

## Plan Overview

### II. Plan Overview- Narrative

#### A. INTRODUCTION

The development of the Annual Plan is a major component of the agreement between the City of Los Angeles and the Workforce Investment Board (WIB). Critical to the development of the plan and the coordination of the Los Angeles Workforce Development System is open communication with various entities that provide oversight and administration. Workforce Development staff continued to build upon the communications process established in prior years securing input from the general public, advocacy groups, service providers, the WIB, City Council and the Mayor. This input was obtained through public hearings, WIB meetings and incorporated into the development of the Plan.

The Los Angeles Workforce Development System is comprised of nineteen (19) WorkSource Centers and ten (10) Youth contractors who will oversee a network of subcontractors to provide diverse services. The System is administered by the Community Development Department with policy oversight provided by the WIB. Since inception much of the infrastructure and groundwork has been laid to ensure smooth operations including development of necessary policies. However continual refinements must be made to ensure system improvements are made to meet customer needs. To this end the year five (5) Annual Plan includes modifications to existing policies to identify redundancies and necessary amendments to close any gaps in service.

The management and staff of the Community Development Department would like to thank the Mayor's Office; Honorable Councilmember Eric Garcetti, Chair of the Housing, Community and Economic Development Committee; and the members of the Workforce Investment Board for their leadership and guidance in the formation of this Annual Plan. We look forward to their continued support and assistance in the finalization of this document.

#### B. CHALLENGES AND OPPORTUNITIES FACING THE SYSTEM

Challenges and opportunities facing the Workforce Development System for the forthcoming year include:

- Sustaining the System with diminishing resources and reduced staff
- Expiration of the Welfare-to-Work grant
- Pending reauthorization of the Workforce Investment Act
- Implementation of recommendations made by the City Controller
- The increased provision of training and support services
- Roll-out of the WIA Youth Opportunity System model with new service providers
- Increased services to out-of-school youth

Every effort has been made by WIB members and City staff to develop a plan that reflects WIB goals and priorities, the needs of the citizens of the City of Los Angeles and the public while at the same time maximizing significantly, reduced resources. As a result the following cost saving measures have been taken:

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- Continue to decrease funding for system infrastructure and stand-alone initiatives; shift funding to program development and services
- Systematize the use of Pell Grants and other funds for training services
- Continue to leverage funds and broaden relationships with existing partners to maximize existing dollars
- Continue to secure other funding sources to the greatest extent possible

### 1. MAYOR'S PRIORITIES

Services provided through the Los Angeles Workforce Development System address two (2) of the Mayor's Six (6) Priorities for 2004-2005:

- Establishing Los Angeles as the safest big City in America, and
- Developing jobs and boosting the workforce business clientele.

The system addresses the priorities by providing a comprehensive array of business services, employment and training services, preparation for post secondary education, the provision of financial aid information through the Cash for College initiative and labor market information through the LA Economy Project.

The Mayor has proposed that \$1 million in WIA customized training funds be used to establish the new Jobs Growth Fund. This fund will finance job training and placement services that will employ Los Angeles residents in companies with a need for employees with specialized training. The Jobs Growth Fund will finance customized job training, wage subsidies for new hires, and subsidized upgrade training. The program is designed to target companies in the City with a need for workers in high-growth industries.

The Jobs Growth Fund will bring together federal, state, local, and potentially corporate funding in a more strategic, proactive and results-oriented manner. This fund will focus on the City's workforce priorities of developing a workforce for high skill, high wage employment. The jobs identified by the fund are in demand occupations, in career pathways with clear growth potential, and with wages potentially up to \$35,000 to \$40,000 annually. These jobs will benefit the State's tax base and expand its pool of highly skilled workers making the City an attractive draw to business.

### 2. WIB AND CITY COUNCIL PRIORITIES

The Workforce Investment Board (WIB), along with several Council Offices, has identified priorities and areas of concern for inclusion in this Annual Plan. These priorities were established through retreats held separately in September and December 2003. The priorities include:

#### a. The provision of Training and Supportive Services through the Workforce Development System.

The Workforce Investment Board (WIB) directed the formation of an Ad Hoc Committee on Training and Supportive Services. The Committee was comprised of members from both the Accountability and Operations Committees of the WIB, along with representatives from the

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WorkSource Centers, City staff and community organizations and entities. The Committee's objectives were to:

- Assess the current level of training and supportive services in the WorkSource System
- Develop a system-wide strategy to promote and track the provision of training and supportive services
- Develop a mechanism to leverage funds and formalize relationships with the Los Angeles Community College District and the Los Angeles Unified School District.

The Committee's recommendations that were presented to the Housing, Community and Economic Development Committee of the Council on April 14, 2004, are as follows:

- Amend the following policies and include in the 2004-2005 Annual Plan (these policies were approved in prior years and included in the 2003-2004 Annual Plan)
  - Performance Evaluation Policy- include credit for serving Universal Access customers only if the registered client goal is met; include hard to serve as a performance measure; identify award of bonus star for training as Workforce Investment Board priority for 2004-2005 (as incentive).
  - Certification Policy-amend policy to link certification with performance.
  - Customized Training: add Vocational English as a Second Language (VESL) and Limited English Proficient component to customized training programs as they are developed; increase the line item in the 2004-2005 budget for customized training.
  - Individual Training Accounts (ITAs)-require use of Pell grants for eligible participants and ensure participants ineligible for Pell grants are not denied access to training.
- Set aside funds for training and supportive services
  - Negotiate set-asides in WorkSource Center budgets for training and for supportive services based on available data (areas served) and on populations served. (The Committee considered 20% for the set-asides but did not want to mandate a fixed percentage.)
  - Reallocate funds from WorkSource Centers that are not expending set-aside funds to those WorkSource Centers that are expending them.
- Establish a regional approach for training and supportive services
  - Create a system-wide set-aside for employer based training that is linked to employment.
  - Set aside funds for linkages with selected Community Colleges that have a track record for linking training to jobs.
  - Reward system-wide collaboration for the provision of training through implementation of a shared credit process.

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- Other recommended options/reduce infrastructure costs
  - Conduct a comprehensive assessment of community needs prior to commencing the replacement operator selection process in the event a WorkSource Center is “decertified”.

