



**Council Meeting: September 14, 2010**

**SUBJECT: Approval of Budget Modification No. 8 for NOVA Workforce Services Department and Authorization to Award Contracts Totaling \$2,728,216 to SolarTech and Foothill-De Anza Community College District for Green Innovation Challenge Grant**

**REPORT IN BRIEF**

Budget Modification No. 8 reflects an increase of \$2.5 million in the amount of funds available to the NOVA Workforce Services Department and will increase budgeted expenditures accordingly. This modification is a result of the recent award of a two-year, \$4 million Green Innovation Challenge grant. It is estimated that \$2.5 million of the grant will be expended in FY 2010/11 and was not in the original budget. Staff recommends that, on behalf of the seven-city NOVA Consortium, the Sunnyvale City Council approve Budget Modification No. 8. Staff further recommends that Council authorize the award of contracts to SolarTech in the amount of \$1,469,299 and to Foothill-De Anza Community College District in the amount of \$1,258,917 to provide services in connection with the Green Innovation Challenge grant.

**BACKGROUND**

The City of Sunnyvale NOVA Workforce Services Department (NOVA) manages programs and services for the NOVA Job Training Consortium, a seven-city entity (Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, Santa Clara, and Sunnyvale) formed through a Joint Powers Agreement. The City of Sunnyvale administers all of NOVA's programs on behalf of the consortium cities. NOVA expends zero general fund resources.

As the City, through NOVA, applies for grants and contracts, it determines what services and service levels will be provided. The determinations are reviewed and approved by the NOVA Workforce Board through Reports to the Workforce Board at regular Board meetings. After Workforce Board approval, authority to receive and expend funds must also then be approved by the Sunnyvale City Council, on behalf of the consortium cities. When the new programs affect the established expenditure and service levels defined in the departmental budget, a budget modification request is submitted. These actions can occur throughout the year through Reports to Council at regular City Council meetings.

### **EXISTING POLICY**

The proposed activities are consistent with the City of Sunnyvale's Socio-Economic Goal 5.1F: Provide job training and employment services, within constraints of operative Federal regulations and available Federal funding to address the locally-determined employment and training needs of economically disadvantaged residents and others with special needs.

### **DISCUSSION**

NOVA submitted a concept paper to the State of California requesting \$4 million in response to the Green Innovation Challenge solicitation. NOVA, SolarTech, Foothill-De Anza Community College District and others in the private, public, and nonprofit sectors are collaborating together under the name of SolarTech Workforce Innovation Collaborative (SWIC). The project was funded in the full amount and will operate through June 30, 2012, affecting both the FY 2010/11 and 2011/12 budgets.

### **Project Summary**

The SWIC concept concentrates on the industry workforce demand in renewable energy generation, specifically Solar and includes five pilot training programs in: Solar Sales, Solar Photovoltaic Design & Engineering and Manufacturing Engineering, Solar Finance Analysts and Sustainability Management, Solar Electric Vehicle Charging Station Installation, and the first Solar Electric Vehicle Charging Station Living Lab targeting automotive training.

Objectives include:

- *Objective 1:* 245 dislocated workers trained and placed in renewable energy generation jobs in 24 months, as directed by the labor needs of the industry.
- *Objective 2:* Demonstrate and improve the Workforce Acceleration Methodology (WAM) model for long term Solar industry workforce needs. Solar WAM is based on constructing a business intelligence system that provides constant feedback between industry, training providers and workforce boards who work with the Talent (labor supply). The goal is to shorten the time between industry demands and training labor supply.
- *Objective 3:* Industry-driven renewable energy generation curriculum development that is both NABCEP (North American Board of Certified Energy Practitioners) and IREC (Interstate Renewable Energy Council) approved. NABCEP and IREC are the recognized industry standards.

Industry partners have voiced a commitment to hiring more than 750 new employees over two years based on skill sets from training pilots. The Solar

Industry expects to grow and is demonstrated by the strong commitment level of industry partners. Grant partners are contributing a total of \$2,002,276 in matching funds.

