstrate financial viability and must be current on all state tax obligations

Priority Will Be Given To:

- Businesses in City of San Jose Enterprise Zone
- Businesses in qualified targeted industries
- Businesses whose proposals represent a significant upgrade in employee skills
- Businesses whose proposals represent a significant layoff avoidance strategy

Application Instructions:

Complete and submit the CT Program Application. Any information or documentation that cannot be supplied in the provided space should be identified by the relevant question number and attached to the back of the application form. Submit one original and three (3) copies of the signed completed application to:

work²future
On-The-Job Training Program
Attention: Chris Donnelly
1290 Parkmoor Ave.
San José, CA 95126

CONTRACTING AND TRAINING

A business approved for funds enters into a contract with work2future, which commits the business to completion of the CT training project as proposed in their application. work2future contracts directly with an employer who may provide training services using their own employees or subcontract with a training provider to provide customized training

Customized Training (CT) Services:

- May be provided through California's public or private educational institutions, private training organizations, trainers employed by the business, or a combination of training providers. Private postsecondary institutions and private training providers may be utilized only upon a review that includes, but is not limited to, accreditation and licensure and prior approval by work²future.
- May be conducted at the business's own facility, at the training provider's facility or at a combination of sites
- May incorporate a *Vocational English as a Second Language* (VESL) component to the CT program dedicated to providing skills to meet new job requirements

Contract Requirements:

- Employer must provide a list of specific skills that must be mastered to accomplish specific tasks required by one or more occupations, and a schedule of the training hours dedicated to each task;
- Employer must provide a list of competencies that participants are expected to achieve during Customized Training.
- Employer must provide a method of measuring participants' competencies.
- Employer must provide the number of trainees they will train and hire (or retain in employment).
- Insurance provisions
 - Minimum limits of Insurance required by the City of San José:
 1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit; and
 2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage; and
 3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident.
 - § The City of San Jose, its officers, employees, agents and contractors are to be covered as additional insureds on Contractor's policies.

§ Other insurance provisions will apply, depending on the type of goods or services Employer provides. Employers will be provided the entire Insurance requirement during contract negotiations.

- Non-Discrimination assurance
- ADA compliance
- Drug-Free workplace assurance

Reimbursable Training Expenses:

- Instructor/trainer wages at a predetermined rate of pay
- Tuition
- Registration
- Textbooks/Manuals
- Expenses are calculated on a per-participant basis. Employer will be reimbursed up to 50% of the training costs up to a maximum of \$6000 per participant under the following circumstances:
 - When a participant is hired by employer within 30 days of completion of the Customized Training program and is retained in employment with employer for a minimum of 30 days thereafter;
 - When a participant voluntarily terminates his or her employment after completion of the Customized Training program but prior to the end of the 30-day retention period.
 - When a participant is hired by an employer other than employer in the area of the participant's training at no less than employer's starting wage, within 30 days of completion of the Customized Training program, and the participant is retained in employment for a minimum of 30 days thereafter.

Non-reimbursable Costs:

- Trainees' wages
- Stipends
- Travel, lodging or meal expenses

Reimbursements:

- Any business approved for reimbursement through the work2future CT Program that is a recipient or sub-recipient of Federal funding of \$300,000 or more in a fiscal year will be required to furnish an independent financial and compliance audit. The company is responsible for the cost of the audit. CT funds cannot be used to cover these costs.
- Approved budget items are reimbursed upon presentation of adequate documentation of the training and evidence that the training expense incurred has been paid. Documentation may include classroom attendance sheets, sign-in sheets, time cards if training incumbent workers, or other proof that trainees attended training.
- Businesses will keep accurate records of the project's implementation process and certify that all information provided for the purpose of requesting reimbursements and reporting training activity is accurate and true.