These recommendations required the amendment of several existing policies previously approved and contained in the 2003-04 Annual Plan. These policies (the Individual Training Accounts, Certification and Performance Evaluation) have been amended accordingly and included in the 04-05 Annual Plan.

### **b. AUTOMATED SYSTEMS INTEGRATION**

A Systems Integration Task Force was also formed by the WIB Executive Committee to develop a policy for utilization and integration of software applications and to review the integration of current systems and possible solutions for the integration of all systems. A review of automated systems used by the WorkSource Centers was also conducted and the degree to which the systems are automated. As a part of this review the Task Force determined what would be of value to Centers tracking and case management needs and to ensure those needs are in line with recent audit findings.

Based on the survey and meetings with City staff essential elements of a case management/tracking system were identified. Essential case management components included standardized formats and contracts for the system, interface with current operating systems and basic system requests (scalability, security, web-based and assessment capability). Next steps include: determining the systems that can be integrated and a related timeline as well as finalizing a list of essential components for the additional case management system. Development of a new policy on systems integration is well on the way, but was not completed at the time this plan was printed. This policy will be reviewed by the Workforce Investment Board and incorporated into the 2005-2006 Annual Plan.

### **3. DEPARTMENTAL PRIORITIES**

In 2003, the Office of the Controller conducted performance audits of the Workforce Investment Act (WIA) Adult and Dislocated Worker and Youth Opportunity Grant programs managed by the Community Development Department. The Department subsequently responded and will implement the following corrective measures to address concerns identified in the audit:

- Appoint a Quality Assurance Manager responsible for overseeing implementation of the recommendations.
- Allocate funds to WorkSource Centers for 2004-2005 based on performance (see Budget section)
- Continue implementation of an approved performance evaluation model. Under this model WorkSource Center operators are evaluated on Customer Satisfaction, Outcomes, Customer Flow/Volume and Administrative Capability (SOFA). Continued implementation of this model is consistent with the Controller’s recommendations.

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- Expand the contract monitoring function to evaluate the success of WorkSource Center operators in implementing continuous quality improvement plans. Monitoring will be restructured to establish a baseline for comparing WorkSource centers for purposes of program improvement.
- Restructure the monitoring function to avoid duplication of effort and de-emphasize the “single annual review”. A team-monitoring model has been implemented and site visits are conducted monthly with a focus for each monthly visit.
- Establish a Budget Team to develop a model WorkSource Center budget and corresponding efficiency measures to better evaluate cost effectiveness. The team has been formed and guidelines have been developed for the contract negotiation process for 2004-2005 program year. WorkSource Center budgets will be compared against those expenditures the Department deems reasonable.

### C. STATUS OF WIA REAUTHORIZATION

The five-year authorization of the Workforce Investment Act expires on September 30, 2004 and is pending reauthorization. Over the course of the last two (2) years the Department of Labor has been gathering input from various sources as to how the workforce investment system can be strengthened to address the challenges of globalization, technological advancements and demographic change. Both the House and Senate have passed their own bills on reauthorization. However, as this is an election year no Conference Committee action is anticipated.

If approved the reauthorization would impact the City of Los Angeles in the following ways:

- a. The membership of the City’s Workforce Investment Board would be reduced by removing the requirement that mandated partners have a seat on the local board.
- b. The requirement for the establishment of a youth council would be eliminated, but local boards would have the option of retaining such a Council.
- c. The Adult Dislocated Workers and Job Service funds could be consolidated.
- d. Up to 60% of funds for the Youth program would be focused on out-of-school youth.
- e. Up to twenty-five percent (25%) of Youth funds would be set-aside for challenge grants.
- f. The number of performance indicators would be reduced from seventeen to eight (4 for youth and 4 for adults).

Proposals approved as part of the reauthorization will be incorporated into the federal regulations and administered at the federal, state and local levels. The WIB and City staff will make programmatic changes on an as-needed basis to comply with any changes in these regulations. If a bill is not authorized this year, new reauthorization legislation would have to be introduced in the 109<sup>th</sup> Congress. WIA may continue to be funded by a continuing resolution.

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### D. DEMOGRAPHIC SERVICE LEVEL EXPECTATIONS

Census 2000 demographic data was used to determine the service levels and funding allocations for the 2004-2005 WIA Youth and Adult system service providers. An analysis was conducted in an effort to validate the integrity and accuracy of the Census 2000 data, as related to the City of Los Angeles seven (7) Area Planning Commission (APCs) Districts. The determination was then made that refined Census data had become available with “tracts” that more closely aligned with the geographical boundaries of the City’s APCs.

The initial Census data figures reflected aggregate or broad data groupings that did not adequately align with the City’s APCs. The refined census data tracts provided a more detailed breakdown of demographic figures, notably information pertaining to levels of poverty for both adults and youth age 18-21. In comparison to the broad, initial Census data, the Census tract defined the poverty level in Central LA as significantly higher than previously held by 8.15%, while the level in West LA was in actuality 4.45% lower. In an effort to reflect and target the actual demographics of the City’s seven (7) APCs, the more accurate census tract data was incorporated into the funding formula approved by the Workforce Investment Board for 2004-2005. The final funding allocation to each of the seven (7) Area Planning Commission Districts were based on the following census data:

#### ADULTS AND DISLOCATED WORKERS \*

AREA	Percent in Poverty	Percent Unemployed
East Los Angeles	11.95%	10.92%
South Los Angeles	29.19%	23.07%
Central Los Angeles	22.13%	20.55%
West Los Angeles	6.11%	8.74%
South Valley	13.18%	16.78%
Harbor	4.92%	4.42%
North Valley	12.52%	15.52%

#### YOUTH \*

AREA	Percent in Poverty
East Los Angeles	13.33%
South Los Angeles	34.17%
Central Los Angeles	18.12%
West Los Angeles	3.34%
South Valley	12.27%
Harbor	5.12%
North Valley	13.63%

\* Source: Census 2000 Demographic Data

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### E. ECONOMIC TRENDS AND INDICATORS

The following is a brief synopsis of the economy at the time the Annual Plan was developed.

