

D. WORKSOURCE SYSTEM REVIEW

1. WorkSource Center Strategy Task Force

Over the past year, the WIB, through its WorkSource Center Strategy Task Force and with the input of stakeholders, examined how most effectively to use WIA and partner monies to serve the people of Los Angeles. The Task Force posed the following three questions in reviewing the WorkSource Center system:

- What portion of the total budget should be invested in each of labor exchange/job placement, support services, and training;
- What is the ideal number of centers citywide or by planning area, and what is the adequate minimum amount of funding per center; and
- What methodology should determine which centers to maintain.

The Task Force made the following findings:

- The system, with diminishing resources, cannot sustain eighteen WorkSource Centers
- Existing WorkSource Centers were already operating at minimum funding levels and could not sustain additional reductions
- Centers were over-concentrated in some of the City's areas
- More resources should be made available for sector training programs.

The Task Force recommended the Department report back on the use of performance criteria to identify which Centers to maintain.

a. Performance Analysis

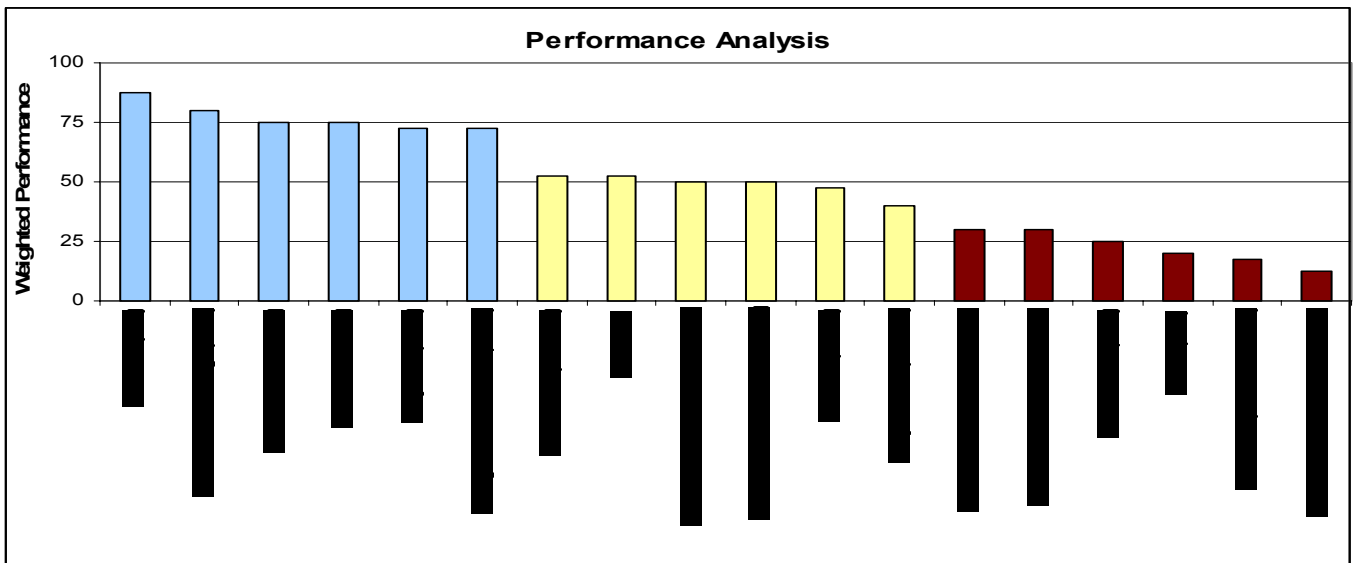
At the request of the Task Force, the Department conducted a comprehensive review of the WorkSource Center performance over a three-year period. This review considered: performance evaluation results, services provided to special populations, residency of the participants, the proportion of both City and local residents served, the number of Universal Access customers served, and costs (both the average spent on enrolled participants and the amount spent on training and supportive services).

Department staff assigned various weights to these factors and analyzed the resulting outcomes. Multiple configurations were evaluated, each of which consistently divided the system operators into the same three groups of performance:

Plan Overview

- High
- Good/Average
- Low/Substandard

The Centers were ranked on a scale of 0 to 100 on these weighted Performance factors. The results of these evaluations are graphically displayed below.



b. Department’s Recommendations

1. Maintain a System of Seventeen (17) WorkSource Centers

Based on the demand for services at the WorkSource Center sites and on comments received during the thirty (30) day public comment period, the Department recommends continued funding of all 18 WorkSource Centers operators, albeit with a redefined role for the Housing Authority, operator of the Lafayette Park Center. The WorkSource Center funding recommendations contained herein set-aside 8% of each contractor’s allocation for participant training and supportive services with a required 4% match of non-WIA leveraged resources. Also included is a modest incentive award of \$50,000 each to the Chatsworth and Hollywood WorkSource Centers in recognition of their four-star performance. To address the issue of diminishing resources, the Department will pursue a reduction in facility costs over the program year, further promote the leveraging of resources and implement the revised Certification Policy that more clearly defines successful performance in the operation of WorkSource Center (see tab 7-Policies).

Plan Overview

2. Redefine Relationship with Housing Authority

The recommendations contained herein discontinue funding of the Lafayette Park WSC operated by the Housing Authority of the City of Los Angeles (HACLA). The original intent of contracting with HACLA was to provide services to residents in conventional housing developments throughout the City, not to maintain one physical location. However, the subsequent certification process mandated each contractor maintain at least one facility to be identified as the one-stop.

The Lafayette Park WSC is located in close proximity to two full-service, higher performing WorkSource Centers. As such it is not necessary to maintain a WSC at this location. However, recognizing the important role that HACLA plays in the outreach to residents of conventional housing developments throughout the City, \$484,000 has been set-aside for HACLA for services to this population at the housing development sites.

3. Center Facilities

To further reduce infrastructure costs, the WIA share of leased facility space will be capped at 12,000 square feet per WSC. The objective is to reduce, to the extent possible, floor space not essential to the core resource center, office and support operations of a WSC. Centers can maintain additional square footage; however, this expense will not be covered by WIA funds. In consideration of existing lease agreements, full implementation of this requirement is proposed for Program Year 2007-08.

Additionally, the Los Angeles Urban League has proposed relocation of their WorkSource Center to their corporate office. If the State approves expenses related to this move, the system could net annual savings of \$400,000 in infrastructure costs.

4. Special Conditions

To address the issue of low/substandard performance the department proposes to include special conditions in the agreements of the six WorkSource Center operators identified as such. Those special conditions will require operators to present business plans that address the issues identified as being deficient in the performance review. Department staff will monitor to these special conditions and report back to the WIB, City Council and Mayor on the status thereof. Special conditions are not, however, to be imposed until such time that an evaluation and peer review of the methodology and process used to evaluate the WorkSource Centers is completed.