- For performance tracking purposes, businesses are required to submit specific information for employees participating in training activities that includes, but is not limited to: trainees' names, last four digits of trainee social security numbers, dates of birth, races/ethnicities, and wages.
- Businesses submit reimbursement request with required supportive documentation (line item invoice with documentation that training expenses have been paid by business and that trainees have been hired or retained in employment) following completion of training.
- Final payment for businesses receiving Customized Training reimbursements will be withheld until the final report is submitted and all performance criteria specified in the contract have been achieved; including, but not limited to, criteria regarding hiring of successful participants and retention in employment for 30 days, and participants receiving credentials.
- Because of the high demand and limited funding available, applications will be evaluated to leverage other applicable State, Federal, and private funds with Customized Employment Training funds.

Project Completion:

- All training projects shall be performance-based with specific, measurable performance outcomes, including the completion of the training project and number of employees trained.
- Businesses shall provide sufficient documentation to work2future for identification of all employee participants for calculation of performance measures required by WIA and any other outcomes deemed pertinent by work2future.
- Successful completion of Customized Training shall result in written certification of participants' competency in the job-related skills specified in the Customized Training contract.
 - If Employer's training program results in a Nationally recognized credential this credential will be issued to successful participants upon completion of Customized Training.
 - If Employer's training program results in an Industry recognized credential this credential will be issued to successful participants upon completion of Customized Training.



ON-THE-JOB TRAINING PROGRAM 2008-2009

The On-The-Job Training (OJT) Program is funded by the Federal Workforce Investment Act (WIA) and administered by work2future. The purpose of the program is to provide reimbursements to employers to compensate for the employer's extraordinary costs associated with skills upgrade training for full-time employees of the company.

PROGRAM INFORMATION

OJT is defined as training provided by an employer to a paid participant that:

- Provides knowledge or skills essential to the full and adequate performance of the job;
- Provides reimbursement of up to 50% of the wage rate of the participant, in compensation for the extraordinary cost of providing the training and additional supervision related to the training; and
- Is limited in duration as appropriate to the occupation for which the participant is being trained, which takes into account:
 - The content of the training,
 - The prior work experience of the participant, and
 - The service strategy of the participant

OJT is indicated when specific employer needs can be better met through individualized training and when individual employers demonstrate the need to hire new employees and will commit to hire and train WIA-enrolled clients who may not meet their normal hiring requirements. Persons already employed are not eligible for OJT services.

APPLICATION PROCESS

Eligible Applicants

Applications for the 2008-2009 work2future On-The-Job Training Program are open to companies, agencies, and organizations meeting the guidelines listed below.

All applications are subject to a pre-award review by a panel of work2future staff.

Business Applying for Funding:

- **Must not use WIA funding for any activity that would otherwise be available in the absence of such funds. (per section 195.2, Workforce Investment Act of 1998)**
- Must not have exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions equal to that of regular employees doing similar work for a similar length of time.
- Must agree to certify the skills and abilities obtained by trainees who successfully complete the OJT program by issuing a nationally recognized or industry recognized degree or certificate.

- Is not eligible to execute a contract until 120 days after the commencement of operations of a relocating establishment, if the relocation resulted in the loss of employment for any employee at the original location.
- Must be a business in qualified, targeted industries providing demand occupations. Preference will be given to a business that provides training in an industry on the work2future Industry Clusters List below.

work2future Industry Clusters List

- Bioscience/Biotechnology
 - Software
 - Retail
 - Hospitality/Tourism
 - Healthcare
 - Construction Trades
 - Public Sector
- Must provide On-The-Job training related to one of the following:
 - The introduction of new technologies
 - The introduction of new production or service procedures
 - Upgrading to new jobs that require additional skills
 - Workplace Literacy
 - Other appropriate purposes as identified by the Local Workforce Investment Board
 - Must demonstrate financial viability and must be current on all state tax obligations
 - Must have the personnel to provide adequate supervision and training
 - Must hire trainees prior to training, as regular full-time employees provided with same benefits as regular employees not in On-the-Job training. Trainees must be enrolled in the WIA program prior to hire.
 - Must, on satisfactory completion of training, retain trainees in the occupations for which they have been trained, without additional subsidy or financial assistance from work2future.
 - May not displace, including a partial displacement, currently employed workers or impose on their promotional opportunities.