The overall national economy is still struggling, with the situation in Iraq, weak labor markets, major losses in the stock market, rising oil prices, and significant job losses. A modest growth in the local economy is expected some time during 2006. Although analysts are predicting the worst of the economic downturn is over, businesses remain reluctant to hire, lay offs continue and there is little new job growth. Additionally the loss of jobs in the manufacturing sector continues to increase from previous years. Consumer spending continues to be the mainstay of the economy and continues to keep it afloat. Predictions are that the economy will improve, but a stronger recovery depends on a robust rebound in business investment a key factor to creating job growth.

The Bush Administration faces a budget deficit of \$521 billion for 2004 and is seeking to implement tax cuts, despite budget deficits to balance the budget and to continue to stimulate the economy. The Administration has proposed a budget proposal for 2005 that would reduce the deficit over the next five years, however the Congressional Budget Office found the annual deficit would remain greater than \$200 billion through 2004.

The State of California faces an enormous budget deficit, a structural shortfall of \$15 billion alone for this fiscal year, which ultimately trickles down to the local city governments. This shortfall is due to declining tax revenues and less capital gains income due to a slowdown in the national economy. To balance the books there may be reductions in nearly every area of State government. The State of California's funding cuts to the City of Los Angeles is expected to total \$175 million in the next fiscal year. Currently, the City of Los Angeles is finalizing its 04-05 budget, which has several one-time revenue sources to balance the budget.

#### **LABOR FORCE FORECAST**

According to an Economic Policy Institute report for November 2001 through January 2004, only three (3) states have experienced job growth that has kept up with the growth in the working-age population since November 2001. Job loss has continued in thirty (30) states despite the modest economic recovery at the national level. The job shortfall is over a million jobs cumulatively since June 2003. Only two (2) states in the nation, Alaska and Nevada, have experienced growth in manufacturing jobs; every other state has lost manufacturing jobs. Ten states have lost over ten percent (10%) of their manufacturing jobs during these two years.

The decline of manufacturing jobs is devastating to states says the Economic Policy Institute, because productivity growth in manufacturing has historically been faster than in the rest of the economy, resulting in increases in living standards. Manufacturing has been a primary source for middle-class jobs with decent wages and benefits, especially for workers without a college degree (over 70% of the workforce approximately).

According to the U.S. Bureau of Labor Statistics, there were 2,428 mass layoff actions in January 2004 alone, affecting 239,454 workers nationwide. The number of January

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layoffs is significant because it totals the most layoffs in any previous January for the nine years that such records has been kept. These figures remained steady according to a March 5, 2004 report by the same government bureau. Job growth nationwide was only 21,000 positions during the month of February 2004, and although unemployment remained low it was mainly due to the thousands of discouraged workers dropping out of the labor market. Discouraged workers are not counted in the official number of jobless individuals because they have stopped looking for work. Job growth in December 2003 and January 2004 was cancelled out by a total combined loss of 23,000 jobs nationwide. The national unemployment rate improved slightly in March to 5.7 percent and April 2004 remaining steady at 5.6 percent (down from 5.8 percent in March 2003).

### **OUTLOOK FOR THE STATE OF CALIFORNIA AND CITY OF LOS ANGELES**

California's unemployment rate was 6.5 percent in March 2004, revised down from 6.8 percent in March 2003 and only slightly higher than 6.3 percent in February 2004. Non-farm payrolls added 5,200 jobs in March, following a revised 2,300-job loss the previous month. Most jobs were gained in the trade, transportation and utilities sectors of the State economy. Significant job losses were posted in the government sector, down from 6,000 jobs among the major industry sectors, according to "California Labor Market Review", a monthly publication published by the California Employment Development Department's Labor Market Division.

The Review also included a comparison of unemployed by "reason for unemployment." Results indicate that job losers (657,000 persons) accounted for the largest group of unemployed persons. This category accounted for 56.6 percent of all unemployed in the State. Re-entrants to the labor force are the next largest category, 322,000 persons in March, and new entrants showed the only percentage increase in the past year increasing by 6.5 percent.

A similar comparison was also included in the Review, but this time by duration of unemployment. When comparing by number of unemployed by duration, i.e., average length of unemployment, the largest group of unemployed were those who had been unemployed less than five weeks (349,000 persons-30.1% of all unemployed). The number of unemployed for 15 to 26 weeks rose 6.1 percent (or 11,000 persons) over the course of 2003. The greatest increase occurred in the number of persons unemployed 27 weeks or more rising 12.2 percent (31,000 persons) since March of last year. Despite this fact, those unemployed for 27 weeks or more accounted for less than one out of four unemployed persons.

Six sectors of non-farm industries saw job gains over the past month and five sectors saw job declines. Industries listed in order of job gain were trade, transportation and utilities (11,900), financial activities (2,700); educational and health services; other services (900); construction (500); and natural resources and mining (500). Sectors showing job decreases in order of job loss include government (6000), information services (2,500); manufacturing (2000); professional and business services (1,300); and leisure and hospitality (500).

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The Los Angeles Economic Development Corporation predicts the California economy will pick up momentum in 2004. Positive forces identified include:

- recovery for the technology sector during 2004 and 2005, though employment will continue to lag
- some aerospace sectors will benefit from higher levels of Department of Defense, other government agency spending and modest job growth
- agriculture will hold steady as the declining dollar will positively impact the exports of specialty crops
- tourism will do well given the opening of 4 new rides in Southern California theme parks
- new homebuilding will still see a strong performance although it will drop back from 2003 highs

The Los Angeles Economic Development Corporation also identifies several negative forces influencing the labor market, these include:

- more job cuts for state, county and city governments because of the State's budget problem
- the business environment will still be a concern given high energy costs, employment costs (worker's comp insurance, unemployment insurance, paid family leave, etc.) and may serve as a powerful deterrent to hiring
- imposition of new taxes or increases in existing taxes another cost burden for business
- lackluster office construction due to a surplus of available office space

According to the State of California Employment Development Department the unemployment rate for the City of Los Angeles was 6.9%, down from 7.5% in January 2004, but with no change as compared to February 2004 unemployment rate. The industries with the greatest potential for growth for the City of Los Angeles include aerospace, international trade and tourism consistent with findings for the State identified by the Los Angeles Economic Development Corporation. So there is some possibility for job growth in the City of Los Angeles albeit in very few industries.

Tax revenues continue to drive downward nationwide. The national economy continues a trend of moderate growth at 4-5%, despite record high deficits. This trend is expected to continue for 2004-2005.