NOVA/City of Sunnyvale is the fiscal agent for the grant. Grant activities will be operated as follows:

**NOVA** will provide overall administrative program management, fiscal and participant tracking, and reporting. As a partner in SWIC with operational projects NOVA/CONNECT! will provide participant identification and enrollment, case management and placement of participants enrolled in training, industry outreach, , solar electric vehicle charging skills upgrade with unemployed IBEW (union) electricians, and participation in the Solar WAM model.

**SolarTech** will drive outreach and collection of employment training needs, develop Solar WAM, promote the project with employers and SolarTech members and conduct summits, forums and workshops to gather labor market intelligence and build bridges with all industry partners. SolarTech will work with San Jose State University on surveying the Solar Industry, building solar engineering and business curriculum for long term industry sustainability and determine how to institutionalize and systemize the engagement of student interns to research and solve industry issues as a practical component of class curriculum. The proposed contract award for SolarTech is \$1,469,299.

**Foothill-De Anza Community College District** (FHDA) will serve as the lead college and coordinate training services with other relevant colleges. FHDA will adopt and deploy curriculum from other pioneering colleges, and will drive development of new curriculum to meet identified needs. FHDA will work with Solar City and Sun Pods to install solar charging stations at the De Anza campus for training. The proposed contract award for FHDA is \$1,258,917.

SolarTech and FHDA were approved by the State as partners in this project, and their contracts are therefore approved as sole source procurements by the State. While we are requesting the full contract awards totaling \$2,728,216 be approved at this time, this amount will be split over the two years of the grant. It is estimated that \$2.5 million of this amount will be spent in FY 2010/11, with the remaining amount being programmed in the FY 2011/12 Recommended Budget.

**FISCAL IMPACT**

As a result of the changes in planned versus actual revenues, the operating budgets for the NOVA Workforce Services Department needs to be revised. All NOVA Workforce Services Department operating programs are funded in the Employment Development Fund, which has a current budget of \$11,349,800. Budget Modification No. 8. has been prepared to increase the Employment Development Fund expenditure budget by \$2,500,000 with a corresponding increase in revenues. This modification will bring the total FY 2010/2011 budget for the NOVA Workforce Services Department to \$13,849,800. This action has an impact on contributions to the General Fund. The NOVA Workforce Services Department transfers a percentage of its expenditures to the General Fund to cover indirect costs incurred by the City. Staff estimates this transfer will be increased by \$77,050 as a result of this action.

**BUDGET MODIFICATION NO. 8**  
**FISCAL YEAR 2010/2011**

	<b>Current</b>	<b>Increase (Decrease)</b>	<b>Revised</b>
<b>Employment Development Fund</b>			
<u>Revenues:</u>			
1027 – Miscellaneous State Grants/Reimbursements	\$0	\$2,500,000	\$2,500,000
<u>Expenditures:</u>			
Program 510 Employment Development	\$11,000,000	\$2,422,950	\$13,422,950
<u>Transfers Out:</u>			
Transfer to General Fund	\$349,800	\$77,050	\$426,850

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

**ALTERNATIVES**

1. Council approves Budget Modification No. 8. This modification increases the NOVA Workforce Services Department Expenditure and Revenue Budget for FY 2010/2011 by \$2,500,000 from \$11,349,800 to 13,849,800 to incorporate Green Innovation Grant funding. Council authorizes the award of contracts to SolarTech in the amount of \$1,469,299 and to Foothill-De Anza Community College District in the amount of \$1,258,917 to provide services in connection with the Green Innovation Challenge grant.
2. Council does not authorize the budget modification or the contract awards.
3. Other action as determined by Council.

**RECOMMENDATION**

It is recommended by staff that the Sunnyvale City Council, on behalf of the NOVA seven-city consortium, adopt Alternative 1: Council approves Budget Modification No. 8. This modification increases the NOVA Workforce Services Department Expenditure and Revenue Budget for FY 2010/2011 by \$2,500,000 from 11,349,800 to 13,849,800 to incorporate Green Innovation Grant funding. Council authorizes the award of contracts to SolarTech in the amount of \$1,469,299 and to Foothill-De Anza Community College District in the amount of \$1,258,917 to provide services in connection with the Green Innovation Challenge grant.

Reviewed by:

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Reviewed by:

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Grace Leung, Acting Director  
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Approved by:

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