Priority Will Be Given To:

- Businesses in City of San Jose Enterprise Zone
- Businesses in qualified targeted industries
- Businesses whose proposals represent a significant upgrade in employee skills
- Businesses whose proposals represent a significant layoff avoidance strategy
- Businesses who commit to providing trainees with wage gains, promotions, and/or career paths to self-sufficiency, following successful completion of training.

Application Instructions:

Complete and submit the OJT Program Application. Any information or documentation that cannot be supplied in the provided space should be identified by the relevant question number and attached to the back of the application form. Submit one original and three (3) copies of the signed completed application to:

work²future
On-The-Job Training Program,
Attention: Chris Donnelly
1290 Parkmoor Ave.
San José, CA 95126

CONTRACTING AND TRAINING

A business approved for funds enters into a contract with work2future, which commits the business to completion of the OJT project as proposed in their application. Work2future contracts directly with an employer (public, private non-profit, or private sector) who provides skills training through an OJT program using their own employees.

On-The-Job Training Services:

- Shall be provided for full-time employees. Training shall be provided for a minimum of 30 hours per week.

Contract Requirements:

- Employer must provide a list of specific skills that must be mastered to accomplish specific tasks required by one or more occupations, and a schedule of the training hours dedicated to each task;
- Employer must provide a list of competencies that participants are expected to achieve during OJT
- Employer must provide a method of measuring participants' competencies
- Employer must provide the number of trainees they will hire and train
- Employer must provide the base wage and identify benefits provided to OJT participants. The wage and benefits must be equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.
- Insurance provisions
 - Minimum limits of Insurance required by the City of San José:
 1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit; and
 2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage; and
 3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident.

- The City of San Jose, its officers, employees, agents and contractors are to be covered as additional insured on Contractor's policies.
 - Other insurance provisions will apply, depending on the type of goods or services Employer provides. Employers will be provided the entire Insurance requirement during contract negotiations.
- Non-Discrimination assurance
 - ADA compliance
 - Drug-Free workplace assurance

Reimbursable On-The-Job Training Expenses:

- Up to 50% of a trainee's hourly base wage for hours spent in On-the-Job Training for a period **not to exceed six months (1080 Hours) per trainee, and not to exceed \$6,000 per trainee. Amount per trainee may vary depending on funding availability.**

Non-reimbursable Costs for OJT:

- Wage reimbursements will *not* be based upon overtime, shift differential, premium pay and other non-regular wages, nor will the payments be based on such periods of time as illness, holidays, plant downtime, or other events in which no training occurs
- Instructor/trainer wages
- Textbooks/Manuals
- Tuition
- Registration

Reimbursements:

- Any business approved for reimbursement through the work2future OJT Program that is a recipient or sub-recipient of Federal funding of \$300,000 or more in a fiscal year, will be required to furnish an independent financial and compliance audit. The company is responsible for the cost of the audit, and OJT funds cannot be used to cover these costs.
- Reimbursement requests with required support documentation (time cards, evidence that trainees' wages have been paid by employer) may be submitted monthly, to ensure timely reimbursement
- Business will keep accurate records of the project's implementation process and certify that all information provided for the purpose of requesting reimbursements and reporting training activity is accurate and true.
- For performance tracking purposes, businesses are required to submit specific information for employees participating in training activities that includes, but is not limited to: trainees' names, last four digits of trainee social security numbers, dates of birth, race/ethnicities, and wages.
- Final payment for businesses receiving OJT reimbursements will be until the final report is submitted and all performance criteria specified in the contract have been achieved; including, but not limited to, trainees' employment retention for 30 days and trainees receiving credentials.

Project Completion:

- Employer must assure work2future that, at the end of the OJT training period, any new-hire participants will have skills leading to increased wages and or responsibilities.
- Because of the high demand and limited funding available, all applications will be evaluated to leverage other State, Federal, and private funds with OJT funds.
- All training projects shall be performance-based with specific measurable performance outcomes, including but not limited to the completion of the training project and number of employees trained.
- Businesses shall provide sufficient documentation to work2future for identification of all OJT participants for calculation of performance measures required by WIA, and any other outcomes deemed pertinent by the work2future.