## F. FUNDING ENVIRONMENT

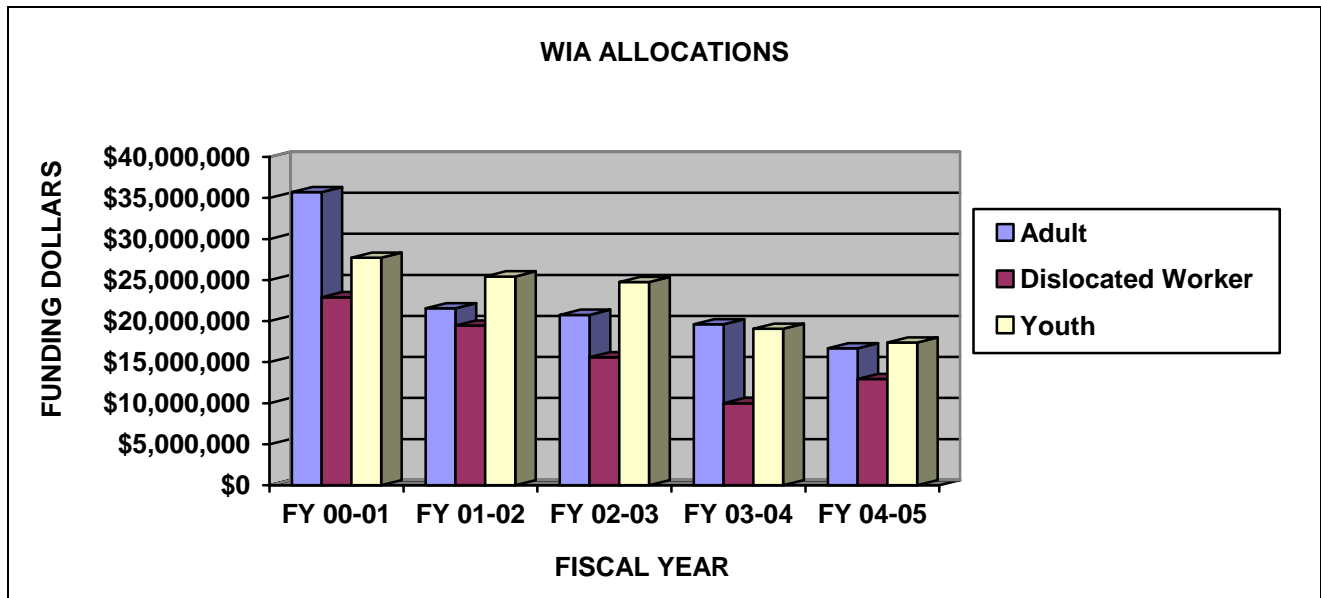
The monies from the federal government flow by formula, first to the 50 states and then within California, flow by formula to the 50 Local Workforce Investment Areas. These formulas are complex. There is a different formula for each of the three funding streams: Adult, Dislocated Worker and Youth. The Dislocated Worker formula takes into account layoffs occurring in a Local Workforce Investment Area. Federal Dislocated Worker dollars are distributed differently each year depending on the occurrence of major dislocations nationally.

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Listed below is a table showing the City's Workforce Investment Act (WIA) allocations for four years including projected funding levels for the fiscal year 2004-2005. Allocations for each year, beginning with fiscal year 2001-02, show a decrease in funding for subsequent years culminating in a 20% decrease since fiscal year 2000-01, the first year of the Workforce Investment Act.

Funding Stream	FY 00-01*	FY 01-02	FY 02-03	FY 03-04	FY 04-05
Adult	\$35,709,647	\$21,551,591	\$20,764,473	\$19,596,423	\$16,700,535
Dislocated Worker	\$22,907,826	\$19,440,014	\$15,595,173	\$9,999,580	\$12,948,512
Youth	\$27,716,294	\$25,438,983	\$24,768,100	\$19,049,586	\$17,399,974
<b>Total</b>	<b>\$86,333,767</b>	<b>\$66,430,588</b>	<b>\$61,127,746</b>	<b>\$48,645,589</b>	<b>\$47,049,021</b>

\* Includes JTPA carryover funds



A number of fiscal and budgetary challenges were taken into consideration in the development of the Fiscal Year 2004-05 Annual Plan, including the expiration of the Welfare-to-Work grant. Three million in Welfare-to-Work funds were available to the system in Program Year 2003-2004. Approximately two hundred twenty-five (225) Welfare-to-Work participants were transitioned into the WorkSource system to ensure the provision of seamless services.

### G. COORDINATION OF SERVICES FROM OTHER FUNDING SOURCES

The Community Development Department (CDD) administers funds from a variety of other sources in addition to those funded through the Workforce Investment Act. These include, but are not limited to Housing and Urban Development formula programs, Community Development Block Grant, Community Service Block Grants, Emergency Shelter Grant, Housing Opportunities for Persons with Aids, and State and Federal tax incentive programs. It is the goal of the Community Development Department (CDD) to manage these funds and the delivery of services for City residents to provide for an integrated, seamless service delivery

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system. To this end, CDD staff has continued formal efforts to assume an integrated planning function to identify shared resource needs, as well as those of the various populations served under the workforce system. These efforts were begun during 2003-04 with a series of networking sessions scheduled throughout the City of Los Angeles. As a result a service linkage project has been developed to:

- Identify how current systems function, including strengths and weaknesses
- Determine system capacity to assist additional job seekers and/or business customers
- Assess current and short term hiring and training needs

Projects funded through other funding sources include:

- **LOS ANGELES CITY BROWNFIELDS TRAINING PROGRAM**

In October 2003 the City of Los Angeles received a \$200,000 grant from the Environmental Protection Agency (EPA) to train 90 individuals to work with hazardous waste. The strategic goal of the City's Brownfields job training and development program is to clean up and reuse Brownfields sites while generating employment and economic development opportunities, as well as to involve low-income community residents in this process by providing them with opportunities to develop marketable skills that will lead to employment at living wage earnings. The goal of the project is to train 50 selected low-income participants, to graduate 40 participants completing the required hours for each training designated in the curriculum with certificates of completion in the appropriate trainings, and to place 35 (80%) participants into entry-level employment in environmental remediation, over the two-year life of the grant.

The current Job Training Program will utilize all partners previously involved in the pilot program, including the Los Angeles Conservation Corps, the WorkSource Centers, U.S. Probation, Southern California Community Colleges, the Brownfields Training Program Advisory Board, and environmental firms.

- **LIFE SCIENCE PROJECTS**

The City of Los Angeles received \$300,000 from the State WIA Rapid Response funding source for the Life Science project. This project will train up to 170 individuals for careers in the biosciences industry as bio-manufacturing technicians, quality control technicians, and maintenance technicians with salaries ranging from \$32,000 - \$52,000 annually.

An estimated 80 of the 170 participants who complete the coursework will be trained to become manufacturing technicians, earning salaries of \$40,000 annually.

An estimated 60 skilled dislocated workers will be re-trained for quality control, engineering, and facilities management positions at \$40,000 - \$52,000 annually.

- **OFFICE OF DISABILITY EMPLOYMENT POLICY, U.S. DEPARTMENT OF LABOR**

A cadre of staff from CDD was formed to secure additional funds for services provided through various divisions comprising CDD. The cadre was successful in securing

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\$625,000 in funding from the U.S. Department of Labor (DOL) to provide customized employment services to 76 clients identified as chronically homeless persons with mental illness. Goodwill Industries of Southern California (GISC) is the lead WorkSource Center responsible for service delivery. Ninety percent of all DOL grant funds received through this grant opportunity are being used to support services for clients.

- **NURSES WORKFORCE INITIATIVE (HEALTHCARE INITIATIVE)**

The Cedars-Sinai Health System Career Ladder Program provides upgrade preparation and training to incumbent Certified Nursing Assistants (CNA), Licensed Vocational Nurses (LVN), and other entry-level health care workers. Cedars-Sinai is partnering with the City of Los Angeles Workforce Investment Board (WIB), MCS Hollywood WorkSource Center, local colleges and universities, and local healthcare facilities to provide training to eligible community participants interested in pursuing a career as a licensed nurse. This program targets WIA Adult participants who are eligible for intensive services and incumbent workers from employing hospitals and long-term care health facilities. Approximately \$318,700 in new monies has been received for 04-05.

- **REWARDING YOUTH ACHIEVEMENT**

This project is administered by Los Angeles Youth Opportunity Movement and funded by the U.S. Department of Labor. Rewarding Youth Achievement targets high school students at Roosevelt and Jordan High Schools. The goal of the program is to increase college entrance and acceptance for students enrolled in the program. Rewarding Youth Achievement services include college counseling, a total of \$135,600 in carryover monies will be available for the RYA grant that expires this year in 2004-2005.

- **CalWORKS PROGRAM**

The goal of this project is to provide work experience to eligible recipients of Temporary Assistance to Needy Families (TANF) during the school vacation periods. Distribution of funds is based on the percentage of youth in poverty using the 2000 census in the City's 7 Area Planning Commission (APC) Districts. The Community Development Department will receive a total of \$1,771,813 in CalWORKS funding for this program, with not more than 5% of the total grant award to be utilized for project related activities including but not limited to staffing, monitoring, and reports generation.

- **SCHIFF-CARDENAS (LA COUNTY PROBATION DEPARTMENT)**

For PY 04-05, this grant is funded at \$184,400 by the LA County Probation Department and the Schiff-Cardenas Crime Prevention Act of 2000 (AB 1913) and is administered by the LA Youth Opportunity Movement. Services are provided to youth involved in gangs in five targeted area school clusters identified by the LA County Probation Department. Services include community-based intervention and gang suppression services and educational support services to increase participant success in school.

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- **CITY GENERAL FUND YOUTH PROGRAM (SUMMER YOUTH)**

In PY 2003-2004, CDD received \$2 million in City General Funds to further expand employment opportunities for approximately 1,295 Los Angeles youth. These funds allow YOS contractors to provide first-time work experience for youth citywide. Program outreach targets at-risk youth, ages 14-21, who has multiple barriers to employment; an emphasis is placed on hiring foster youth, runaways, and youth offenders. Work opportunities are made available on a year-round basis and participants are paid no lower than the prevailing minimum wage. These funds are distributed among the Youth Opportunities System Contractors. Funding of this program for 2004-2005 was incorporated into the Mayor's budget for fiscal year 2004-2005 and remains subject to approval by City Council.

### **H. REQUEST FOR CONTRACT RENEWAL**

The priorities of the WIB and the Youth Council are implemented through the Request for Contract Renewal (RFCR) process. The RFCR identifies the WIB priorities for the coming program year and requests service providers to submit detailed written proposals on how these criteria will be met. The RFCR forms the basis of contract negotiations with service providers and for this fiscal year pertains only to WorkSource service providers. New service providers were procured for the Youth Opportunity System. This process has now been fully incorporated into the Annual Plan to ensure contract execution is completed in a timely manner and is consistent with the start of the new fiscal year on July 1, 2003. The RFCR is scheduled for release in May 2004.

### **I. PROCUREMENT (2004-2005 REQUEST FOR PROPOSALS)**

In conjunction with the Youth Council of the Workforce Investment Board and City staff, a Request for Proposal (RFP) was released January 12, 2004. The RFP was developed in an effort to correct inherent weaknesses in the current system regarding leveraging of resources and cooperation with partner organizations. A total of twenty-eight proposals were submitted under the RFP process, including providers offering "enhancement" services such as those tailored to meet the needs of youth offenders, at-risk youth, and youth with disabilities. Final funding recommendations resulting from the proposal review process are listed in the Budget Section of this the Year 5 Annual Plan.

The Youth system currently in place provides for comprehensive education and employment preparation services via a skills-based design to eligible low-income youth ages 14 through 21. The general contractors selected under the RFP process will manage a network of collaborative entities and subcontractors to provide diverse, but complementary services, including leveraging of available resources. The general contractors will work in cooperation with a "leadership team" made up of representatives from all members of the network to shape policies and practices within the network. Services will be offered throughout the seven Area Planning Commission Districts of the City.

The vision for the new program design is to provide all youth in the City of Los Angeles, especially those most in need, with the necessary skills to successfully transition into adulthood, careers, and further education and training. The new system will be accessible to all Youth

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through a number of centers or service portals, which provide a safe, supportive, professional atmosphere for teens, and extensive opportunity for positive interaction with adults.

### **J. PROCUREMENT-WORKSOURCE SYSTEM**

Initial procurement for the system was completed in 1997. From July 2000 up to the present, successful bidders from the initial procurement process in 1997 were required to successfully complete a Malcolm Baldrige-based certification process to retain funding eligibility.

In Program Year 2003-2004, one WorkSource Center was unsuccessful in applying for certification. As such, the contract with West Los Angeles Center operator, Community Career Development, Inc., will be allowed to expire on June 30, 2004. Consistent with the Workforce Investment Board's direction to reduce infrastructure costs and in consideration of diminishing resources, the Annual Plan contains a recommendation to discontinue funding of the West LA WorkSource Center.

In addition, the North Hollywood Satellite WorkSource Center, operated by Career Encores, Inc. was to serve as Older Worker Coordinator for the WorkSource system for 2004-2005. Approximately \$350,000 had been set aside for this project. Subsequently, in April 2004 the Board for Career Encores, Inc. informed the Community Development Department (CDD) management in writing of their intent not to serve in this capacity. Further, they advised CDD management that they no longer wished to serve as the operator of the North Hollywood Satellite WorkSource Center. The funds that had been set aside were then reprogrammed to the remaining WorkSource Center operators.

CDD management was also informed that Career Planning Center, Inc. (CPC), the operator of the Marina del Rey-Mar Vista WorkSource Center had entered into a strategic partnership with the Jewish Vocational Services. As a result, funding of Career Planning Center/Jewish Vocational Services is subject to the Community Development Department's due diligence regarding its assessment of whether the re-organizational structure as proposed is sufficient to safeguard WIA funds; funding is further subject to WIB, Mayor and City Council approval of this partnership.

Additionally MCS Rehabilitation, Inc., has notified CDD of a proposed corporate name change to Managed Career Solutions, Inc. dba MCS Rehabilitation. Funding may be subject to the CDD's due diligence assessment, with assistance from City Attorney, as to whether the proposed name change is sufficient to safeguard WIA funds. Further funds may be subject to WIB, Mayor and City Council approval of this transfer of authorization from MCS Rehabilitation, Inc., to Managed Career Solutions, Inc., dba MCS Rehabilitation.

The City's Rapid Response program is both federally funded and mandated, and is intended to provide assistance to employers and employees affected by mass layoffs, plant closures, or other dislocation events. In conjunction with the Rapid Response program, a Request for Proposal was released April 19, 2004 for the purpose of identifying qualified consultant(s), individual(s) or firm(s) to provide Job Search Assistance (JSA) Workshop modules.

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### FY 2004-05 Funding Allocation

In accordance with WIB approved policies, a revised formula was used to determine the FY 2004-05 funding allocations to individual contractors. This revised funding allocation formula provides for incentive awards to contractors with outstanding performance, while also basing funding allocation on past WorkSource Center performance. For the FY 2004-05 "initial" phase of performance based funding, allocations incorporated the following elements:

- A "Base Funding Level for each Center
- A minimum funding level of \$500,000 for Satellite Centers, and \$1.2 million for full service WorkSource Centers
- A maximum 10% loss of funding over PY 03-04 levels
- Additional/Incentive funding based on the Incentive Award Calculations established by the Workforce Investment Board (WIB) in the 2003-2004, Year 4 Annual Plan

Recognizing that area poverty and unemployment levels were already factored into the FY 2003-04 funding awards, a base level for FY 04-05 funding was set at 90% of a Center's PY 03-04 funding allocation. Any Center whose resultant base funding level was below the set minimum was assigned a base funding level equal to \$500,000 for Satellite Centers or 1.2 million for full service WorkSource Centers.

The remaining available funds were used to form a "pool" of Incentive Funds, 50% of which were distributed based on the PY 2002-03 "Full Year" Performance Evaluation, with an additional 25% distributed based on the PY 2003-04 Six Month Evaluation. It is expected that the remaining 25% of the "Incentive Fund" will be awarded in September 2004 and distributed based on the PY 2003-04 Full Year Evaluation, which will not be available until after the closeout of the FY 2003-04 WorkSource Center contracts.

### **K. YOUTH OPPORTUNITY MOVEMENT (YOM) PROGRAM**

This program year, 2004-2005, is the final year of federal funding for the Youth Opportunity Movement program managed by the City of Los Angeles. Funding has been steadily reduced since the program's inception and will total five million, three hundred thousand dollars (\$5.3 million) for program year 2004-2005, down from \$8.25 million in program year 2003-2004, and \$11 million during the program's initial years of funding. The City has made a commitment, via the Youth Council of the Workforce Investment Board, to continue funding beyond the five-year grant period. The City will demonstrate its commitment to this effort by allocating funds from the Community Development Block Grant (CDBG) and Workforce Investment Act (WIA) and is proposing a combined total of \$1.5 million in WIA funds for the Boyle Heights and Watts's sites and \$400,000 for the Valley site, for a grand total of \$1.9 million.

### **L. CONTINUATION OF SERVICES/NEW INITIATIVES/MAJOR REDUCTIONS**

Services to be continued in the 2004-2005 fiscal year include:

- Healthcare Initiative: continue a health care training program to provide clients with the skills and placements needed to enter and advance within the health industry. See *Goal 2-Provide job training for first-time job seekers, unemployed individuals and incumbent*

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*workers that is focused on demand occupations with career paths that lead to self sufficiency and that includes all of the skills employers and employees need.*

- Continuous Quality Improvement: continue a continuous quality improvement process for WorkSource Centers serving adults and dislocated workers; conduct certification process for the Youth Opportunity System; implement a plan for improvement based on results from a division-wide self-evaluation process. *See Goal Number 4-Provide quality assurance through a system of standards and accountability.*
- Evaluation System: continue implementing a performance management system including an evaluation of customer needs throughout the WorkSource system. *See Goal Number 4-Provide quality assurance through a system of standards and accountability.*
- Limited English Proficient: continue implementation of a plan to incorporate the Limited English population into the WorkSource system. *See Goal Number 6-Ensure access and training for diverse populations.*
- Network and Services to Persons with Disabilities: continue to provide training and technical assistance to contractor staff via the newly developed web based EmployAbility Website. *See Goal Number 6-Ensure access and training for diverse populations.*
- Secure Additional Funds: continue to secure additional funds for new and existing programs. *See Goal Number 3-Promote collaboration and leveraging of funds and resources.*
- Customer satisfaction: continue the customer satisfaction survey process of adult and dislocated workers in the WorkSource system. *See Goal Number 4-Provide quality assurance through a system of standards and accountability*

### New Initiatives:

- Workplace Literacy Project: determine the needs, identify solutions and implement a collaborative literacy plan to assist adult City residents with limited literacy skills. *See Goal Number-6-Ensure access and training for diverse population.*
- Leverage funds: develop mechanisms to leverage funds for the provision of training services and formalize relationships with specific Community College campuses of the Los Angeles Community College District with experience in providing training that leads to employment. *See Goal Number 3-Promote collaboration and leveraging of funds and resources.*
- Jobs Growth Fund: the Mayor has proposed \$ 1 million in WIA customized training funds to be used to establish this fund for job training and placement services. *See Goal Number 5-Improve Service to Business.*

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- Systems Integration: roll-out implementation of case management/tracking software system and ensure integration with existing software systems. See *Goal Number 7-Minimize bureaucracy*.
- Los Angeles Economy Project: utilize demographic and labor market data obtained through the project to assist with the identification of viable industry clusters and related skills sets for adult and youth customers. Data will be used to assist with the development of viable customized training programs. See *Goal Number 5-Improve service to business*.

### M. STAFFING

This Annual Plan incorporates funding for all authorized positions within the Workforce Development Division (see budget section) and all related positions funded under the Workforce Investment Act in other divisions and departments of the City. Please note that only a portion of this funding is included in the City's Fiscal Year 2004-2005 budget, the remainder is considered "off-budget" and is included in this document.

Approval of the following positions **does not** result in a net increase in the number of positions allocated to the Community Development Department. Approval of the following positions and actions is requested to support continuing and new initiatives within the Community Development Department:

- Program Aide-Youth Opportunity Movement- (1 position exempt)

This position is required to replace an expiring position for the Youth Opportunity Movement and is required to fill a mandate from the Department of Labor to increase enrollment of out-of-school youth in the Youth Opportunity Movement program.

- Project Coordinators-Youth Opportunity Movement-(6 positions exempt)

These positions are required to replace six (6) expiring exempt positions and are required to fill a mandate from the Department of Labor to increase enrollment of out-of-school youth in the Youth Opportunity Movement program.

- Senior Project Assistant-Youth Opportunity Movement (8 positions exempt)

These new positions are required to replace expiring exempt employment authorities for Youth Opportunity Movement and are required to fill a mandate from the Department of Labor to increase enrollment of out-of-school youth in the Youth Opportunity Movement program.

- Senior Project Coordinator (2 positions)

These new positions are required to replace expiring exempt employment authorities for the Workforce Development Division and are required to support key goals and major activities developed by the WIB to achieve mandated performance requirements contained in this Annual Plan. These goals and major activities have been developed to

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meet the legally mandated requirements of WIA legislation. These positions will be assigned to the Business Services Group. One position will be responsible for establishing and facilitating inter-agency workgroups focused on enhancing program services for businesses and employers, while the other position will continue to develop and implement services for Limited English Proficient participants.

- Senior Project Coordinator-Youth Opportunity Movement (1 position exempt)

This new position is required to replace an expiring exempt employment authority for the Youth Opportunity Movement and is required to fulfill a mandate from the Department of Labor to increase the enrollment of out-of-school youth in the Youth Opportunity Movement program.

- Senior Systems Analyst I (1 position)

This new position is required to replace an expiring exempt employment authority for the Workforce Development Division and is required to support key goals and major activities developed by the WIB to achieve mandated performance requirements contained in this Annual Plan. These goals and major activities have been developed to meet the legally mandated requirements of WIA legislation. This position will be assigned to the Planning, Contracts, and MIS Sections and will be responsible for overseeing the MIS Unit.

Approval of these actions does not result in a net increase in the overall number of position authorities.

## N. ADOPTION OF THE ANNUAL PLAN

Adoption of this Annual Plan will authorize the Community development Department to:

1. Develop and submit proposals for funding to any public, private, non-profit or governmental entity for workforce investment-related activities.
2. Accept such funds in the event proposals are selected by any public, private, non-profit or governmental entity for funding.
3. Negotiate and execute agreements and amendments to agreements with public, private, non-profit and/or governmental entities with funds awarded as a result of a Request for Proposal (RFPs) or Request for Qualifications (RFQs).
4. Issue RFPs or RFQs for any workforce investment related activities, including, but not limited to:
  - a. Services for Limited English Proficient (LEP) population (approximately \$300,000 for LEP and Literacy)
  - b. Job Search Assistance and Rapid Response Services to Dislocated Workers (approximately \$355,000)
    - Job Search Assistance - \$105,000
    - Rapid Response - \$250,000

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- c. Training and Technical Assistance including services of qualified facilitators and trainers (approximately \$95,000)
  - d. Local Marketing consultant services (approximately \$225,000) – open RFQ
  - e. Regional Marketing consultant services (approximately \$150,000)
  - f. Healthcare Training providers and services (approximately \$1,000,000)
  - g. Services to assist with securing of additional funds and resource development (approximately \$15,000)
  - h. Business services - support customized training/OJT for employer driven training (approximately \$200,000)
  - i. Crossroads – event and consulting services (approximately \$25,000)
  - j. Evaluation system-customer satisfaction survey (approximately \$250,000)
  - k. Continuous Quality Improvement consultant services (approximately \$100,000)
  - l. Technology Plan (approximately \$300,000)
  - m. Architectural Services (approximately \$50,000)
  - n. Customized Training and Jobs Growth Fund facilitation consultant services (approximately \$1,000,000)
  - o. Services to At-Risk Youth (\$76,500)
5. Negotiate and execute agreements and amendments to agreements with bidders successful in responding to any RFP or RFQ released by the Department, including those released in Years One, Two or Three or Four.
6. Negotiate and execute agreements and amendments to agreements, where appropriate, with entities on a sole source basis, provided that such any such action is in accordance with the City's WIA Procurement Policy, including, but not limited to:
- a) Leland M. Dudley dba Lee Dudley Solutions, and Diana Nave for WIB support
  - b) Life Sciences Grant (Biotechnology) contractors (including but not limited to Gruber and Pereira Associates, LLC, Los Angeles Community College District (LACCD), local biotech companies, WorkSource Center operators, and other local area WIBs (approximately \$500,000)
  - c) CalWORKS Program service providers (including but not limited to Los Angeles Unified School District, Catholic Charities of Los Angeles, Inc, and El Proyecto del Barrio. (approximately \$1,771,800)
  - d) Brownfields Job Training and Development program contractors (including but not limited to Los Angeles Conservation Corps, United States Probation Office for the Southern District of California, Southern California Community Colleges and environmental firms (approximately \$151,200)
  - e) Summer Youth Jobs/City General Fund Youth Opportunities Program contractors (including but not limited to: L.A. Unified School District, Catholic Charities of Los Angeles, Inc, and El Proyecto del Barrio (approximately \$2 million)
  - f) Schiff-Cardenas (Los Angeles Department of Probation) (approximately \$184,400)
  - g) Intermediary organizations such as unions, trade associations, economic development corporations, select campuses of the Los Angeles Community College District, the Los Angeles Unified School District and other industry recognized organizations to provide and facilitate customized training for industry clusters and business (approximately \$400,000)
  - h) Healthcare Initiative training providers including MCS Rehabilitation (approximately \$1,000,000)

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- i) Literacy Network of Greater Los Angeles, for workplace literacy and Limited English Proficiency (LEP) services (approximately \$300,000).
  - j) The University Corporation and/or FutureWork Systems L.L.C. for the maintenance of L.A.Performs website (\$250,000 for evaluating system)
  - k) Manuel R. Bagaoisan and Diane Naulls for technical support (\$45,800)
  - l) Customized training contracts with employers and proposed Jobs Growth Fund (approximately \$1,000,000)
  - m) Goodwill Industries of Southern California and John Michael Pearson for the EmployAbility website including technical support, training, website development, and maintenance and interpreter services (approximately \$275,000).
  - n) Information and Referral Federation of Los Angeles County, Inc. (INFO LINE) for "1-800-For A Job" (approximately \$200,000)
  - o) KOG Associates for fiscal training (approximately \$95,000)
  - p) Increased lease costs to meet the threshold facility standards such as compliance with the Americans with Disabilities Act and signage including Jubany Architecture (approximately \$50,000)
7. Select, negotiate, and execute agreements and amendments to agreements with all organizations identified in the budget section contained herein procured in accordance with RFP/RFQ and/or Small Purchase procurement policies:
- a. All Youth Opportunity System contractors (\$13,223,500).
  - b. All Full-Service and Satellite WorkSource Center contractors (\$25.1 million).
    - Funding of Career Planning Center, Inc./Jewish Vocational services is subject to the Community Development Department's due diligence with assistance from the City Attorney regarding an assessment of whether their re-organizational structure, as proposed, is sufficient to safeguard WIA funds, and is further subject to WIB and City Council approval of this transfer authorization from Career Planning Center, Inc. to Career Planning Center, Inc./Jewish Vocational Services.
    - Funding of MCS Rehabilitation, Inc. is subject to the Community Development Department's due diligence assessment, with assistance from the City Attorney, as to whether the agency's proposed name change is sufficient to the safeguard of WIA funds; funding is further subject to WIB, Mayor and City Council approval of this transfer of authorization from MCS Rehabilitation, Inc. to Managed Career Solutions, Inc., dba MCS Rehabilitation.
  - c. CyberWeb, Inc. for the EmployAbility website including technical support, training, website development, and maintenance and interpreter services. (Approximately \$275,000)
  - d. All Youth Opportunity Movement contractors
  - e. Accounting firms for single audits, fiscal reviews and special audits (approximately \$95,000)
  - f. Goodwill Industries of Southern California and Quest Diversity and Training for employment support to the chronically homeless and technical support funded by the Department of Labor, Office of Disability Employment Policy (approximately \$625,000)
  - g. Rapid Response and job search assistance contractors
  - h. Grantsmanship service providers and/or grant writers
  - i. Qualified facilitators and trainers
  - j. CityJobs contractors (\$75,000)

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- k. A technical trainer, to provide technology training.
  - l. Providers of translation and interpretation services to assist persons who are limited English proficient
  - m. Chicago Systems, Inc. for Skills Match software
  - n. Marriott Foundation for People with Disabilities, Inc. for Disabled Youth
  - o. Paul O'Reilly and Associates for implementation of Business Services Plan (approximately \$105,000)
  - p. Continuous quality improvement contractors (approximately \$100,000)
  - q. Performance management contractors
  - r. Providers of Assistive technology to assist persons with disabilities in accessing WIA services
  - s. Intermediary organizations such as unions, trade associations, economic development corporations, and other industry recognized organizations to provide customized training for industry clusters and business
  - t. Qualified "systems" groups for continued implementation and upgrades of the technology master plan and the Business services model including upgrades to hardware, software and maintenance
  - u. CityJobs contractors for basic skills training (approximately \$75,000)
  - v. The State of California-Employment Development Department for Job Services
8. Accept funds, including incentive funds, and execute any unilateral sub-agreements and amendments between the State of California and the City of Los Angeles and/or the Department of Labor and the City of Los Angeles for WIA.
  9. Negotiate and execute amendments to the WorkSource (One-Stop) System Memorandum of Understanding between partners of the City of Los Angeles WorkSource System; and, the WIA Five-Year Local Plan.
  10. Fund all current and/or any new staff positions.
  11. Approve and implement all new and/or revised policies.
  12. Transfer monies up to 30% of the total 2004-05 Dislocated Worker allotment to the Adult program or vice versa, subject to approval of State Employment Development Department.
  13. Allocate carry-in funds in excess of those identified herein as the Department deems appropriate in accordance with the Annual Plan as adopted by the WIB, the City Council and the Mayor.
  14. Make any technical adjustments pursuant to the Reauthorization of the Workforce Investment Act necessary to facilitate the successful implementation of the Annual Plan.
  15. Make any technical adjustments, including technical adjustments to Controller's instructions contained as an attachment to the transmittal to this Year Five Annual Plan, necessary to facilitate the successful implementation of the Annual Plan.